

Tax Resolution Times

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



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Plastic Surgeon Takes a Scalpel to His Income

Alaskan plastic surgeon, Dr. Michael Brandner, was convicted on November 4, 2015, on four counts of wire fraud and three counts of tax evasion.

Evidence at his trial showed that after his wife filed for divorce in 2007, Dr. Brandner drove from Tacoma, WA to Costa Rica, where he opened 2 bank accounts, depositing over \$350,000 and hid a thousand ounces of gold in a safe deposit box. From there he traveled to Panama where, under the name of a sham corporation, deposited an additional \$4.6 million. All of these funds were part of marital assets.

Dr. Brandner failed to report these accounts and any interest earned to the IRS, but did end up owing them \$600,000 in additional taxes from the years 2008 through 2010. During his divorce trial, Dr. Brandner presented a phony promissory note to mislead the court into thinking he had invested more than \$3 million in the sham corporation.

Once his divorce was final, Dr. Brandner attempted to bring the funds from the foreign accounts back to the U.S., but the money was seized by the Department of Homeland Security agents. He proceeded to lie to the federal agents about his control of the funds.

Dr. Brandner faces a statutory maximum penalty of 20 years in prison for each count of wire fraud and 5 years for each count of tax evasion and a fine of up to \$250,000 on each of the 7 counts.

Carpet Cleaner Will Now Be Scrubbing Floors in Prison

The owner of a carpet cleaning company, James Siganos of Minneapolis, MN, was sentenced to 21 months in prison and order to pay \$300,619 in restitution to the IRS for after pleading guilty to evading corporate income taxes. In 2009, Siganos underreported his gross receipts and avoided paying taxes on his actual income by cashing more than 1,400 checks totaling approximately \$410,905 at a check cashing facility where he lived.

Although Siganos had approximately \$438,991 in revenue for the tax years 2010, 2011 and 2012, Siganos did not file any corporate returns for those years.



"We've always needed an accounting magician."

Auto Salvage Company Owners Get Dismantled by the IRS

Husband and wife, Raul and Maura Sosa were convicted by a jury of criminal tax offenses in a 5-year scheme to defraud the IRS.

The couple owned an automobile salvage and recycling business in Hialeah, FL called Accion 1 Auto Sales, which purchased junked and non-functioning cars and sold the usable parts as well as the scrap metal to local recyclers.

From 2004 to 2008, the Sosa's business had sales of over \$28.6 million, however, their businesses' federal returns only showed sales of \$3.9 million, only approximately 14% of the true sales. It's estimated their failure to report their true income resulting in a \$1.6 million loss to the IRS.

During their trial, evidence was introduced that showed the Sosa's spending in 2008 on automobiles, real estate, jewelry and credit card payments exceeded the income reported on their returns by over \$900,000.

The Rosa's sentencing hearing is Feb, 2016.

Tax Evader Claims to Find Loophole in the IRS Code

A North Carolina man, Chet Lee West, was convicted in District Court to 3 counts of tax evasion. West, acting as his own attorney at trial, stated in his closing arguments that the jurors should 'see the truth and set me free'. The jurors did not agree with his statement and reached the guilty verdict in only 1 hour.

Owing more than \$52,800 in back taxes, West, claimed he found a loophole in the tax code that freed him from having to pay income taxes. West attempted to read from a book containing federal tax codes but the judge had him stop, explaining that she would instruct the jurors what the law is.

During the trial, West admitted that he had not filed taxes since 2000 and had sent a letter to the IRS explaining that he elected to not be subject to income tax. The IRS responded with a letter back to West letting him know that American Citizens cannot opt of paying taxes.

Donald J. Kleine, the Federal prosecutor said that West knew he had an obligation to pay his taxes but, "just didn't want to."

West was sentenced to Federal prison for a term of more than 4 years and ordered to pay restitution to the Internal Revenue Service in the amount of \$439,515.

Professional Thank you!

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!

This month I would like to thank and recognize Amy Monroe, Owner and Chef at Authentic Flavors for her referrals. If you haven't experienced her creations, she can be reached at 858-404-0606, email: contact@sauthenticflavors.com or visit their website:

www.sauthenticflavors.com.

New York Man Faces Prison Time for Impersonating an IRS Employee

Brian Becker and his wife Lynn Becker, residents of New York, had an outstanding balance owing to the IRS in excess of \$224,000 for previous years of individual tax returns.

The IRS revenue officer assigned to their case sent to both the Becker's employers a Notice of Levy for their wages. After 2 months, the officer discovered that the IRS did not receive the expected wage garnishments and contacted both employers, who stated they both received a Release of Levy. The revenue officer stated that neither he nor anyone at the IRS had issued that release.

