

IN THE UNITED STATES DISTRICT COURT FOR THE

2003. The grand jury investigation is currently pending. No indictments or criminal charges have yet been issued.

The two civil Complaints were consolidated for trial on February 19, 2004. Plaintiff Labor Resources, L.L.C. dismissed its Complaint prior to commencement of trial on May 3, 2005.

On May 3rd, and May 4th, 200and jury

those individuals during the years 1996 through 2000.

3. The administrative criminal investigation was terminated in favor of a grand jury

¹In response to additional questions by counsel, Kirby testified that Jackson stated that “Turley was running a scam” and “

in attendance (Exhibit P12

- b. Jackson volunteered that Snider had been investigated before (Tr. Vol. I, 39:9-11).
- c. Jackson

independent contractors” (Tr. Vol. II, 364:16 - 365:1).

29. From Mr. Tilling’s testimony, the Court does not find any Section 6103 disclosures as to Snider or Turley.

271:21;

37. From Mr. Fry's testimony, the Court finds 4 Section 6103 disclosures as to Turley and 1 Section 6103 disclosure as to Snider.

Herb Baker

38. Jackson interviewed Reverend Herb Baker on November 2, 2001. I

120:17-21). The Court finds 1 Section 6103 disclosure as to Snider based upon Mr. Hofstetter's testimony.

The Gennettens

42. Jackson interviewed Nina Gennetten and Gene Gennetten sometime during 2003, and after the Complaints of Snider and Turley had been filed (Tr. Vol. I, 89:4-10, 112:14-16). There was also another IRS agent in attendance, but the record does not reflect that agent's name. During that interview, Jackson affirmatively stated to Mr. and Mrs. Gennetten that he was conducting a grand jRec

From Mr. Gennetten's testimony, the Court finds 5 Section 6103 disclosures as to Snider.

Mike Parker

44. Mike Parker was interviewed by two IRS agents, however, the record does not reflect their

names. ~~IR (001110) (11/13/2010) (06:00:00) (1/13/00) (3:00) (00) (Parker) (04~~

Ex. 13) for his use. The Internal Revenue Manual (Chapter 9) is also available to him as an

Statutory Damages

69. The Court finds that Plaintiffs have sub

NSS had breached its contract by supplying undocumented workers.

76. At trial, Snider also claimed damages for the loss of business from other customers, including various Marriott hotels. Snider subsequently conceded these claims during the trial.

77. The Holiday

society, even without actual conviction, the suggestion of criminal activity can transform and devastate an individual's life[.]”

Jackson repeatedly volunteered to his interview subjects that Snider, Turley, and NSS were being investigated for criminal activity. In some cases, he went further and stated that Snider, Turley, and NSS had engaged in numerous criminal activities.

Defendant contends principally that (1) Jackson did not make the disclosures of taxpayer return information, (2) that the third-party witnesses inferred matters from the line of questions asked of the witnesses; or (3) that Jackson's disclosures were within the limits of recognized exceptions, notably Section 6103(k)(6) or Section 7431(b).

The Court must view these competing positions in the light of the trial testimony. This case is uniquely a matter of witness credibility.

At trial, plaintiffs produced 20 disclosure fact witnesses. Their collective testimonies were remarkably consistent in describing repeated, virtually identical, unnecessary disclosures, and

Defendant's statement to Mr. Resnick that he had pressed charges

amount to be collected or with respect to the enforcement of any other

Jackson simply says he did not make the alleged disclosures. If he did not make such disclosures, he could not have made a determination that he needed to make the disclosures to o

name

information or disclosures that were the result of gross negligence.

Barrett v. U.S., 100 F.3d 35 (5th Cir. 1997) has defined willful as, “that which was done without ground

The Court has determined that the following factors weigh

brought under 26 U.S.C. § 7431 is entitled to recover reasonable litigation costs which includes reasonable attorney's fees).

Accordingly, it is hereby

ORDERED that based upon the foregoing findings of fact and conclusions of law:

Plaintiff Turley is entitled to a judgment in her favor and against Defendant in the amount of \$29,000.00 in statutory damages and \$58,000.00 for punitive damages. It is further

ORDERED that plaintiff Snider is entitled