



Tax Resolution Times



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Family of Four Sentenced in Tax Fraud Scheme

Four family members were sentenced in March, 2015 for a scheme to hide over \$25 million in employee wages from the IRS.

Margaret Mathes, was given the longest prison sentence of 80 months, while her husband, daughter and son-in-law were handed shorter jail times. All of the defendants however were ordered to pay over \$6 million in back taxes and workers compensation premiums.

The family ran a temporary employment agency which provided unskilled labor to local companies. Between 2004 and 2009, the family reported their employees made \$2.2 million when in fact the figure was \$30 million. The defendants had 20 bank accounts and paid their workers "off the books." They withdrew small amounts of money that totaled up to 4,300 transactions to stay under the radar and not trigger federal reporting requirements.

In an effort to receive a shorter sentence the family tried to mislead the Court, claiming Mathes had been diagnosed with Alzheimer's disease and then exaggerated her symptoms.

Couple Faces 5 Years In Prison

Owners and operators of Geocore Drilling Inc., Chad and Julia Mullins of Cardington, OH pleaded guilty to impeding and obstructing the lawful functions of the IRS and falsifying tax returns. Mullins and his wife conspired to fraudulently conceal income by claiming false business expenses of more than \$650,000; although the funds were actually used for a \$102k Walt Disney timeshare, a \$65k boat, a \$19k African safari as well as vacations to Europe and cruises. In addition to jail time, they face a combined fine of up to \$350,000.



"If you would stop keeping records the IRS would stop auditing us."

Chiropractor Needs Adjustment after Receiving Jail Time

In March 2015, a Phoenix, AZ chiropractor received a sentence of 30 months in prison and ordered to pay \$703,478 in restitution after being found guilty of filing false and fictitious tax returns.

Using a common scheme known as the form 1099-OID scheme (over exaggerating withholding amounts), all of Frazer's returns were rejected by the IRS with one exception, netting her a \$593,651 refund.

Frazer also taught seminars which taught participants how to use the 1099-OID scheme and kept filing false returns even after being caught by the IRS.

Inmate Adds Time to His Sentence for Filing False Tax Returns for Fellow Prisoners

While incarcerated, James Savage of Ohio prepared fictitious income tax returns for fellow inmates, knowing they had not worked and some had been in jail for many years. Savage convinced the other inmates that they were "entitled to stimulus money" provided by the President. In some cases, he filed prior year returns for inmates who failed to file previously. Altogether, Savage filed a total of 99 false returns.

Savage pleaded guilty to a multi-count indictment that charged him with participating in a scheme to defraud the IRS by filing false claims for income tax refunds. He was sentenced to an additional 30 months in prison, 3 years of supervised release and ordered to pay the IRS \$148,307 in restitution.



Thank you!

Thanks to Domingo Lee, 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!

Doctor Receives Long Prison Sentence for Tax Evasion Conviction

Timothy Dale Jackson, a Gulfport, Mississippi orthopedic physician, received a lengthy sentence of 75 months in prison, three years of supervised release, a \$12,000 fine and ordered to pay restitution to the IRS in the amount of \$806,982. Jackson was found guilty of four counts of tax evasion and one count of obstruction of the due administration of the IRS laws.

In a scheme to avoid paying taxes, Jackson claimed he was involved in an entity in Utah, and claimed it was a tax exempt church in an attempt to evade taxes.

He had not filed any tax returns or paid any income tax since the year 2003.

Tax Preparer Prepares False Returns

Both self-employed and an employee at two tax preparation businesses, Judianne Horn of Owings Mills, Maryland was sentence to 33 months in prison and one year of supervised release for aiding the preparation of false tax returns.

Horn admitted to filing 42 returns which included deductions of false business losses which resulted in larger refunds than the client was lawfully entitled to receive. The total loss to the IRS from the false returns was \$281,764.

Horn also admitted that on at least 5 returns, she claimed the client was entitled to the First Time Home Buyer credit, when in fact the taxpayer did not purchase a home at all. The full \$8,000 credit was deposited to her own bank account.

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 **Thomas Artessa**. Mr. Artessa owed the IRS over four thousand dollars and was receiving threatening letters of intent to levy personal assets and bank accounts. After preparing unfiled tax returns for 2010 and 2011 he is now in a "CNC" – currently not collectible status.

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

Houston Man Receives 7 Year Prison Sentence Trying to Collect \$1.8 Million from IRS

Amon Mtaza, a Tanzanian national, used stolen personal identity information including social security numbers to electronically file hundreds of fraudulent tax returns. The refunds were directed to re-loadable debit cards that he used to buy luxury cars. He is expected to pay the IRS \$404,409 in restitution.

About Me...

Bernell C. Ward, EA

Enroll Agent Certification

*Member of the Better
Business Bureau

*20+ Years in Service

As an enrolled agent, I have earned the privilege of representing my clients before the Internal Revenue Service.

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.

681 E 181st St. Ste. A
Bronx, NY 10457



Enter Our Trivia Contest for a Chance to Win a \$100 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 \$100 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 718-367-6111.

This month's question is:

What is Dorothy's last name in the Wizard of Oz?

- | | |
|----------|-----------|
| a) Jones | c) Farmer |
| b) Gale | d) Parker |

Call today at (718) 367-6111!

Your IRS Questions Answered Here...

Question: *I owe a lot in back taxes. I'm constantly getting threatening letters from the IRS. This has become a big problem that I have no idea how to solve. Can you help me?*

Answer: For what it's worth, take some comfort in knowing that you are not alone. There are millions of Americans in similar situations, dealing with debt hanging over their heads and concerned about how it will affect their future.

The good news: You have many options. To fully understand and take advantage of your options, we urge you to see a qualified tax resolution professional. He or she will take a close look at your previous returns, looking for mistakes that may have resulted in an inflated tax debt amount. This process alone can substantially lower your IRS debt.

Once you and your qualified tax professional have analyzed your previous returns, the next step is to negotiate a resolution with the IRS. You will most likely be looking at one of two options – the Offer in Compromise or the Installment Agreement.

The Offer in Compromise was created for people who owe a substantial amount to the IRS but who, for whatever reason, are unable to pay their tax debt off, even over time. The Offer in Compromise allows taxpayers to negotiate a settlement amount that will take care of the entire tax debt once and for all. This settlement agreement can lower the tax debt by a significant amount. If you do not qualify for the Offer in Compromise – and to do so you must be able to prove eligibility – then you may consider the Installment Agreement, which allows you to pay off your debt by making manageable monthly payments.

We are IRS Problem Solvers. For a FREE, no-risk consultation, please call our office at **(718)367.6111.**