

# Tax Resolution Times

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

taxsolutionexpert.com

phone: 615-956-6448

fax: 615-413-5277

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## ***Facebook Faces the IRS in Court to the Tune of Nine Billion Dollars***

The IRS is claiming that social media giant Facebook grossly undervalued its intellectual property when it sold it to a subsidiary in Ireland in 2010 in order to avoid taxes.

Facebook's subsidiaries pay a royalty to the U.S. parent company for its user base, platform technologies and trademark, among other elements. Facebook Ireland paid its US counterpart more than 14 billion dollars from 2010 to 2016.

The IRS claims that the valuation Facebook gave its intellectual property is too low and should be taxed accordingly. Facebook claims the low valuation reflected the risk involved with its international expansion, since the sale happened before its IPO and the development of its advertising systems.

According to Facebook spokeswoman Bertie Thompson, at the time of the 2010 valuation, Facebook, “Had no mobile advertising revenue, its international business was nascent, and its digital advertising products were unproven.”

The process of setting up a subsidiary in Ireland to take advantage of low tax rates is a common accounting maneuver for large corporations, with companies like Apple doing the same thing.

If the IRS wins, Facebook would have a tax liability of up to nine billion dollars, plus interest and penalties.

***“We’ll try to cooperate fully with the IRS, because, as citizens, we feel a strong patriotic duty not to go to jail.”***

***Dave Barry***

## **No Soft Landing for this Downey**

David Downey of Indianapolis was sentenced to 72 months in prison for defrauding clients of his payroll company of more than 9.4 million dollars. From 2013 to 2017 Downey used 20 million dollars from his clients' accounts to fund his Charles Schwab brokerage account, and ultimately returned only 11 million dollars to the IRS for employment taxes.

The government claims that Downey ran a Ponzi scheme with his clients' money and funded vacations to destinations such as St. Barts with the stolen funds. Downey was arrested in California after he tried to get a passport in his brother's name. At the time of his arrest he was in possession of \$955,956 in cash.

## **Not a Lot of Compassion for this Office Manager**

Alicia Raynor, the business manager for Compassion at Home in Buffalo New York, has been charged with wire fraud and filing a false tax return for diverting \$238,871 of company funds to personal accounts.

Raynor was in charge of the company's accounting and covered her tracks by disguising entries in Quickbooks to make it appear that payments were going to Capital One, Bank of America or other company employees when they were going into her accounts. In one instance she claimed a payment of \$2978.19 was intended for Bank of America, but the automatic wire transfer was directed into a personal checking account she shared with her husband.

In addition, for tax years 2013 – 2016, Raynor failed to report more than \$1,214,444 in payments she received from Compassion at Home on her tax returns. The IRS estimates she owes more than \$370,000 for those tax years. Raynor faces a maximum sentence of 20 years in prison and a \$250,000 fine.

## ***Livin' on a Prayer and Stolen Parishioner Donations***

A former ordained priest in South Dakota, Marcin Stanislaw Garbacz, faces up to 65 years in prison and penalties totaling \$1,250,000 for wire fraud, money laundering, transportation of stolen money and five counts of making and subscribing a false tax return.

While employed as a priest with the Catholic Diocese in Rapid City, Garbacz stole money collected from parishioners at various church services. He entered the churches late in the evening, removed and replaced special tamper proof bank bags and made multiple same day deposits totaling tens of thousands of dollars through ATMs well after midnight. Garbacz laundered the money through a variety of banks, credit card companies and investment firms.

Garbacz spent hundreds of thousands of dollars to purchase over a dozen gold plated chalices, numerous bronze statues, Mont Blanc pens and a \$10,000 ring.

“The cache of world treasures accumulated by this common thief looks like something from Raiders of the Lost Ark,” said US Attorney Ron Parsons.

Once he realized he was being investigated, Garbacz emptied his bank account of more than \$50,000 and bought a one-way ticket to Poland. He was arrested at the Seattle-Tacoma airport.

## **Thank you!**

Thanks to YOU, the word is spreading. Thanks to our clients and friends who graciously referred us 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, and we reward those who refer us.

We just couldn't do it without you!

