

Note 3

\$175,000.00 version and \$119,000.00
version of IRS Form 4768

DISBURSEMENTS

Item	Ckno	
1 Colonial Emerg Phys (med bill)	1	10.40 ✓
VOID	2	
2 Fairfax Circ Ct. letters	3	14.00 ✓
3 Jean M. Nader probate tax reimb	4	1,269.00 ✓
4 NationsBank Car loan payoff	5	1,364.97 ✓
5 Checks		15.89 ✓
6 Jean Nader int on Hallmark acct while dep in estate acct	7	270.82 ¹ ✓
7 Commissioner of accounts Inventory	8	61.00 ✓
8 IRS 1991 1040 return	9	15,332.00 ✓
9 Va. Dept Tax 1991 return	10	2,856.00 ✓
10 Jean M. Nader, disb	11	75,000.00 ✓
11 Jean M. Nader, bills pd SHE IS OWED 30 ^{cents}	12	8,559.00 ✓
12 Sheila Ann O'Connell-Shevenell, disb	13	75,000.00 ✓
13 Sheila Ann O'Connell-Shevenell, cem bill	14	475.00 ✓
14 Anthony M. O'Connell, disb	15	75,000.00 ✓
15 Anthony M. O'Connell int/disb 4/22-5/20	16	230.14 ² ✓
16 A. G. Edwards legal charge (debit fm div)		40.00 ✓
17 IRS estimated Estate Tax	17	119,000.00 ³ ✓
18 Virginia estimated Estate Tax	18	31,000.00 ⁴ ✓
19 IRS 1991 income tax	19	28,334.00 ✓
20 Va Dept Tax 1991 amended return	21	5,712.00 ✓
21 National Fire Ins Co of Hartford Nuveen bond	22	169.26 ⁴ ✓
22 U. S. Trust processing fee	23	20.00 ⁴ ✓
23 Harold O'Connell Trust, appraisal	24	2,000.00 ⁵ ✓
24 Jean M. Nader, disbursement	101	33,000.00 ✓
25 Anthony M. O'Connell, disbursement	102	33,000.00 ✓
26 Sheila Ann O'Connell-Shevenell, dis	103	33,000.00 ✓
27 IRS est share of int due 91 amd tax	104	241.81 ⁶ ✓
28 1988 Plymouth Van to Anthony O'Connell		8,000.00 ✓
TOTAL DISBURSED		548,975.29 ✓

BK0467 0193
 VOUCHER
 ETC.

Vouchers in support of these disbursements are submitted herewith.

NOTES:

1. Decedent had a POD account in Hallmark Bank with Jean Nader. The bank erroneously paid the amount to the estate. This figure is the interest earned on that sum while in the estate account.

2. This represents interest earned in the estate account on the amount of the disbursement while the disbursal was delayed. This is to equalize the disbursements among the legatees.

3. Estimated tax was paid with an extension request.

4. Expenses incurred due to lost Nuveen certificate of ownership.



Missing

\$70,051

June 11, 1992

There are two versions of the extension request (IRS Form 4768) and two version of the estate tax return (IRS Form 760) with the same dates but for different amounts. One version says \$175,000 was paid to the IRS on June 11, 1992, and one version says i\$119,000 was paid to the IRS on June 11, 1992. There should only be one version. The \$70,051 over payment reported on the \$175,000 version disappears from the accounting.

Can we expose the accounting trail of the \$70.051?

\$175,000
Version

Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes

OMB No. 1545-0181
Expires 7-31-93

Department of the Treasury
Internal Revenue Service

(For filers of Forms 706, 706-A, and 706NA)

Note: Use Form 2758 to request an extension for Forms 706GS(D) and 706GS(T).

