

## **IT'S TIME TO PAY**

What is accounting? Accounting is a profession that consists of compiling, analyzing, verifying, and preparing financial records accurately and honestly. It is one of the oldest occupations of all time, dating back to Babylonian times (about 3,600 B.C.). Accounting carried over into Greek and Roman times, and it is still used today. As business became complex, accounting procedures expanded. The economy began growing, and that gave some people the idea that they must steal to gain money. Criminals could even be found in the accounting and auditing professions, because some accountants steal money. The authorities in those civilizations tried to derail fraud and corruption in the accounting field. So, the accountants and auditors, of our time, who pilfer money, are not doing anything new. Modern accounting, developed in the 15th and 16th centuries, started out as simple double-entry bookkeeping. Accounting techniques have grown considerably since that time. In America, accounting began in 1880, and the two biggest contributions to the field have been the income tax (1913) and the excess profits tax (1917). Every year, some troublemakers think they can cheat the government on their

income tax forms. The forms of troublemakers create nothing but waste for the Internal Revenue Service (IRS), and this waste costs truckloads of money. Too much fraud, waste, and delinquency goes on in accounting, auditing, and tax-paying.

Evidence of fraud and waste is not very difficult to isolate, because much of the waste that occurs is legal. First of all, the possibility of fraud within the accounting/auditing community is very real. Three careers exist where fraud would be most likely to occur in. Tax accountants, who specialize in preparing tax returns, could change a few numbers around to help out their clients. Now, auditors are the ones responsible for accuracy of accounting records. What would happen if they just happened to be inaccurate a few times to benefit themselves? Finally, revenue agents peruse tax returns, and they conduct investigations based on those returns. What if a company hired a revenue agent to examine their taxes, and he conducts the wrong investigation to benefit the company? These activities are all highly illegal, and they could get people some serious time in prison. What would be more likely to happen is simple, but illegal fraud. For example, accountant Peggy Woods pointed out that a company vehicle might be used for other ventures besides business. If these other ventures are not recorded in the accounting books, they can prove to be illegal.

Much of the waste that goes on in accounting, auditing, and tax-paying is legal. Congress has been known to appropriate more money for the Internal Revenue Service when the IRS needs it. One example is of a program that the IRS began to regain some \$200 billion in delinquent tax money. The problem with this program is that the money the IRS is trying to collect may be from ten-year-old reports. These ten-year-old reports would

render the program useless. Congress, however, still believes in the program of tax-collecting, because it passed a bill doubling the budget for the program to \$26 million. Tax money is being used to collect tax money. Isn't that just a little wasteful and frustrating to see the government throwing money around that belongs to the people? Another example of the wasteful spending on the IRS is the \$4 billion computer modernization program. The \$4 billion was not helping much, so Congress did what they thought solves all problems: they gave the IRS another \$425 million for their computer program.

Finally, evidence of how the IRS responds to delinquent tax-paying is astounding. To combat those people who spend more than their income, the IRS designed a new program called "economic reality." It was meant to examine spending habits not shown on tax forms. This program turned out to be nothing more than another failure on the part of the IRS. The IRS used this program to pick on a couple, whom they thought were illegally buying meals, vacations, and cars. It turned out that this couple wasn't delinquent in taxes or cheating in taxes. The couple just liked to spend a lot of money, using credit cards without a taxable income. The couple was totally innocent, but that doesn't matter, because the IRS is very bullheaded. It took an extra \$1000 in accounting costs to show their innocence to the IRS. Congress did step in to stop the IRS from bothering innocent people about their lifestyles and spending habits. The stubborn IRS protects its privilege to use the economic reality program. The IRS did finally comply, and it decided to focus on chasing down people "hiding income: entrepreneurs in cash businesses with sloppy records and big bank accounts." (1) This program is just another example of how the IRS wastes the people's money on arbitrary issues.

Some ground rules need to be established to stop fraud, waste, and delinquency. Many solutions are in order that are not difficult to decipher, because they are totally built upon common sense. First, the potentially corrupt accounting careers need to be watched over constantly. A watchdog group must be created, and their responsibility would be to constantly police all the actions of tax accountants, auditors, and revenue agents. Another way to keep these accountants in check would be stiffer penalties. Not only should their certification as accountants be stripped from them; but they must also face extremely long terms in prison with no parole.

The second problem involves giving the IRS all the money it wants, but that they don't really need. If the IRS needs money for programs or their computer systems, then that is alright by Congress. The money that Congress shells out for IRS is no sweat off their brow, because the money comes from the people. Congress takes the people's money; gives it to IRS; and IRS uses that money to design better systems, which they will use to take even more money out of the people. Then, the system that IRS has set up will fall apart, creating a waste of money. It seems pretty ridiculous to give all that money to the IRS when they always use it ineffectively. What needs to be done is for the IRS agents to actually do their jobs by collecting delinquent tax money. An incentive program should be developed for the agent who brings in the most delinquent tax money.

The third and final solution to delinquent tax-paying is a reality check for the IRS. They are so concerned with their foolish "economic reality" program that they forget the people who really need checked out through economic reality. Those people are the ones who are seriously stealing big bucks from the government. What the government needs

to do to collect unpaid taxes is to force slow tax-payers to work to pay their taxes. If people refuse to work, then they should be thrown in prison until they comply to pay their taxes.

It's about time to crack down on fraud, waste, and delinquency in accounting, auditing, and tax-paying. It may be a nearly impossible task to do so, because ever since accounting started way back in 3,600 B.C., there have been people who want to steal the money. Of course, it isn't totally impossible if the IRS would just do its job instead of worrying about how much allowance money Congress is giving them. These ideas wouldn't cost much money. All they would take is effective leadership and devotion to uproot corruption. No one likes to have their wallet stolen or any other money stolen from them. So, why should accountants and auditors be allowed to steal money? It should be no wonder why some people protest paying taxes these days, when much of those taxes go to waste on ludicrous schemes and programs. Nowadays, the government is using tax money to figure out ways to get more taxes out of the people. A constitutional amendment should be passed to eliminate all new programs of the IRS. If those guys in the IRS were out in the real world working, and not in those nice cushy government jobs, they would not waste money and time like they do. What business would be a success if it were run the way government is ran? No business would be successful, so why not make government a business, so it is much more effective? It's time for change; and it is time for defrauders to pay.