

Tax Resolution Times

“Read About Taxpayers with IRS Problems & Find Out How to Solve Them”



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Owner of Skincare Product “Frownies” is Not Smiling after IRS Indictment

James L. Wright, of Germantown, OH, was indicted in March, 2016 on 5 counts of filing false income tax returns, 2 counts of aiding and assisting in the preparation of false income tax returns and 1 count of corruption to impair and impede the IRS.

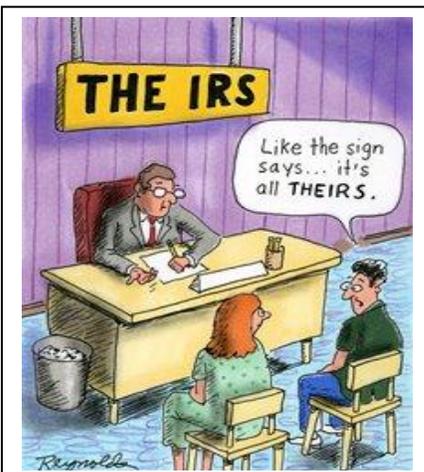
Wright owned and operated B & P Company, Inc., which manufactured and sold skincare products. The indictment alleges that since 1997, Wright established and controlled entities to divert money from B & P to use for his personal expenses. Filing returns under the numerous false entities, Wright wrote off expenses and deductions such as rent for his mother and daughter, his personal residence, his children’s private high school and college tuition.

Along with filing false income tax returns with unreported income under B & P Company, Wright also filed false returns for his many entities, including a private foundation Wright established in 2003 named Fore Fathers Foundation, which was funded with “donations” from B & P Company.

A trial date is pending; but if convicted, Wright faces a statutory maximum sentence of 3 years in prison and a fine of \$250,000 on each count of the indictment.

Businessman Falsely Reported Adjusted

The former owner and president of two investment firms in Orange County, CA, David J. Thomas pleaded guilty to one felony count of tax fraud for failing to report all of his income on his federal returns for the year 2008. Thomas reported an adjusted gross income of \$28 when in actuality his income was over \$350,000. The loss to the IRS was \$98,813. Thomas will be sentenced on August 8, 2016 and could face the maximum sentence of 3 years in federal prison, a fine of \$250,000 and may be ordered to pay restitution to the IRS.



Income Tax Mistakes— Is it Fraud or Negligence?

According to the IRS, a small amount, .0022 percent of taxpayers are convicted of tax crimes, but 17% of taxpayers fail to comply with the tax laws in various ways.

The IRS is aware that the code is a complex set of rules and regulations and careless errors do occur. If a tax auditor doesn't find signs of fraud or willful evasion, it's assumed to be a mistake attributable to negligence. The taxpayer can still be fined a penalty of 20% of the underpayment.

Auditors are looking for these signs to declare tax fraud:

- Intentionally fails to file an income tax return;
- Willfully fails to pay taxes due;
- Intentionally fails to report all income received;
- Makes fraudulent or false claims;
- Prepares and files a false return;
- Overstates deductions or exemptions;
- Concealment or transfer of income;
- Keeping 2 sets of financial ledgers;
- And the obvious:
- Using a false Social Security Number; and
- Claiming a non-existent dependent.

Ohio Reverend Should Repent after Defrauding Church Members of \$4.8 Million

Rev. Allen D. Miles, currently residing in Little Rock, AR, was convicted by a jury in federal court on charges stemming from a tax scam in which over 2,750 false tax returns were filed.

Miles would travel the Canton and Northeast Ohio area to meet with pastors who would set up meetings with church members on the promise that Miles would assist them in receiving money from a federal stimulus program, although no such program existed. He would then turn over the personal information given to him to his co-conspirator, Zinara Highsmith to file false returns that generated over-inflated refunds based on credits such as the American Opportunity Credit, Making Work Pay Credit and Earned Income Credit that they taxpayer actually did not qualify to receive.

The false returns included false income data and false occupations under the taxpayer's name. The refunds however went into several bank accounts by Miles and his co-conspirators.

The false returns generated refunds of approximately \$4.8 million. Miles is scheduled to be sentenced in June, 2016.

I Love Referrals!

Thank you!

Thanks to my friend and colleague Eddie Alejandro, CPA

Thanks to YOU, the word is spreading. Thanks to my clients and friends who graciously referred me to their friends, clients and relatives last month! I enjoy building my business based on the positive comments and referrals from people just like you.

I just couldn't do it without you!

I am available to assist you in any way possible. As you already know I worked for the IRS for over 30 years and have vast experience dealing with them directly. Never hesitate calling me and I will be there to assist you. Thanks again!

