

## Egg Noodles and Ketchup - Transcript

**Tom Mullooly:** In episode 145, we're going to talk about egg noodles and ketchup. Stick around, you'll understand.

Welcome to the Mullooly Asset Show. I'm your host, Tom Mullooly, and this is episode number 145. We'll dub this episode egg noodles and ketchup. Here's why.

One of my favorite movies is Goodfellas. The first couple of times I saw it, I didn't really care for it. The more I watched it, the more I started listening to the dialogue that went through. At the very end of the movie, Henry Hill is now in the witness protection program and he talks about how his life is totally different, because he was really special when he was in his gang. So he's talking over the last scene of the movie and he says:

"Now it's all over. That's the hardest part. Everything's different. There's no action. I have to wait around like everyone else. Can't even get decent food. Right after I got here, I ordered some spaghetti with marinara sauce, I got egg noodles and ketchup."

Why do I bring this up? There's an article in Forbes and we'll link to that article in the show notes. Amazingly, people are still not reporting their Bitcoin transactions on their taxes. What is wrong with these people? Now I just want to put this in perspective, because a lot's happened in the last just 30 years. I'm not that old. When I got started in the business, 1980s, 1984, they had just started using, or requiring Social Security numbers on account applications with brokerage firms.

Think about that. When we were getting started in the business, someone would buy a tax free bond and we would actually ship the bond out. You can't even do that anymore, they're all book entry bonds. But we used to get the bonds in physical form where you could actually stick it in an envelope and send it out to your client. And the bonds actually came with coupons laid over them, like another page on top. And so you could actually clip the coupons that paid interest twice a year. So twice a year, whoever owned the bond, would clip the coupon and they would go down to the bank and they would go up to a teller, hand him the coupon. The teller would, "Here's your cash." They'd walk out of the bank, no record of the transaction. So no record when you bought this thing. No record every six months that you got interest. No such thing as a 1099. Unbelievable.

Another example, people tell us, and they tell us today, it's amazing, that they might be getting a divorce in the future and then they ask is there any way that we can bury assets or hide money? It's 2019. Everything, everything gets reported now. So, from this Forbes article about Bitcoin, they noted that in 2017, this is just from one vendor, one Bitcoin vendor, there were 14,000 users who had bought, sold, sent, or received at least \$20,000.00 worth of Bitcoin. This is a reportable transaction. But out of 20,000, 800 taxpayers mentioned it on their returns.

The IRS is not stupid. They're one of the largest data collection companies in the world now. Think about that. How much money have they spent on their technology? They knew in 2017 that if they tried to go after some of these people, they may get money, they may not get money,

but they know now, in 2019, the IRS is very confident, and this was mentioned in the article, they're very confident that they can put together a jury of 12 people and the IRS believes that they're going to understand how Bitcoin works, or how at least it should be reported.

So today, in 2019, when people think that they can be fast and loose with the details about their transactions, they're being naïve. Just remember that quote from Goodfellas. It's so important. You can't hide anything today.

So, thanks for watching episode 145 and we will look for more egg noodles and ketchup in episode 146.