IN THE UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	
	)	CRIMINAL NO. 1:12-CR-434
v.	)	
	)	HON. LEONIE M. BRINKEMA
SOOKYEONG KIM SEBOLD	)	
a/k/a SOPHIA KIM	)	
	)	
Defendant.	)	

GOVERNMENT'S OPPOSITION TO DEFENDANT'S
MOTION FOR JUDGMENT OF ACQUITTAL PURSUANT TO RULE 29

The United States of America, by and through its undersigned counsel, respectfully opposes the defendant's motion for judgment of acquittal pursuant to Rule 29 of the Federal Rules of Criminal Procedure. The testimonial and documentary evidence admitted during the government's case-in-chief, taken in the light most favorable to the government, is more than sufficient for a reasonable jury to convict the defendant on each of the two counts contained in the Superseding Indictment. *See* Dkt. Entry No. 22 This opposition will address the defendant's arguments *seriatim*.[1]

DISCUSSION

Rule 29(a) of the Federal Rules of Criminal Procedure provides:

> After the government closes its evidence or after the close of all the evidence, the court on the defendant's motion must enter a judgment of acquittal of any offense for which the evidence is insufficient to sustain a conviction. The court may on its own consider whether the evidence is insufficient to sustain a conviction. If the court

[1] This opposition will address arguments made in the Defendant's Trial Memorandum (*See* Dkt. 39) and Memorandum of Additional Authorities (*See* Dkt. 69).

> denies a motion for a judgment of acquittal at the close of the government's evidence, the defendant may offer evidence without having reserved the right to do so.

Fed. R. Crim P. 29(a). A Rule 29 motion should be denied if, "viewing the evidence in the light most favorable to the government, any rational trier of facts could have found the defendant guilty beyond a reasonable doubt." *United States v. Tresvant*, 677 F.2d 1018, 1021 (4th Cir. 1982); *see also Jackson v. Virginia*, 443 U.S. 307, 319 (1979); *United States v. Perkins*, 470 F.3d 150, 160 (4th Cir. 2006); *United States v. Uzenski*, 434 F.3d 690, 700 (4th Cir. 2006); *United States v. Lentz*, 383 F.3d 191, 199 (4th Cir. 2004); *United States v. Wilson*, 115 F.3d 1185, 1191 (4th Cir. 1997); *United States v. Burgos*, 94 F.3d 849, 862 (4th Cir. 1996) (en banc). This analysis involves consideration of circumstantial as well as direct evidence, and it allows the government the benefit of all reasonable inferences from the facts proven to those sought to be established. *Tresvant*, 677 F.2d at 1021. The law is also clear that the evidence need not exclude every reasonable hypothesis of innocence, and that circumstantial evidence alone is sufficient to support a guilty verdict. *See United States v. Osborne*, 514 F.3d 377, 387 (4th Cir. 2008); *Burgos*, 94 F.3d at 858.

Indeed, the Fourth Circuit has found the uncorroborated testimony of a single witness, even where the witness was an informant or accomplice, to be sufficient. *See, e.g., Wilson*, 115 F.3d at 1189-90; *United States v. Manbeck*, 744 F.2d 360, 392 (4th Cir. 1984); *United States v. Arrington*, 719 F.2d 701, 705 (4th Cir. 1983). Finally, in conducting its review, a court does not assess the credibility of witnesses, weigh the evidence, or resolve any conflicts in the evidence presented; these are inquiries properly reserved for the jury. *See Burks v. United States*, 437 U.S.

1, 16 (1978); *Uzenski*, 434 F.3d at 700; *United States v. Alerre*, 430 F.3d 681, 693 (4th Cir. 2005); *Lentz*, 383 F.3d at 199; *Arrington*, 719 F.2d at 704; *Burgos*, 94 F.3d at 862-63.

