

## 10. Doing Business with the Wrong People

Unfortunately, crime, and also deceitful or misleading behavior can be lucrative for the "bad or careless actor," and these individuals are often found courting doctors to do business and investment transactions or to provide consulting services.

Since the overwhelming majority of doctors are very honest and do not have formal business training, it is not difficult to market "unique propositions" to doctors and to eventually find a handful of doctors who may succumb to participate in a recommended arrangement.

Commonly these "bad actors" will present themselves through relatives, friends and possibly even misled advisors.

Typically the doctor will be asked to invest in a startup or growing company, to help start a new business, or to be involved in the purchasing or financing of real estate.

Bad actors are often well-dressed, exhibit success in the forms of nice houses, cars, stunning vacations, trophy wives, impressive club memberships, and sometimes even jet airplanes.

A team of advisors can usually sniff out this type of individual or organization by checking references (or the lack thereof), licensing, and with other professionals who have worked with the applicable individual. The author has seen this occur in billing companies, unique invention startups, real estate ventures, medical related companies, ice machines (that did not exist), Ponzi schemes, and other situations.

If it sounds too good to be true, it usually is! And do not forget the adage about the experienced businessman and the doctor who become partners. The businessman puts in his experience, and the doctor puts in his money. At the end of the day, the businessman has the money, and the doctor merely has an experience!

Doctors with gamble-holic tendencies are often drawn to elusive schemes where the doctor is told that he or she has earned millions of dollars and should have colleagues put money in so that they can earn millions, too. In reality, the "con job" is that the money is being stolen or used to pay debts on assets that will never be worth anything. A junior Madoff may be your next door neighbor or brother-in-law!

Every year, the IRS publishes the "Dirty Dozen," a list of tax frauds, including schemes involving the internet, domestic tax crimes, offshore frauds and false claims for refunds.

This is done for the benefit of citizens and their awareness of financial predators. The IRS website at <http://www.irs.gov/newsroom/article/0,id=206370,00.html> states the following:

"Taxpayers should be wary of scams to avoid paying taxes that seem too good to be true, especially during these challenging economic times," Commissioner Doug Shulman said.

"There is no secret trick that can eliminate a person's tax obligations. People should be wary of anyone peddling any of these scams."