Part I Identification

Decedent's first name and middle initial Jean M.	Decedent's last name O'Connell	Date of death Sept. 15, 1991
Name of application filer Edward J. White and Jean M. Nader, Co-Executors		Decedent's social security number 230 50 6044
Address of application filer (Number and street) 118 South Royal St.		Estate tax return due date June 15, 1992
City, state, and ZIP code Alexandria, Va. 22314		

Part II Extension of Time To File (Sec. 6081)

You must attach your written statement to explain in detail why it is impossible or impractical to file a reasonably complete return within 9 months after the date of the decedent's death

Extension date requested Sept. 15, 1992

Part III Extension of Time To Pay (Sec. 6161)

You must attach your written statement to explain in detail why it is impossible or impractical to pay the full amount of the estate (or GST) tax by the return due date. If the taxes cannot be determined because the size of the gross estate is unascertainable, check here and enter ".0." or other appropriate amount on Part IV, line 3. You must attach an explanation

Extension date requested

Part IV Payment To Accompany Extension Request

1 Amount of estate and GST taxes estimated to be due.	1	175,000	
2 Amount of cash shortage (complete Part III)	2		
3 Balance due (subtract line 2 from line 1) (Pay with this application.)	3	175,000	

Signature and Verification

If filed by executor—Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein and attached are true and correct.

Edward J. White
Executor's signature

EDWARD J. WHITE

..... **Co-Executors** **June 11, 1992**

Title Date

If filed by someone other than the executor—Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein and attached are true and correct, that I am authorized by the executor to file this application, and that I am (check box(es) that applies):

- A member in good standing of the bar of the highest court of (specify jurisdiction) ▶
- A certified public accountant duly qualified to practice in (specify jurisdiction) ▶
- A person enrolled to practice before the Internal Revenue Service
- A duly authorized agent holding a power of attorney. (The power of attorney need not be submitted unless requested.)

..... Filer's signature (other than the executor) Date

Part V Notice to Applicant—To be completed by Internal Revenue Service

<p>1 The application for extension of time to file (Part II) is:</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Not approved because</p> <p>.....</p> <p><input type="checkbox"/> Other</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>2 The application for extension of time to pay (Part III) is:</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Not approved because</p> <p>.....</p> <p><input type="checkbox"/> Other</p> <p>.....</p> <p>.....</p> <p>.....</p>
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Internal Revenue Service official	Date	Internal Revenue Service official	Date
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FORM 4768

EXTENSION OF TIME TO FILE

ESTATE OF JEAN M. O'CONNELL

PART II EXTENSION OF TIME TO FILE

1. The decedent was a part owner of a tract of ground the value of which is to be determined by an appraisal in progress. The enclosed payment is based on the maximum value for the property and will be changed.

2. The estate does not at this date possess full data for certain gifts and debts of the estate and other needed information.

**United States Estate (and Generation-Skipping Transfer)
Tax Return**

Estate of a citizen or resident of the United States (see separate instructions). To be filed for decedents dying after December 31, 1989, and before January 1, 1993.
For Paperwork Reduction Act Notice, see page 1 of the instructions.

Part 1—Decedent and Executor.	1a Decedent's first name and middle initial (and maiden name, if any)	1b Decedent's last name	2 Decedent's social security no.	
	Jean M.	O'Connell	230 : 50:6044	
	3a Domicile at time of death (county and state)	3b Year domicile established	4 Date of birth	5 Date of death
	Fairfax County, Virginia	pre 1960	2/1/12	9/15/91
	6a Name of executor (see instructions)	6b Executor's address (number and street including apartment number or rural route; city, town, or post office; state; and ZIP code)		
	Edward J. White Co-Executor	118 South Royal St. Alexandria, Va. 22314		
	6c Executor's social security number (see instructions)	7a Name and location of court where will was probated or estate administered		
	408 : 64 : 1559	Circuit Court Fairfax Co., Va.		
	7b Case number		9 If Form 4768 is attached, check here <input checked="" type="checkbox"/>	
	49160		8 If decedent died testate, check here <input checked="" type="checkbox"/> and attach a certified copy of the will.	
10 If Schedule R-1 is attached, check here <input type="checkbox"/>				

