



**November 2, 2010**

## Tax News

### Nephew of Chicago Mayor Failed to Pay Taxes, say IRS

The nephew of the Mayor of Chicago, Robert Vanecko and his wife failed to pay income and property tax to the government, according to IRS investigations. According to the IRS, Vanecko, nephew of Mayor Richard Daley, had over \$157,000 in unpaid taxes in 2008. This was reported by the Chicago Sun-Times.

As a result, the IRS filed a tax lien on the Vanecko summer home in Grand Beach, Michigan. However, the couple paid off the lien by its original deadline, August 30.

Vanecko and his cousin, Patrick Daley the son of Mayor Richard were under federal investigation over a sewer-inspection company that obtained an estimated \$4 million, no-bid contract through Mayor Daley. In addition, in 2004, Vanecko also started a real estate investment company but its financial reports have shown mostly financial losses thus far.

In 2007, Mayor Daley himself has had his own encounters with the IRS when the agency launched an investigation into his use of luxury jet trips funded by non-profit sources.

## IRS and the Tax Tales Videos

Do you know about the IRS online video series called, “Tax Tales”? The series of online videos, originally screened last summer (complete with horror movie music) is about various technical issues in the Earned Income Tax Credit (EITC). These issues have repeatedly posed problems to taxpayers because people tend to make errors in various aspects of this tax provision. The video series is also known as “EITC Due Diligence Videos”. The aim of the videos is to support the IRS online due diligence training module for the EITC.

The first video in the series is entitled, “The Case of the Topsy, Turvy Grandma”. This video shows the grandma, Alice Jackson with her adjusted gross income and explains the AGI tie breaker rule. It applies the rule to the situation of the topsy, turvy grandma to determine if she is eligible for the EITC.

However, the technical aspect of the videos left much to be desired. The video kept stopping and starting as though having bandwidth issues due to overwhelming demand. Other videos in the series were not spared either. They include, “The Case of the Missing Ledger”, “The Case of the Unclear Aunt” and “The Case of the Unexpected Double”. In each of the videos, the hero is a character called The Preparer who investigates each case to determine if the person involved qualifies for the EITC and if their records would satisfy the IRS.

This is a novel move by the IRS to both entertain and inform online visitors to their site especially those who missed out on the tax forums in the summer.