THE GOVERNMENT'S EVIDENCE HAS ESTABLISHED THAT THE DEFENDANT ACTED WILLFULLY

Willfulness has been defined by the courts as a "voluntary, intentional violation of a known legal duty." *Cheek v. United States*, 498 U.S. 192, 200-01 (1991). Willfulness is rarely subject to direct proof and must generally be inferred from the defendant's acts or conduct. *See United States v. Bishop*, 264 F.3d 535, 545-46, 550-52 (5th Cir. 2001); *United States v. Guidry*, 199 F.3d 1150, 1156-1158 (10th Cir. 1999); *United States v. Kim*, 884 F.2d 189, 192 (5th Cir. 1989); *United States v. Collorafi*, 876 F.2d 303, 305-06 (2d Cir. 1989). Once the evidence establishes that a tax evasion motive played any role in a taxpayer's conduct, willfulness can be inferred from that conduct, even if the conduct also served another purpose, such as concealment of another crime or concealment of assets from, for example, one's spouse, employer or creditors. *See Spies v. United States*, 317 U.S. 492, 499 (1943); *United States v. Guidry*, 199 F.3d 1150, 1157 (10th Cir. 1999); *United States v. DeTar*, 832 F.2d 1110, 1114 n.3 (9th Cir. 1987).

In *Guidry*, the Tenth Circuit explained that the same principles that govern proving willfulness in an evasion case apply to proving willfulness in the context of § 7206(1):

> While it is well established willfulness cannot be inferred solely from an understatement of income, willfulness can be inferred from:
>
> > making false entries of alterations, or false invoices or documents, destruction of books or records, concealment of assets or covering up sources of income, handling of one's affairs to avoid making the records usual in transactions of the kind, and any conduct, the likely effect of which would be to mislead or to conceal.

199 F.3d at 1157 (*quoting Spies v. United States*, 317 U.S. 492, 499 (1943); *citing United States*

v. Samara, 643 F.2d 701, 704 (10th Cir. 1981). Moreover, the government may rely solely on circumstantial evidence to prove willfulness. *See, e.g., United States v. Tucker*, 133 F.3d 1208, 1218-19 (9th Cir. 1998) (false returns); *United States v. Klausner*, 80 F.3d 55, 63 (2d. Cir. 1996) (evasion).

A. Testimony of IRS Special Agent Linda Porter

The testimony of IRS Special Agent Linda Porter, alone, established that the defendant acted willfully with regard to the crimes charged.[2] The timing of the interview is important. SA Porter interviewed the defendant in August 2006, more than four years prior to the defendant filing her false 2005 income tax return in 2010. Thus, when the defendant filed her 2005 false income tax return, she had already concealed her embezzlement of KCFF money from SA Porter, proving that the defendant had the intent to hide her embezzled proceeds from the IRS, prior to her filing of the 2005 return. In August 2006, SA Porter told the defendant that she was under "criminal investigation" for the tax years 2002 through 2004. SA Porter had learned that the defendant had transferred nearly $500,000 from KCFF into her personal account. When confronted, the defendant lied, stating that the only monies she had taken from KCFF were limited to her salary. Moreover, the defendant lied again when asked about the source of the funds she used to day trade with stocks - the money taken from KCFF - telling SA Porter that the funds came from "friends and family members." It is well established that the making of false statements to law enforcement agents is an accepted manner of proving willful conduct. *United*

[2] The defendant tries to make much out of the fact that no one with specialized tax knowledge advised the defendant that embezzled funds had to be reported as income. Dkt. 39, p. 7. But, the defendant has it reversed. While the example may involve convincing evidence of willfulness, it certainly is not what is required under the law.

States v. Bishop, 264 F.3d 535, 550 (5th Cir. 2001).[3]

Further, SA Porter testified that the defendant "prepared the returns by looking at the 1040 with the instructions and figuring out how to calculate the tax." This is significant. We expect Revenue Agent Maroulis to testify that by following the instructions (as the defendant told SA Porter she did) to their natural conclusion, the defendant would have learned that the proceeds of criminal conduct were required to be reported on her 2005 income tax return. *See* attached selected portions of IRS Publication 525 (Taxable and Nontaxable Income), referenced in the instructions to Form 1040.[4] Publication 525 provides in pertinent part: "**Illegal Income**. Illegal income, such as money from dealing illegal drugs, must be included in your income on Form 1040 . . ." *Id.*

B. CPA Joseph Wheeler

The testimony of CPA Joseph Wheeler also provided compelling evidence of the defendant's willfulness. The defendant hired Wheeler to prepare the 2001 and 2002 income tax returns (Forms 990) for KCFF. As part of that process, Wheeler requested all relevant financial information from Defendant Kim, to include investments. The Defendant provided no such

