

# Tax Resolution Times

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

## Enrolled Agent:

Admitted to practice before and to represent taxpayers before the Internal Revenue Service

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*“Unquestionably, there is progress.*

*The average American now pays out twice as much in taxes as he formerly got in wages.”*

H.L. Mencken

## Pop-Up Church Didn't Have a Prayer

Trenton Switzer, the owner of a successful sales training business in Colorado, was found guilty of submitting a false tax return.

In 2015 Switzer attempted to avoid paying taxes by claiming that he had made a \$250,000 charitable donation to a church he created for the purpose of evading taxes. As part of his scheme, Switzer incorporated the “Church of Divine Sovereignty” and opened a bank account in its name. Within 24 hours of incorporating the church he filed documents to dissolve it. But he did not close the church bank account and deposited \$250,000 in the account, which he later used to buy Bitcoin.

When it came time to prepare his 2015 tax return, Switzer provided his tax preparer with a letter signed by himself, as the pastor of the church, documenting the \$250,000 donation. Switzer's tax preparer warned him that the fake church did not qualify as a charitable organization, and therefore the \$250,000 could not be deducted, but Switzer still signed and personally filed his tax return.

Switzer was sentenced to 12 months and one day in prison and to pay restitution of \$241,964.71.

## Bogus Tax Deduction Gets Dentist Extracted from Society and Sent to Prison

Homayoun Zadeh, an associate professor of dentistry at USC, pleaded guilty to filing a false tax return in connection with the college admissions scandal. Zadeh paid \$100,000 to a bogus charitable organization run by Rick Singer, the mastermind behind the admissions scandal, in order to secure his daughter's acceptance to USC. He then deducted the payment from his taxes as a charitable donation, despite knowing it was not a legitimate donation.

In a plea agreement, the parties have agreed to a prison sentence of six weeks, a \$20,000 fine and 250 hours of community service.

## **Businessman Gambles with the IRS and Loses**

A Florida businessman, Alejandro Gomez, pleaded guilty to tax evasion after causing the IRS a tax loss of over \$545,000.

Gomez ran Fleischmann's Produce, a company that imported fresh herbs for wholesale distribution, and got in the habit of writing off gambling losses as company expenses.

In 2014 Gomez lost \$896,951 gambling, and in 2015 his gambling debt totaled \$1,051,213. When he filed his taxes for those years he declared the gambling losses as cost of goods sold. This in turn reduced the income that Gomez received from the business, which he also underreported.

In addition to restitution, Gomez faces up to five years in prison.

## **You Steal, Cheat and Commit Tax Evasion? BINGO! Your Number's Up**

Linda Pylant, the office administrator for a trade organization in Maryland, has been indicted on charges of tax evasion, wire fraud, identity theft and social security fraud.

From 2012 to 2020 Pylant was responsible for the organization's bookkeeping, and in 2017 opened a bank account in her employer's name that only she had access to. Over a period of three years she deposited checks worth more than \$700,000 into this account. She spent more than \$75,000 at a bingo hall, more than \$100,000 in retail stores and restaurants and withdrew over \$200,000 in cash.

In 2015 she applied for social security disability insurance and falsely stated that she was disabled. She was approved and collected more than \$125,000 in benefits while she continued to work for her employer.

If convicted, in addition to restitution, she faces a maximum of 20 years in prison for wire fraud, two years for identity theft, five years for social security fraud and five years for tax evasion

## **Thank you!**

Thanks to YOU, the word is spreading. Thanks to our clients and friends who graciously referred me to their friends, clients and relatives last month.

We enjoy building our business based on the positive comments and referrals from people just like you.

We just couldn't do it without you.

This month we would like to thank Joe Smith for his referral.

## ***Bookkeeper's Numbers Don't Add Up She Faces Jail Time and a \$750K Fine***

Melodie Ann Eckland pleaded guilty to defrauding her extended family and her employer, a non-profit adoption and surrogacy agency. From 2011 to 2018 Eckland, a bookkeeper, stole funds from her employer by making unauthorized wire transfers, wiring checks to herself and paying herself unauthorized bonuses.