In speaking with the HR manager at Brian Becker's place of employment, it was confirmed that the Release of Levy had been provided by Brian Becker personally, which he claimed was faxed to him. The logo and sending fax number on the cover sheet revealed it came from his wife's company.

Lynn Becker's employer also confirmed they received the Release of Levy by fax, and the sending fax number was from Brian Becker's employer. Both releases contained the revenue officer's signature but the typed name under the signature line was a different name.

Brian Becker was arrested and charged with impersonating a Federal employee and attempting to interfere with the administration of the Internal Revenue laws. If convicted, he could face up to 3 years in prison.

One of the IRS's Dirty Dozen Tax Scams of 2015- Return Preparer Fraud

A San Diego man, Lawrence Preston Siegel has been permanently barred by Federal Court from preparing federal tax returns, providing tax advice for compensation and working for any business that provides tax advice or prepares tax returns.

Although Siegel resigned from the California bar in 1994 and lost his CPA license in 1997 (after he was convicted of federal crimes including tax evasion), Siegel impersonated a licensed California attorney using an alias to recruit customers for his tax fraud schemes.

Siegel sought out high earning customers who owned profitable businesses and falsely advised them to establish companies in other states, usually Nevada, and to have their home in California become an out-of-state corporate office. He also informed them that by doing so, non-deductible personal expenses could now turn into tax deductible business expenses. He also claimed that the taxpayers were entitled to free housing as tax-free compensation from their "out-of-state" companies. Siegel would prepare the returns, and in one instance deducted expenses such as purchases from Tiffany & Co, Louis Vuitton and various cruise vacations by lumping them together as "supplies". These returns would be filed without the taxpayers review or obtaining permission to file.

Siegel failed to appear at his Nov, 2015 hearing and is considered a fugitive from the State of California.

Are You My Next Client of the Month?

Welcome to the initial edition of the Tax Resolution Times.

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. My clients of the month will receive a small gift as a token of my appreciation.

You might be my next *Client of the Month* too! Watch for your name here in an upcoming month.

Bakery Owner Can't Have His Cake and Eat It Too

Owner of Kasia's Bakery in New Britain, CT Marian Kobryn pled guilty to tax evasion by operating his business on a cash-only basis. From 2010 to 2013, sales totaling \$730,860 were deposited into personal bank accounts usually under \$10,000 to evade bank's currency transaction reporting requirements. Sentenced to only 1 day in prison due to health problems and family difficulties, Kobryn has been ordered to pay restitution in the amount of \$435,00 in back taxes owed.

Thank you for the Kind Words...

"Bob was professional, compassionate, and knowledgeable". *Linda.*

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 to hear from you. We can provide a no-obligation confidential consultation to help you solve your IRS problems.

All County Tax Services
619-322-6832
bcross@allcountytaxservices.com
Twitter: @SDTaxDude

Enter Our Trivia Contest for a Chance to Win a \$50 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 \$50 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 619-322-6832. There is no expiration.

This month's question is:

What is Bob's favorite baseball team?

- | | |
|-------------------|------------------------|
| a) Toledo Mudhens | c) San Diego Padres |
| b) Houston Astros | d) Great Falls Dodgers |

Call today at 619-322-6832.

Your IRS Questions Answered Here...

Question: *If I owe a lot in back taxes to the IRS, how do I know whether the Offer in Compromise or Installment Agreement is right for me? Who determines which option is best?*

Answer: Thanks for your great questions, and congratulations on beginning the process of tackling your tax debt head on. Ultimately, you'll have the final say on which option is best for you, assuming you meet the criteria for qualification. But you'll need the help of a qualified tax resolution professional to decide which option you should choose, so your first order of business should be to meet with a qualified tax resolution specialist in your area.

The first step he or she will take is to analyze your previous returns and your current financial situation. Analyzing your previous returns will allow your qualified tax professional to make sure no errors were made in your previous filings that may have resulted in an inflated tax debt to the IRS. After all, why go into negotiations with the IRS claiming you owe more than you actually do?

If you owe a substantial amount in (back) taxes but are unable to pay that debt, even over time, you may qualify for IRS's Offer in Compromise. This program allows you to go to the IRS and negotiate a one-time settlement that often amounts to a *significant discount*. This program is intended for taxpayers who, because of financial calamities, health problems of a host of issues, are unable to pay off their tax debt. If you do not qualify for the Offer in Compromise, then a Properly Structured Installment Agreement may be your best option. This allows you to pay off your debt over time through manageable monthly payments.

We at All County Tax Services are experts in tax resolution and help taxpayers with their IRS Problems every day.

Call **619-322-6832** or email **bcross@allcountytaxservices.com**.