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[3] *See also, United States v. Chesson*, 933 F.2d 298, 304 (5th Cir. 1991); *United States v. Frederickson*, 846 F.2d 517, 520-21 (8th Cir. 1988) (taxpayer falsely stated that she did not receive income from other employees who worked in her massage parlor and that she deposited most of her income into the bank); *United States v. Walsh*, 627 F.2d 88, 91-92 (7th Cir. 1980); *United States v. Thompson*, 518 F.3d 832, 852-53 (10th Cir. 2008) (presenting "false, backdated loan document to the IRS"); *United States v. Callanan*, 450 F.2d 145, 150 (4th Cir. 1971); *United States v. Jett*, 352 F.2d 179, 182 (6th Cir. 1965); *see also United States v. Klausner*, 80 F.3d 55, 63 (2d Cir. 1996); *United States v. Pistante*, 453 F.2d 412, 413 (9th Cir. 1971); *United States v. Adonis,* 221 F.2d 717, 719-20 (3d Cir. 1955).

[4] http://www.irs.gov/pub/irs-prior/p525--2005.pdf

records despite the fact that her day trading with KCFF money had already commenced in 2002. This is also significant because, by 2004, the defendant's embezzlement scheme had kicked into high gear. Providing an accountant or return preparer with inaccurate and incomplete information is an accepted manner of proving willfulness. *United States v. Bishop*, 264 F.3d 535, 552 (5th Cir. 2001); *United States v. Samara*, 643 F.2d 701, 703 (10th Cir. 1981) (taxpayer kept receipt book for cash received but did not give the firm that prepared his returns any cash receipt books, thus concealing cash receipts).[5] Further, KCFF's claiming of the losses from the Nigerian 419 scheme on its returns should have provided some notice to the defendant that if one could claim the losses of criminal conduct, one would also have to report the gains of criminal conduct as well.

Wheeler further testified that, although the defendant had no specialized tax education, she did have knowledge of the double book entry system, not a simple process. Wheeler further stated that to operate the quick books software, the defendant needed to have knowledge of what fell into the categories of income, expenses, and deductions. The defendant was the bookkeeper and treasurer of KCFF for more than a decade. Additionally, the defendant took and passed the test required to become a licensed stock broker. The defendant further self-prepared her

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[5] *See also United States v. Guidry*, 199 F.3d 1150, 1157 (10th Cir.1999); *United States v. Brimberry*, 961 F.2d 1286, 1290 (7th Cir. 1992); *United States v. O'Keefe*, 825 F.2d 314, 318 (11th Cir. 1987); *United States v. Garavaglia*, 566 F.2d 1056, 1057-60 (6th Cir. 1977) ("taxpayer who relies on others to keep his records and prepare his tax returns may not withhold information from those persons relative to taxable events and then escape responsibility for the false tax returns which result"); *United States v. Chesson*, 933 F.2d 298, 305 (5th Cir. 1991); *United States v. Michaud*, 860 F.2d 495, 500 (1st Cir. 1988); *United States v. Ashfield*, 735 F.2d 101, 107 (3d Cir. 1984); *United States v. Conforte*, 624 F.2d 869, 876-77 (9th Cir. 1980); *United States v. Scher*, 476 F.2d 319, 323-24 (7th Cir. 1973).

bankruptcy petition in 2005. The evidence shows that the defendant is not the unsophisticated person presented by the defense.

C. Expected Testimony of IRS SA Anthony Cook

IRS SA Cook was present for a substantial portion of the defendant's June 2011 interview with the IRS. It is expected that SA Cook will detail numerous statements of the defendant in which she acknowledged responsibility for her tax crimes.

D. Significant Documents Also Tell the Story of Defendant Kim's Willfulness

1. Defendant Kim's 2005 (Form 1040) Federal Income Tax Return

In addition to the convincing testimony of witnesses called at the trial, the documents admitted into evidence also shine a bright light on the defendant's willfulness. Of greatest significance is the defendant's own 2005 (Form 1040) federal income tax return. GEX. 8-7. No other document in this case so clearly demonstrates that the defendant acted willfully. Attached to the 2005 return is a Form Schedule D, entitled "Capital Gains and Losses." On that form, which references both "gains" and "losses," the defendant claimed $262,091 in losses for her stock trades, the purchase of which was fully funded by the money Defendant Kim took from the KCFF bank accounts. Taken in the light most favorable to the government, this single piece of evidence shows that the defendant acted willfully when, on the same return, she entered "$0" for her total income on line 22 .

