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Attorneys for United States of America

11 UNITED STATES DISTRICT COURT FOR THE
12 CENTRAL DISTRICT OF CALIFORNIA

13 IN THE MATTER OF THE TAX,)
14 LIABILITIES OF:)
15)
16 JOHN DOES, United States person(s),)
17 who directly or indirectly had authority)
18 over any combination of accounts held)
19 with OX Labs Inc., d/b/a SFOX,)
20 SFOX Inc., sfox.com, or its predecessors,)
21 subsidiaries, divisions, or affiliates)
22 (collectively, "SFOX"), with at least the)
23 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, 2021.)

Case No.
**UNITED STATES' EX PARTE
PETITION FOR LEAVE TO
SERVE "JOHN DOE"
SUMMONS**

24 The United States of America, by and through undersigned counsel, hereby
25 petitions the Court for an order authorizing service of an Internal Revenue Service "John
26 Doe" summons to Ox Labs Inc. and Subsidiaries for information related to transactions in
27 cryptocurrency. In support, the United States avers as follows:
28

1 1. This ex parte proceeding is commenced pursuant to §§ 7402(a), 7609(f), and
2 7609(h) of the Internal Revenue Code (26 U.S.C.), for leave to serve an Internal Revenue
3 Service “John Doe” summons on Ox Labs Inc. and Subsidiaries.
4

5 2. The Court has jurisdiction over this proceeding pursuant to §§ 7402(b) and
6 7609(h)(1) of the Internal Revenue Code and 28 U.S.C. §§ 1340 and 1345. Venue
7 properly lies within this district.
8

9 3. This proceeding is appropriate for assignment to the Western Division
10 because Ox Labs Inc. and Subsidiaries is headquartered in Los Angeles.
11

12 3. The IRS has launched an investigation to determine the correct federal
13 income tax liabilities for taxable years 2016-2021 of United States taxpayers who have
14 conducted transactions in cryptocurrency. The taxpayers being investigated have failed
15 or potentially have failed to comply with U.S. internal revenue laws requiring the
16 reporting of taxable income from cryptocurrency transactions.
17

18 4. In furtherance of this investigation, the IRS seeks permission to serve, under
19 the authority of § 7602 of the Internal Revenue Code, an administrative “John Doe”
20 summons to Ox Labs Inc. and Subsidiaries. A copy of the proposed summons is attached
21 as Exhibit 6 to the Declaration of Seng Tchong Lee, an Internal Revenue Service Senior
22 Revenue Agent.
23
24

25 5. The “John Doe” summons relates to the investigation of an ascertainable
26 group or class of persons, that is, United States taxpayers who directly or indirectly had
27 authority over any combination of accounts held with Ox Labs Inc., d/b/a SFOX, SFOX
28

1 Inc., sfox.com, or its predecessors, subsidiaries, divisions, or affiliates (collectively,
2 “SFOX”), with at least the equivalent of \$20,000 in value of transactions (regardless of
3 type) in cryptocurrency in any one year, for the period January 1, 2016 through
4 December 31, 2021.
5

6 6. There is a reasonable basis for believing that such group or class of persons
7 may fail, or may have failed, to comply with one or more provisions of the internal
8 revenue laws.
9

10 7. The information sought to be obtained from the examination of the records
11 (and the identity of the persons with respect to whose tax liabilities the summons will
12 issue) is not readily available from other sources.
13

14 8. The information sought to be obtained from SFOX is narrowly tailored to
15 information that pertains to the failure or potential failure of that group or class of
16 persons to comply with one or more provisions of the internal revenue laws.
17

18 9. In support of this Petition, the United States submits the Declaration of Seng
19 Tchung Lee, the exhibit attached thereto, and a supporting memorandum.
20

21 Dated this 8th day of August, 2022.

22 DAVID A. HUBBERT
23 Deputy Assistant Attorney General

24 /s/ Amy Matchison
25 AMY MATCHISON
26 Trial Attorney, Tax Division
27 U.S. Department of Justice
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