

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN THE MATTER OF THE)	
TAX LIABILITIES OF:)	Case No. 21mc91201 RGS
)	
JOHN DOES, United States person(s) who)	
directly or indirectly had authority over any)	
combination of accounts held with Circle)	
Internet Financial, Inc., or its predecessors,)	
subsidiaries, divisions, affiliates, including)	
Poloniex LLC (collectively "Circle"), with)	
at least the equivalent of \$20,000 in value of)	
transactions (regardless of type) in)	
cryptocurrency in any one year, for the period)	
beginning January 1, 2016, through)	
December 31, 2020.)	

**UNITED STATES OF AMERICA’S PETITION
FOR LEAVE TO SERVE JOHN DOE SUMMONS**

The United States of America, by and through undersigned counsel, hereby petitions this Court ex parte, pursuant to 26 U.S.C. § 7609(f) and (h)(2), for an order authorizing service of an Internal Revenue Service ("IRS") John Doe summons to Circle Internet Financial, Inc., or its predecessors, subsidiaries, divisions, affiliates, including Poloniex LLC (collectively "Circle"), for information related to transactions in cryptocurrency, and states as follows:

1. A John Doe summons is an IRS summons that "does not identify the person with respect to whose liability the summons is issued." 26 U.S.C. § 7609(f).
2. Under § 7609(f), a John Doe summons cannot be served until "after a court proceeding in which the [United States] establishes" three numbered elements:
 - (1) the summons relates to the investigation of a particular person or ascertainable group or class of persons,
 - (2) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any provision of any internal revenue law, and

(3) the information sought to be obtained from the examination of the records or testimony (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources.

3. Further, a John Doe summons should not be issued “unless the information sought to be obtained is narrowly tailored to information that pertains to the failure (or potential failure) of the person or group or class of persons referred to in paragraph (2) [of § 7609(f)] to comply with one or more provisions of the internal revenue law which have been identified for purposes of such paragraph.” § 7609(f) (flush language).

4. This court has jurisdiction over this proceeding for approval to serve a John Doe summons on Circle because Circle has its principal place of business in Boston, Massachusetts. *See* 26 U.S.C. § 7609(h)(1).

5. The IRS has opened an investigation to determine the correct federal income tax liabilities for taxable years 2016-2020 of United States persons who held, directly or indirectly, interests in accounts at Circle.

6. In furtherance of this investigation, the IRS seeks permission to serve a John Doe summons on Circle. A copy of the proposed summons is attached as Exhibit A to the Declaration of Senior Revenue Agent John Mark Peil.

7. The John Doe summons relates to the investigation of an ascertainable group or class of persons, that is, United States person(s) who directly or indirectly had authority over any combination of accounts held with Circle or its predecessors, subsidiaries, divisions, or affiliates, including Poloniex LLC, with at least the equivalent of \$20,000 in value of transactions (regardless of type) in cryptocurrency in any one year, for the period January 1, 2016, through December 31, 2020.

8. There is a reasonable basis for believing that such group or class of persons may fail, or may have failed, to comply with one or more provisions of the internal revenue laws, including 26 U.S.C. §§ 61, 451, and 1011.

9. The information sought to be obtained from the examination of the records (and the identity of the persons with respect to whose tax liabilities the summons will issue) is not readily available from other sources.

10. The information sought from the John Doe summons is narrowly tailored to information that pertains to the failure (or potential failure) of the person or group or class of persons referred to above to comply with one or more provisions of the Internal Revenue Code, including those described above.

11. In support of this Petition, the United States submits the Declaration of Senior Revenue Agent John Mark Peil, the exhibits attached thereto, and a supporting brief. A proposed order is attached.

WHEREFORE, the petitioner United States of America requests that the Court enter an Order authorizing the service of the attached John Doe Summons on Circle.

Respectfully submitted,

DAVID A. HUBBERT
Acting Assistant Attorney General

/s/ Edward J. Murphy
EDWARD J. MURPHY
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 55
Washington, D.C. 20044
202-307-6064 (v)
202-514-5238 (f)
Edward.J.Murphy@usdoj.gov