Eckland maintained two sets of agency books, one for the board of directors and one that showed the payments made to herself. To cover the stolen money she applied for loans and altered financial records to make it appear that she owned the agency. Beginning in 2016 she stopped paying the agency's quarterly employment tax payments to the IRS, and stopped filing employment tax returns. As a result the agency owed more than \$94,000 in past due employment taxes.

Eckland also stole more than \$123,000 from the estate of her deceased brother-in-law. Her husband was the executor of the estate and Eckland forged his signature on stolen checks. She used some of this money to replace a portion of the stolen funds from her employer.

She did not report the embezzled funds on her tax returns in 2013, 2014 and 2017. In 2015 and 2016 she reported more than \$550,000 as "other income" but did not pay the taxes due. Between 2013 and 2017 she failed to report more than \$675,000 in income, resulting in a tax loss to the IRS of more than \$345,000.

Eckland faces up to 30 years in prison, a \$750,000 fine and restitution.

## ***Tobacco Farmer's False Federally Insurance Claims Go Up in Smoke***

Christopher Hickerson, a tobacco farmer in Kentucky, was found guilty of crop insurance fraud and tax fraud.

From 2009 to 2016 Hickerson filed false claims of loss on his Multi-Peril Crop Insurance policies. These policies are federally sponsored and funded with taxpayer money.

Hickerson got the owner of a tobacco warehouse to give him fake sales receipts and grading reports that made it appear as if he was producing and selling poor quality tobacco. He then submitted these on his loss claims. As a result, he caused the insurance program a loss of almost one million dollars.

Hickerson also admitted that he underreported his income in 2012, 2013 and 2015, causing the IRS a loss of more than \$150,000.

He was sentenced to 66 months in prison and under federal law must serve 85% of his sentence.

## ***Are You Our Next Client of the Month?***

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

This month's *Client of the Month* is Judy M. who had not filed individual income taxes for more than ten years. She received a notice that her social security checks were about to be seized because the IRS filed SFRs for her and say that she owes a large amount for those past years. We are in the process of filing her previously-unfiled returns and having the IRS withdraw the levy.

You might be our next *Client of the Month*. Watch for your name here in an upcoming issue of our monthly tax resolution newsletter.

## Did You Know?

In Nevada, escort services are subject to a 9% entertainment tax. Brothels, which are legal in the state, are not subject to the same tax.

## Thank you for the Kind Words...

We appreciate those who post **great reviews** of our tax problem resolution services on **Google** and **Yelp**.

## We'd Like to Hear From You...

If you have an IRS issue, or 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.

taxsolutionexpert.com

615-956-6448

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

*Take the Trivia Challenge to win!*

Each month we'll ask a new trivia question. The first **THREE** people who call the 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 us at **615-956-6448**.

This month's question is....

**Pavol Durdik from Slovakia holds the world record for putting on the most socks, one at a time, in 30 seconds. How many socks did Pavol put on?**

- a) 28                      c) 37  
b) 15                      d) 21

Win your discount today!

## Your IRS Questions Answered Here...

**Question:** *I owe several years of back taxes, about \$43,000, but do not have the money to pay the IRS. I want to get them off my back and heard of something called an Offer in Compromise. What is it and how do I get one?*

**Answer:** An Offer in Compromise ("OIC") is one IRS tax debt settlement program. It's a program for taxpayers who owe the IRS more money than they can afford to pay, even over time. It's the IRS version of a "fresh start" when it comes to tax debt. If approved, the IRS accepts a lesser amount (sometimes a fraction of what is owed) to settle your tax debt. However, it isn't always easy to obtain OIC approval because of its strict criteria. Most taxpayers fail when they attempt to go up against the IRS by attempting to do this themselves.

The IRS considers your income, assets, expenses, liabilities, ability to pay, and whether paying the full amount would cause financial hardship. It's important to remember that the IRS wants your money and will only accept an *Offer in Compromise* if they think they couldn't collect more from you.

Your odds for approval increase significantly when you have an experienced **tax resolution specialist** in your corner to negotiate with the IRS.

We at *Tax Solution Expert* are experienced in IRS tax problem resolution and help taxpayers with their IRS problems every day. **There is a solution to EVERY problem.** Generally, you'll never have to meet or speak with the IRS after you bring us into the picture. Call us today for a **FREE confidential consultation**. Our phone number is 615-956-6448.