2. 2005 Bankruptcy Petition

The petition, like her tax returns, was self-prepared by the defendant. GEX 33-1. In this case, the defendant also had a known legal duty to abstain from transferring assets during the pendency of the Bankruptcy Petition. GEX 33-2. The Court Order, dated March 14, 2005,

provided: "You shall not sell, transfer, remove, destroy, mutilate or conceal any of your property." *Id*. The defendant quite clearly defied this order. It was during this time frame that the defendant was withdrawing huge sums of money from KCFF's bank accounts for her gambling and day trading activities. Her concealment of her activities from the bankruptcy court can be fairly inferred to mean that she did not want any governmental authority to learn about her embezzlement of money from KCFF, including the IRS.

3. W2G Forms Filed by Casinos

The record is replete with notices from the casinos that issued W2G Forms to the defendant. See the testimony of Mr. Pangoras and GEXs 26-2, 26-5, and 26-6. *See also* GEX 8-1 (Line 21, 2002 Form 1040). These forms, all filed prior to the filing of the defendant's 2005 federal return, put the defendant on notice that the money she gambled with at casinos was income to her and required to be disclosed on her income tax returns.

4. Defendant Kim's December 2005 Letter

The testimony of Ms. Anne Inoue also shed some light on a letter that the defendant wrote to Ms. Inoue and Moon. GEX 1-1. In th letter, the defendant discusses, of all things, how to cheat the IRS. She wrote:

> The sooner the fund goes to the new foundation instead of KCFF, it will be much easier to negotiate with the IRS down the future. ***After all, IRS can't do whole lot with inactive/closed foundation.*** I'll see what happens and will wrap up as much as possible. I'll do my best to handle that.

GEX 1-1. (Emphasis added). These are not the words of someone naive to the mission of the Internal Revenue Service. In the light most favorable to the government, Defendant Kim's words in this letter should infer, that she acted willfully when she took money from KCFF.

5. The Defendant's Use of Nominee Financial Accounts

Defendant Kim maintained financial accounts in the name of companies (Whole Life and Select Access) and maintained signature authority on each of the accounts. There is evidence that the defendant did this to be able to withdraw more funds while gambling, but also to add a level of concealment to her activities. The use of nominees or placing property or a business in the name of another is an accepted method of proving willfulness. *United States v. Bishop*, 264 F.3d 535, 550 (5th Cir. 2001); *United States v. Daniel*, 956 F.2d 540, 542-43 (6th Cir. 1992); *United States v. Peterson*, 338 F.2d 595, 597 (7th Cir. 1964); *United States v. Woodner*, 317 F.2d 649, 650-51 (2d Cir. 1963).

E. United States v. Middlemiss Should be Distinguished from Key Facts in this Case

In her supplemental memorandum, the defendant relies on United States v. Middlemiss, 1977 WL 1129 (D. NH 1977), a bench trial, that is not applicable here and the facts can be distinguished.. See Dkt. 69, p.1. In fact, a review of the decision supports the government's position that the defendant acted willfully in this case. In *Middlemiss*, the court held that the government failed to sustain its burden on the willfulness element of a 7206(1) prosecution. The district court's conclusion in that case was based on the defendant's testimony that she had never prepared her own tax returns, she had never read the instructions for filing IRS Forms 1040, and her attorney had advised her not to report embezzled funds on her tax return because he was not certain that they were taxable. *Id.*

In this case, the testimony of SA Porter established that the defendant did prepare her own tax returns after reading the Form 1040 instructions. There is no evidence that anyone told Defendant Kim that embezzled funds were not income or that they were not certain whether

embezzled income was reportable. Instead, by looking at the Form 1040 instructions and the accompanying Publication 525, making all inferences in favor of the government, it is fair to conclude that defendant Kim specifically determined that illegal funds are income required to be reported on the return.