## ***How Many Scientific Calculators Does It Take to Send an Executive Assistant to Jail?***

Kristen Martin, an executive assistant from Denver, pleaded guilty to mail fraud and federal tax evasion for a scheme that cost her employer \$846,441.

From 2013 to 2016 Martin used her employer's Staples accounts to purchase unauthorized items she either kept for herself or sold online through eBay and other companies. Due to changes in assignment within the company, Martin came to have access to 23 different Staples accounts, making her nefarious activities easier to hide.

According to court documents, Martin fraudulently ordered 4790 scientific calculators, 250 iPads/tablets, 440 Apple TVs, 178 Kindles, 159 headsets and five cameras. She resold the goods for a total of \$571,725 and used the company's Federal Express account to ship the items to her buyers. Shipping charges cost her employer an additional loss of \$7896.

When questioned by management about some of the purchases, Martin lied and said that the items were purchased for a project in a different division of the company.

Martin hid her earnings from the sale of the illegally obtained items from the IRS by filing false federal income tax returns for the years 2013 – 2016. She has agreed to pay restitution up to \$872,337 to her employer and in the amount of \$161,864 to the IRS.

## ***Leaving the Art House for the Big House***

Philip Righter has pleaded guilty to the sale of paintings he claimed were created by artists such as Keith Haring, Andy Warhol and others, and admitted to lying on his income tax returns.

Righter attempted to bilk victims out of six million dollars by forging authenticity papers for paintings he claimed were legitimate. He caused losses of at least \$758,265 and his fraudulent tax returns cost the United States more than \$100,000.

One victim loaned Righter \$24,000 based on a painting by Jean-Michel Basquiat that Righter put up as collateral. The victim discovered the painting was a fake when Righter defaulted on the loan and he tried to sell it.

On his 2015 tax return Righter submitted a false W-2 and a false donation of fraudulent art to a charity, which resulted in a tax refund of \$54,858. He later filed an amended 2015 return and claimed a loss of \$2,575,000 for artwork he said was stolen and had no value. The amended return resulted in false carry back refunds totaling \$52,485.

Righter faces a maximum of 25 years in prison.

## ***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 Dave S. who had IRS compliance audits for two tax years. I was able to reduce his IRS proposed amount owed by more than \$30,000. He was another happy camper.

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

## Did You Know?

*Federal tax returns were not always due on April 15. March 1 was the due date in 1913 and it was changed to March 15 in 1918. The current tax date was established in 1954.*

## Thank You for the Kind Words...

The people at 360 Solutions were kind and understood that I'm not a bad person. I simply owed money that I couldn't pay.

They fought for me until the IRS got out of my life.

Penny P. Murfreesboro, TN

## We'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 confidential, no obligation consultation to help solve IRS problems.

**Call today  
615-956-6448**

The sooner you call, the sooner you can relax.

## There has never been a better time to settle your IRS tax problems.

They are in people first mode because of the country's economic downturn, and deals are being negotiated daily.

This is also a great time to take advantage of government financial assistance through the SBA and/or IRS. There is money available to cover payroll, rent, interest and other expenses.

We at 360 Solutions are experts in SBA loans and are up to date with all the new tax resolution rules to help taxpayers like you with their IRS problems. Call us today for your confidential, no-obligation consultation.

## Your IRS Questions Answered Here...

**Question:** My business has been adversely affected by the **COVID-19 Corona virus**. I've had to lay off all of my employees and basically shut down my operation. I don't have the money to pay my payroll taxes that I owe. Is there anything I can do?

**Answer: Yes. The Small Business Administration (SBA) has just made \$8 Billion in loans available at very low interest rates for business affected by COVID-19.** We can help put together the loan package and application to ensure you get the funds you need to carry you through these unprecedented times. You can apply for up to \$2 million in funding. In addition, the IRS has also made available payroll tax relief for business adversely affected. You need to call us today so we can get to work for you so we can contact the IRS and SBA to get you the help you need and save your business.

Our clients generally NEVER meet or speak with the IRS. We handle everything for you so you don't have to take time away from your job or business to deal with all of the IRS's paperwork. Don't let them walk all over you. We know the law. We know your rights. We can help!