Part 2—Tax Computation				
1	Total gross estate (from Part 5, Recapitulation, page 3, item 10)	1	1,041,017	55
2	Total allowable deductions (from Part 5, Recapitulation, page 3, item 20)	2	108,803	52
3	Taxable estate (subtract line 2 from line 1)	3	932,214	03
4	Adjusted taxable gifts (total taxable gifts (within the meaning of section 2503) made by the decedent after December 31, 1976, other than gifts that are includible in decedent's gross estate (section 2001(b)))	4	42,600	00
5	Add lines 3 and 4	5	974,814	03
6	Tentative tax on the amount on line 5 from Table A in the instructions	6	335,977	47
7a	If line 5 exceeds \$10,000,000, enter the lesser of line 5 or \$21,040,000. If line 5 is \$10,000,000 or less, skip lines 7a and 7b and enter zero on line 7c	7a		
b	Subtract \$10,000,000 from line 7a	7b		
c	Enter 5% (.05) of line 7b	7c		
8	Total tentative tax (add lines 6 and 7c)	8	335,977	47
9	Total gift tax payable with respect to gifts made by the decedent after December 31, 1976. Include gift taxes paid by the decedent's spouse for such spouse's share of split gifts (section 2513) only if the decedent was the donor of these gifts and they are includible in the decedent's gross estate (see instructions).	9	8,824	00
10	Gross estate tax (subtract line 9 from line 8)	10	327,153	47
11	Unified credit against estate tax from Table B in the instructions.	11	192,800	
12	Adjustment to unified credit. (This adjustment may not exceed \$6,000. See instructions.)	12		
13	Allowable unified credit (subtract line 12 from line 11)	13	192,800	00
14	Subtract line 13 from line 10 (but do not enter less than zero)	14	134,353	47
15	Credit for state death taxes. Do not enter more than line 14. Compute credit by using amount on line 3 less \$60,000. See Table C in the instructions and attach credit evidence (see instructions)	15	29,403	99
16	Subtract line 15 from line 14	16	104,949	99
17	Credit for Federal gift taxes on pre-1977 gifts (section 2012)(attach computation)	17		
18	Credit for foreign death taxes (from Schedule(s) P). (Attach Form(s) 706CE)	18		
19	Credit for tax on prior transfers (from Schedule Q)	19		
20	Total (add lines 17, 18, and 19)	20		
21	Net estate tax (subtract line 20 from line 16)	21	104,949	99
22	Generation-skipping transfer taxes (from Schedule R, Part 2, line 10)	22		
23	Section 4980A increased estate tax (from Schedule S, Part I, line 17) (see instructions)	23		
24	Total transfer taxes (add lines 21, 22, and 23)	24		
25	Prior payments. Explain in an attached statement	25	175,000	00
26	United States Treasury bonds redeemed in payment of estate tax	26		
27	Total (add lines 25 and 26)	27	175,000	00
28	Balance due (or overpayment) (subtract line 27 from line 24)	28	(70,050)	51

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer other than the executor is based on all information of which preparer has any knowledge.

Signature(s) of executor(s) Jean M. O'Connell, Co-Executor Date 9/2/92
Jean M. O'Connell Date 9-8-92

Signature of preparer other than executor _____ Address (and ZIP code) _____ Date _____

\$1 19,000
Version

Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes

OMB No. 1545-0181 Expires 7-31-93

Rev. August 1990 Department of the Treasury Internal Revenue Service

(For filers of Forms 706, 706-A, and 706NA)

Note: Use Form 2758 to request an extension for Forms 706GS(D) and 706GS(T).

Part I Identification

Decedent's first name and middle initial: Jean M. Decedent's last name: O'Connell Date of death: Sept. 15, 1991 Name of application filer: Edward J. White and Jean M. Nader, Co-Executors Decedent's social security number: 230 50 6044 Address of application filer: 118 South Royal St. Estate tax return due date: June 15, 1992 City, state, and ZIP code: Alexandria, Va. 22314

Part II Extension of Time To File (Sec. 6081)

You must attach your written statement to explain in detail why it is impossible or impractical to file a reasonably complete return within 9 months after the date of the decedent's death. Extension date requested: Sept. 15, 1992

Part III Extension of Time To Pay (Sec. 6161)

You must attach your written statement to explain in detail why it is impossible or impractical to pay the full amount of the estate (or GST) tax by the return due date. Extension date requested: [blank]

Part IV Payment To Accompany Extension Request

Table with 3 rows: 1. Amount of estate and GST taxes estimated to be due: 119,000 2. Amount of cash shortage (complete Part III): [blank] 3. Balance due (subtract line 2 from line 1) (Pay with this application.): 119,000

Signature and Verification

If filed by executor—Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein and attached are true and correct.