F. It is not Necessary for the Government to Prove a Separate Crime of Embezzlement

In her Trial Memorandum, Defendant Kim incorrectly asserts that the government must prove that the defendant embezzled funds from her employer, as a "threshold offense" "before it can establish the charged tax offenses." Dkt. 39, p.1. No such requirement exists for the government as a matter of law. The government simply has to prove the elements of the two counts contained in the indictment: the filing of a false return and tax evasion. How the defendant came into personal possession of the money leading her to exercise dominion and control over it (whether by embezzlement or conversion to her personal use - both alleged in par. 4 of the superseding indictment - or by authorized payment in return for employment), is not a required element of either of the two counts contained in the superseding indictment. What is required for the government to prove is that Defendant Kim willfully filed a false tax return which failed to report the money (or willfully sought to evade the assessment of taxes on the money), that the evidence will show she exercised personal dominion and control over. Even if it were determined that the superseding indictment did not allege alternative means by which the defendant came into dominion and control of the money, which the government would strongly contest, such a distinction would amount to a harmless variance. Fed. R. Crim. P. 52 ("Any error, defect, irregularity, or variance that does not affect substantial rights must be

disregarded."); *United States v. Randall*, 171 F.3d 195, 203 (4th Cir. 1999)("When different evidence is presented at trial but the evidence does not alter the crime charged in the indictment, a mere variance occurs. . . . A mere variance does not violate a defendant's constitutional rights unless it prejudices the defendant either by surprising him at trial and hindering the preparation of his defense, or by exposing him to the danger of a second prosecution for the same offense."); *United States v. Lentz*, 524 F.3d 501, 515-16 (4th Cir. 2008)(indictment charged that defendant induced wife to travel from Virginia to Maryland to commit murder, while jury was allowed to find that victim may have entered Maryland from the District of Columbia).

CONCLUSION

WHEREFORE, the government respectfully requests that the Court deny the defendant's motion for judgment of acquittal pursuant to Rule 29 of the Federal Rules of Criminal Procedure.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on the13th day of December, 2012, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send a notification of such filing (NEF) to the following:

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What's New

Hurricane Katrina relief provisions.

CAUTION *At the time this publication went to print, Congress was considering legislation that would provide additional tax relief for individuals affected by Hurricanes Katrina, Rita, and Wilma. For more details, and to find out if this legislation was enacted, see Publication 4492.*

The Katrina Emergency Tax Relief Act of 2005 provides tax relief for persons affected by Hurricane Katrina. Some of the provisions are covered in this publication. For information on other provisions, see Publication 4492.

individuals. A state must determine that the additional compensation is needed, and the care for which the payments are made must be provided in your home.

You must include in your income difficulty-of-care payments received for more than:

- 10 qualified foster individuals under age 19, or
- 5 qualified foster individuals age 19 or older.

Maintaining space in home. If you are paid to maintain space in your home for emergency foster care, you must include the payment in your income.

Reporting taxable payments. If you receive payments that you must include in your income, you are in business as a foster-care provider and you are self-employed. Report the payments on Schedule C or Schedule C-EZ (Form 1040). See Publication 587, Business Use of Your Home (Including Use by Daycare Providers), to help you determine the amount you can deduct for the use of your home.

Found property. If you find and keep property that does not belong to you that has been lost or abandoned (treasure-trove), it is taxable to you at its fair market value in the first year it is your undisputed possession.

Free tour. If you received a free tour from a travel agency for organizing a group of tourists, you must include its value in your income. Report the fair market value of the tour on Form 1040, line 21, if you are not in the trade or business of organizing tours. You cannot deduct your expenses in serving as the voluntary leader of the group at the group's request. If you organize tours as a trade or business, report the tour's value on Schedule C or Schedule C-EZ (Form 1040).

Gambling winnings. You must include your gambling winnings in your income on Form 1040, line 21. If you itemize your deductions on Schedule A (Form 1040), you can deduct gambling losses you had during the year, but only up to the amount of your winnings.

Lotteries and raffles. Winnings from lotteries and raffles are gambling winnings. In addition to cash winnings, you must include in your income the fair market value of bonds, cars, houses, and other noncash prizes. However, the difference between the fair market value and the cost of an oil and gas lease obtained from the government through a lottery is not includible in income.

Installment payments. Generally, if you win a state lottery prize payable in installments, you must include in your gross income the annual payments and any amounts you receive designated as interest on the unpaid installments. If you sell future lottery payments for a lump sum, you must report the amount you receive from the sale as ordinary income (Form 1040, line 21) in the year you receive it.

Form W-2G. You may have received a Form W-2G, Certain Gambling Winnings, showing the amount of your gambling winnings and any tax taken out of them. Include the amount from box 1 on Form 1040, line 21. Include the amount shown in box 2 on Form 1040, line 64, as federal income tax withheld.

