



Guess Who's Unhappy With the IRS?

Surveys show that most Americans would rather be caught naked in public than face a tax audit. So, what sort of knucklehead goes ahead and *asks* the IRS to audit him? Then actually takes them to *court* when they say no?

Fashion designer Georges Marciano left his native Marseilles with his brothers Armand, Paul, and Maurice in 1977, and founded Guess? jeans in 1981. Guess? helped popularize the stonewashed denim look, and gained fame with a series of iconic black-and-white ads featuring supermodels Claudia Schiffer, Eva Herzigova, and Laetitia Casta. Marciano built on that initial success with designer jeans by expanding into watches and accessories, footwear, menswear, bedding, and fragrances.

Unfortunately, Marciano's eye for business never matched his eye for fashion. In the 1980s and early 1990s, Guess? fought allegations of sweatshop labor, which led to a \$573,000 settlement. And in 2005, they were forced to apologize after releasing a line of t-shirts glamorizing the drug trade that proudly declared "Ski Colombia: Always Plenty of Fresh Powder."

Also in 2005, Marciano claims he uncovered evidence of identity theft, fraud, and embezzlement, that he said cost him nearly \$200 million. He did exactly what *you* would do if you were missing that much money - he sued everyone in sight. But somewhere along the line, he started worrying that he owed tax on the stolen money. So in 2008, he wrote the IRS and asked them to audit him! You would think they would be happy to oblige. But Marciano claims they stonewalled his requests, and even sent him *refunds* totaling \$880,997.17 based on a claim for a tentative carryback that Marciano says he never made!

Meanwhile, Marciano's former accountants won judgments against him for libel and intentional infliction of emotional distress, and his creditors forced him into involuntary bankruptcy. So in a last-ditch effort, Marciano [filed suit](#) in U.S. District Court, seeking relief from the state court judgments against him, arguing that the IRS had [violated his rights](#) (including his due process rights under the Constitution), and once again demanding a "thorough" audit of his tax liabilities.

Last month, Judge Henry Kennedy, Jr., threw out Marciano's case like last season's closeouts. "The extraction by the government of money or property via taxation implicates a constitutionally protected property interest, but, as noted above, Marciano has asserted repeatedly that he owes the government money, rather than the reverse," [Kennedy wrote](#). "The Court is aware of no precedent establishing a protected property interest in the ability to pay taxes."

If you ever ask *us* to sue the IRS to audit you, we'll probably tell you to take a seat and make yourself comfortable while we find you some aspirin! What do you think? Does Marciano really think he owes tax on \$200 million? Or is he just asking the IRS to clean up his accounting mess for him?