Signature: Edward J. White, Jean M. Nader Co-Executors Date: June 11, 1992

If filed by someone other than the executor—Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made herein and attached are true and correct, that I am authorized by the executor to file this application, and that I am (check box(es) that applies):

- A member in good standing of the bar of the highest court of (specify jurisdiction)
A certified public accountant duly qualified to practice in (specify jurisdiction)
A person enrolled to practice before the Internal Revenue Service.
A duly authorized agent holding a power of attorney. (The power of attorney need not be submitted unless requested.)

Filer's signature (other than the executor)

Date

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1. The application for extension of time to file (Part II) is: [] Approved [] Not approved because [] Other
2. The application for extension of time to pay (Part III) is: [] Approved [] Not approved because [] Other

Internal Revenue Service official Date Internal Revenue Service official Date

DISBURSEMENTS

Item	Ckno	
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BK0467 0193
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Vouchers in support of these disbursements are submitted herewith.

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3. Estimated tax was paid with an extension request.

4. Expenses incurred due to lost Nuveen certificate of ownership.

EDWARD J. WHITE
ATTORNEY AT LAW
118 SOUTH ROYAL STREET
ALEXANDRIA, VIRGINIA 22314
TELEPHONE 836-5444

November 13, 1992

Mr. Anthony M. O'Connell
6541 Franconia Rd.
Springfield, Va. 22150

Mrs. Jean M. Nader
350 Fourth Ave.
New Kensington, Pa. 15068

Mrs. Sheila O'Connell-Shevenell
44 Carlton St.
Portland, Maine 04102

Re: Estate of Jean M. O'Connell

When I agreed yesterday to the disbursement of the A. G. Edwards accounts by the end of the year, I had not looked at the bank balance of the estate for some time. There is \$64,216.83 in the estate account which includes the sum of \$14,408.53 received today from the IRS for the estate tax overpayment.

To date the sum of \$324,000.00 has been disbursed to the heirs, which has been done on the assumption that we have on hand enough money to pay the rest of the debts. Normally an estate is not disbursed until an Estate Tax Closing Letter has been received from the IRS and Virginia.

I cannot agree to a disbursement from the Edwards accounts until a closing letter is received. As you recall the Accotink property is assessed at \$600,000.00 by the county. Based on the appraisal, we used one half of that figure (times the percentage interest owned by your mother). In the event the IRS does not agree and insists on the full valuation, the estate tax liability could increase by about \$67,000.

Out of the bank account must come the executors' commission which will be about \$45,000.00, a fee for the Fiduciary Income Tax return preparation and various filing fees of a small nature. There simply is not enough money left to cover the contingencies. A disbursal in these conditions would be a violation of the duty of the fiduciaries.

Since the IRS has issued the refund (with interest), I would assume a closing letter is not far behind.

Some questions have arisen as to your tax liabilities. The

Page 2
Ltr to Heirs
November 13, 1992

Estate paid an estate tax on the value of the property owned by your mother at her death. Since the tax is paid, what is distributed to you is tax free.

In addition there is a fiduciary income tax on the earnings of the estate while it is open. The First Accounting shows income of \$56,928.52 from 9/15/91 through 9/15/92. Basically this is what will be taxed as estate income. Of this \$659.97 can be ignored as it was repayment of a debt from the O'Connell Trust and not income, and at least \$13,388.25 was tax free income. The fiduciary income tax is paid by the estate if it was not disbursed during the tax period. In your case it was disbursed, and you will receive a form K-1 showing how much should be added to your regular income. This is why it is called "pass through" income. This might be about \$14,000.00 each not counting deductions which are due to the estate. Jo Ann Barnes is preparing this return for the estate at present.

The question of capital gains comes up often in estate situations. Any asset owned by a decedent at the time of death is given a "stepped up" basis to its value at the date of death. If the heirs then sell the asset the only taxable capital gain (or loss) is the change in value between the date of death and the date of sale. The Accotink property falls in that category, though the basis on the share formerly held in trust has a basis as of the date of your father's death. The Lynch note will not produce any capital gain since it was taxed in the estate as part of your mother's assets. It will produce an income tax effect on the fiduciary income tax return since \$26,917.17 in interest was received by the estate. This is included in the \$56,928.52 referred to above.