Gifts and inheritances. Generally, property you receive as a gift, bequest, or inheritance is not included in your income. However, if property you receive this way later produces income such as interest, dividends, or rents, that income is taxable to you. If property is given to a trust and the income from it is paid, credited, or distributed to you, that income is also taxable to you. If the gift, bequest, or inheritance is the income from the property, that income is taxable to you.

Inherited pension or IRA. If you inherited a pension or an individual retirement arrangement (IRA), you may have to include part of the inherited amount in your income. See *Survivors and Beneficiaries* in Publication 575, if you inherited a pension. See *What If You Inherit an IRA* in Publication 590, if you inherited an IRA.

Expected inheritance. If you sell an interest in an expected inheritance from a living person, include the entire amount you receive in gross income on Form 1040, line 21.

Bequest for services. If you receive cash or other property as a bequest for services you performed while the decedent was alive, the value is taxable compensation.

Historic preservation grants. Do not include in your income any payment you receive under the National Historic Preservation Act to preserve a historically significant property.

Hobby losses. Losses from a hobby are not deductible from other income. A hobby is an activity from which you do not expect to make a profit. See *Activity not for profit,* earlier under *Other Income.*

CAUTION *If you collect stamps, coins, or other items as a hobby for recreation and pleasure, and you sell any of the items, your gain is taxable as a capital gain. However, if you sell items from your collection at a loss, you cannot deduct the loss.*

Holocaust victims restitution. Restitution payments you receive as a Holocaust victim (or the heir of a Holocaust victim) and interest earned on the payments, including interest earned on amounts held in certain escrow accounts or funds, are not taxable. You also do not include them in any computations in which you would ordinarily add excludable income to your adjusted gross income, such as the computation to determine the taxable part of social security benefits. If the payments are made in property, your basis in the property is its fair market value when you receive it.

Excludable restitution payments are payments or distributions made by any country or any other entity because of persecution of an individual on the basis of race, religion, physical or mental disability, or sexual orientation by Nazi Germany, any other Axis regime, or any other Nazi-controlled or Nazi-allied country, whether the payments are made under a law or as a result of a legal action. They include compensation or reparation for property losses resulting from Nazi persecution, including proceeds under insurance policies issued before and during World War II by European insurance companies.

Illegal income. Illegal income, such as money from dealing illegal drugs, must be included in your income on Form 1040, line 21, or on Schedule C or Schedule C-EZ (Form 1040) if from your self-employment activity.

Indian fishing rights. If you are a member of a qualified Indian tribe that has fishing rights secured by treaty, executive order, or an Act of Congress as of March 17, 1988, do not include in your income amounts you receive from activities related to those fishing rights. The income is not subject to income tax, self-employment tax, or employment taxes.

Interest on frozen deposits. In general, you exclude from your income the amount of interest earned on a frozen deposit. A deposit is frozen if, at the end of the calendar year, you cannot withdraw any part of the deposit because:

- The financial institution is bankrupt or insolvent, or
- The state where the institution is located has placed limits on withdrawals because other financial institutions in the state are bankrupt or insolvent.

Excludable amount. The amount of interest you exclude from income for the year is the interest that was credited on the frozen deposit for that tax year minus the sum of:

1. The net amount withdrawn from the deposit during that year, and
2. The amount that could have been withdrawn at the end of that tax year (not reduced by any penalty for premature withdrawals of a time deposit).

The excluded part of the interest is included in your income in the tax year it becomes withdrawable.

Interest on qualified savings bonds. You may be able to exclude from income the interest from qualified U.S. savings bonds you redeem if you pay qualified higher educational expenses in the same year. Qualified higher educational expenses are those you pay for tuition and required fees at an eligible educational institution for you, your spouse, or your dependent. A qualified U.S. savings bond is a series EE bond issued after 1989 or a series I bond. The bond must have been issued to you when you were 24 years of age or older. For more information on this exclusion, see *Education Savings Bond Program* in chapter 1 of Publication 550.

Interest on state and local government obligations. This interest is usually exempt from federal tax. However, you must show the amount of any tax-exempt interest on your federal income tax return. For more information, see *State or Local Government Obligations* in chapter 1 of Publication 550.

Job interview expenses. If a prospective employer asks you to appear for an interview and either pays you an allowance or reimburses you for your transportation and other travel expenses, the amount you receive generally is not taxable. You include in income only the amount you receive that is more than your actual expenses.

Jury duty. Jury duty pay you receive must be included in your income on Form 1040, line 21. If