Maryland Liberty Tax Employees Pay \$50 Each to the Homeless to File False Returns in Their Names

The owner of several Liberty Tax Service franchises in the Baltimore area, Lateisha Vanessa Kone and eight other branch managers and employees were indicted in March, 2016 in a scheme that involved bribing homeless people to file false income tax returns.

The women would visit homeless shelters, transitional facilities, and drug rehab centers offering these residents \$50 to meet with a tax preparer. The tax preparers would then create false returns that maximized the earned income tax credits. The refund checks would then be sent to Liberty Tax where the preparers would keep the refunds they claimed were their tax preparation fees.

The IRS wouldn't state how much was actually paid out, but the defendants were charged with conspiracy to steal \$100,000 from the state and more than \$500,000 from the federal government in filing over 1,000 false returns.

Tax Preparer Faces Prison for Cheating on His Own Tax Returns

A Los Angeles professional tax preparer, Oscar Barabino, could be sentenced the maximum of 6 years in prison after pleading guilty to two counts of subscribing to a false income tax return.

According to court documents, Barabino omitted \$296,987 in income on his 2008 federal tax returns, and again in 2009 failed to report approximately \$124,283 from his total income. The two false returns created a loss to the government of over \$140,000.

In addition to facing a long prison sentence, Barabino could also face a fine of \$500,000 when he is sentenced on July 25, 2016.

Sharing Your Success Story!

Are You My Next Client of the Month?

Every month I choose a very special *Client of the Month*. It's my way of acknowledging good friends and saying "thanks!" to those who support me and my business with referrals, word of mouth and repeat business.

This month's Client of the Month is Joel Harrell. **Since we meet several months ago, Joel has continued to communicate with me via the cell phone regarding any issues that come up and I do the same. When I receive information pertinent to his account, I call him and leave him a message and he responds immediately no matter where he is in his travels as a Truck Driver.** You might be my next *Client of the Month* too! Watch for your name here in an upcoming month.

**Members of the
Sovereign Citizen Group,
the Moorish Nation,
Receive Long Prison
Sentences**

Five members of the Moorish Nation group from South Carolina received prison sentences ranging from 46-121 months in prison in a scheme to steal from the IRS. By submitting false tax returns, the defendants stole approximately \$2 million dollars and attempted to steal \$12 million dollars more, claiming that their belief system allowed them to steal from the IRS. They used the funds to buy automobiles and property.

**Thank you for the
Kind Words...**

I received a call from a client who had been struggling with the IRS for many years. Finally, he was able to clear every year and be in compliance, these were his words "Thanks Carmen for your kindness and caring attitude. You are Awesome".

**I'd Like to Hear From
You!**

If you have an IRS issue, or just want to refer a friend, relative or client, we'd love

**Enter Our Trivia Contest for a Chance to
Win a \$250 Transferrable Gift Certificate!**

Take the Trivia Challenge to win!

Each month, I'll give you a new trivia question. The first **THREE** people who call my office with the correct answer win a free \$250 reduction on any IRS service I provide. Your prize is also transferrable, so use it for yourself, or give it to a family member or friend. Take your best guess and call me at **832-775-6006**

This month's question is....

What was the world's most populous city at the beginning of the 20th century?

- | | |
|-------------|-------------|
| a) New York | c) Moscow |
| b) London | d) Shanghai |

Call today at >>832-775-6006<<

Your IRS Questions Answered Here...

Question: *I have a huge tax amount owing, the IRS is harassing me and I need help. I got a quote from another company at a much lower price. Why should I go with you?*

Answer: If someone quoted you a much lower fee, think about this: do you think an experienced tax resolution CPA, EA or attorney worth their "salt" would work for peanuts? - Especially given the fact that IRS Representation is a highly valued skill set. You usually get what you pay for in this world we live in today. This is your financial life and the stakes are very high. If you needed heart surgery, would you shop around for the least expensive surgeon or would you get the very best you can find? The same holds true for dealing with the Internal Revenue Service. Having IRS problems can ruin all aspects of your life, your marriage, relationships with your children and family members, your employment, ability to buy a house, a car, money for retirement or even have a bank account. You want the best possible person for the job, not the cheapest.

Your IRS debt doubles every 6-8 years due to the daily compounding effect of interest and penalties and the IRS has at least 10 years to collect from you to so hand this off to the lowest bidder in town is probably not a wise decision. You'll have peace of mind and sleep better at night knowing that we're working hard on your case to get you the lowest possible settlement with the IRS!

We at Freelance Suites are tax resolution specialists and help troubled taxpayers like you every day. Call us today to find out if you qualify for the IRS's new **Fresh Start** program! 832-775-6006