The remaining items left to do in the estate are the filing of a request for the publication of Debts and Demands against the estate, filing a second and final accounting, obtaining a court order for the distribution of the estate and filing a second fiduciary income tax return from the period 9/15/92 through the date of disbursement.

Sincerely,


Edward J. White

EJW/e

Anthony M. O'Connell,
Trustee u/w of H. A. O'Connell
216 Governor's Lane, Apartment 12
Harrisonburg, Virginia 22801
540 433-3895
January 5, 1998

Ms. Jean Nader, Co-Executor
350 Fourth Avenue
New Kensington, Pennsylvania 15068

Ref: My previous four letters to you
concerning the CPA Jo Ann Barnes.

Dear Jean,

If you read the book I sent you entitled *First Thing is to have the final accounting...*, I believe you will understand that the CPA, Jo Anne Barnes; the lawyer, Ed White; and the stock broker, Allison May; are part of a fraud operation, that the CPA is probably the core of it, and that the worst thing you could do is to continue to rely on the CPA's advice.

Please understand that I am not criticizing you and that what has happened in the past is not your fault. You were following the advice of professionals that held themselves out as trustworthy. I am saying that their advice to you should not be relied upon. Please understand that if you continue to rely on the CPA's advice or of anyone the operation guides you to, mother's estate and Accotink will remain in their control, and they can jerk us around with secrecy, set-ups and surprises until they benefit and we lose. Please, please hire a CPA firm in Pennsylvania (one who does not advocate secrecy from the beneficiaries) and tell them the advice the CPA, the lawyer, and the stockbroker told you and see what they say.

Please do not accept the policy of secrecy as being loyal to mother. Please understand that mother, based on previous set up patterns, was set up to dictate that message over the telephone to you. Does secrecy from the beneficiaries make sense to you?

Please file charges in the Fairfax County Circuit Court for the money the fraud operation stole from mother's estate (Basically the difference between the \$175,000 version and the \$119,000 version of the estate tax return and subpoena the financial records from the CPA, the lawyer, and the stockbroker. Only you can correct this in your position as co-executor. If I file the charges the operation will say it's against you too and they will use you to fight me and cover for them.

Those two versions of the estate tax return mean the fraud operation intentional deceived you. It means, based on the known financial documents, that they stole money from the estate. I believe it was laundered out of the estate through the stockbroker.



If I understand FBI agent Healy correctly, you told him that you could justify the two versions of the estate tax return. Please contact the FBI and correct that:

Charles L. Owens
Chief, Financial Crimes Section
Criminal Investigation Division
J. E. Hoover Building
935 Pennsylvania Avenue, NW
Washington, DC 20535

FBI Supervisory Special Agent Tim Healy
Criminal Division, Financial Crime Section, Economic Crime Unit, Room
3634
J. E. Hoover Building
935 Pennsylvania Avenue, NW
Washington, DC 20535

Please stop being used by the fraud operation. Covering up for the fraud operation who jerked mother around until she died of a heart attack is not being loyal to mother. Please make yourself aware.

Please read *Sabotage Settlement* concerning the first piece of property I sold (pages 213-244). You were at the settlement. What did the CPA and lawyer tell you and Mother? This is still a secret from me. If we can't clear up what the fraud operation did to us in my sale of the first parcel ten years ago it is unlikely that we will be able to prevent them from doing it again with the remaining parcel. Please tell me what the CPA and lawyer told you and mother. If the fraud operation can continue to use you to carry out their agenda they can sabotage any sale I try to make of Accotink.

Please read the book until you understand the set-ups. Please make this your major project until it is cleaned up and all the accounting entanglements and set ups created to create conflict over Accotink are removed. Please face this so I can sell Accotink and we can get our money. I am not the source of the conflicts. I am not the bad guy.

Love,

Anthony M. O'Connell,
Trustee u/w of H. A. O'Connell

Copy: Sheila O'Connell

