

6/9/2022

Dear IRS,

Note that in 2018 I, Scott McGann engaged in trading of cryptocurrency via the APIs (application programming interfaces) provided by Coinbase Inc. (coinbase.com), for which I made NO CAPITAL GAINS. I actually lost a small amount. This software-based approach to trading aims at capitalizing on the micro-fluctuations of exchange rates, resulting in hundreds or thousands of transactions daily. For every micro-transaction, Coinbase potentially collects fees. This type of trading is completely automated and recordkeeping can only realistically be accomplished by a computer. In this case, the recordkeeping computer is behind Coinbase' firewall and I cannot attest to the veracity of its reports.

For these last several years, the IRS has been pestering me about what they claim was a failure to report the details of these transactions, like they were ordinary stock purchases or something that can be tracked manually.

In summary...

- 1) I made no money from crypto in 2018
- 2) The only existing reports were already sent (by Coinbase) to the IRS
- 3) I cannot send the IRS this (same) report because I cannot vouch for its accuracy, being that THEIR systems track activity on their platforms

Warmest Regards,

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