

# Tax Resolution Times

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



## **INSIDE THIS ISSUE:**

Restaurant Owner Skims Cash, Faces 27 Years; Blames his Gambling Habit...1

Contractor Pockets a Million in Payroll Taxes – Goes Directly to Jail...Page 1

Attorney For Disabled Commits Tax Fraud, Professional License Disabled... Page 2

Schemer Falsely Claiming to be CPA Steals Money From Hundreds of Clients...Page 2

Thank You!...Page 2

Driven to Steal – Luxury Car Exporter Hides 18 Million Dollars...Page 3

Remodeler Contractor Underreports Income by 1.9 Million Dollars – Gets Sent to the Big House...Page 3

Client of the Month...Page 3

Did You Know...Page 4

Trivia Contest...Page 4

IRS Question Answered...Page 4

*“Every culture has some ritual for joining two people and making them stay that way. Ours is giving tax breaks.”*

Bauvard

## **Restaurant Owner Skims Cash, Faces 27 Years; Blames His Gambling Habit**

Stephen G. Genakos, the sole owner of the Sportsmans Grille in Virginia, was indicted on nine counts of tax fraud, for allegedly skimming over \$670,000 in cash from the restaurant beginning in 2016. He is accused of depositing more than \$112,000 of the skimmed cash into his personal bank accounts, and gambling over \$502,000 with the Virginia Lottery.

In 2020, Genakos listed the Sportsmans Grille for sale, and a year later was contacted by undercover IRS agents. During a conversation with the agents, Genakos made jokes about his "magic book" and eventually provided the agents with the true books and records of the restaurant.

Genakos filed nine false tax returns for himself and his business for 2016 through 2020, understating his taxable income and causing a tax loss to the IRS of approximately \$113,163.

Genakos faces a maximum sentence of 27 years in prison, three years for each false tax return, and restitution of \$113,163, plus penalties and fees.

## **Contractor Pockets a Million in Payroll Taxes – Goes Directly to Jail**

Kevin Alexander, the owner of a construction company in Iowa, was sentenced to two years in prison for failing to pay over employment taxes owed by his company.

From 2014 to 2017, Alexander paid 3.8 million dollars in wages to his employees, and withheld approximately one million dollars in income, social security and Medicare taxes, but failed to pay those withholdings to the IRS.

In addition to the prison sentence, he was ordered to serve two years of supervised release and pay 1.7 million dollars in restitution to the IRS.

## **Attorney For Disabled Commits Tax Fraud, Professional License Disabled**

Scott Johnson, a Sacramento attorney known for filing thousands of disability discrimination lawsuits, has been sentenced to 18 months of home detention for filing a false tax return.

Johnson owned and operated a legal services corporation called Disabled Access Prevents Injury, through which he filed lawsuits under the Americans with Disabilities Act and related California statutes, naming himself as the plaintiff.

From 2012 to 2014, Johnson underreported the income he earned from the lawsuit settlements on his tax returns. This caused a loss of over \$250,000 to the IRS.

Johnson was an attorney who worked for the IRS earlier in his career, and as part of his sentence, is not allowed to reapply for reinstatement to the California Bar.

He was also ordered to pay \$250,000 in restitution and a \$50,000 fine to the IRS.

## **Schemer Falsely Claims to be CPA, Steals Money from Hundreds of Clients**

Yezenia Castillo was charged with wire fraud and tax evasion, and pleaded guilty to stealing over \$1.5 million from more than 100 victims, primarily non-profit organizations, private schools, and religious institutions.

From 2012 to 2021, Castillo falsely claimed to be a CPA and used various methods to steal from her clients, including collecting fees for services she never performed and transferring client funds to herself without authorization. She also collected money from clients by falsely claiming it would be used to pay their taxes, but instead kept the funds for herself. To cover up her fraud, Castillo told victims that she had filed and paid their taxes, and falsified receipts to make it appear as if the taxes were paid.

One of the non-profits she worked for, an organization that provides affordable housing to individuals in New Jersey, accused Castillo of issuing checks payable to herself, forging the signature of the board president, and claiming the payments were for legitimate business expenses. She stole more than \$33,000 from this organization.

Castillo's fraud resulted in financial losses totaling over \$1.5 million. She faces up to 25 years in prison and fines totaling up to \$250,000.

## **Thank you!**

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

I couldn't do it without you!

This month I would like to thank Pamela O. for her referral to a relative who had several years of unfiled income tax returns. She asked me to give the relative a discount as the referral reward. Thanks Pam!

## **Driven to Steal** **Luxury Car Exporter** **Hides 18 Million Dollars**

Jie Suo, the owner of two luxury car exporting businesses in California, pleaded guilty to interfering with an IRS investigation into her multi-million dollar companies, which she failed to disclose in her tax filings in order to avoid paying income taxes.

Suo exported luxury vehicles to China and admitted that her businesses earned over \$18 million in gross receipts from 2011-2017. She paid no taxes on the income, since she did not disclose the existence of her businesses on four tax returns filed with the IRS, and paid no federal income tax for 2013 through 2016.

While she was being investigated by the IRS, Suo falsely claimed that her businesses operated at a loss, that she was the victim of loan sharks, that she reported her income to an accountant who failed to include the income on her tax returns, and that she did not employ her son. She also misrepresented the source of funds used to purchase a home.

She faces a maximum sentence of up to three years in prison, a fine of up to \$250,000, and restitution of at least \$997,673.

### ***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 J Smith. I got him back several thousand dollars from the IRS because of tax knowledge I employed. I have helped him in several other matters, and he is always appreciative.

You might be my next *Client of the Month*. Watch for your name to appear here in an upcoming issue.

## ***Remodeler Contractor Underreports Income by 1.9 Million Dollars-- Gets Sent To The Big House***

Ryan Patterson, an Arizona contractor, was sentenced to 20 months in prison, followed by three years of supervised release, for tax evasion.

Patterson, whose company specialized in remodels, directed customers to make checks out to him personally and deposited them into his personal checking accounts. He failed to report \$1.9 million dollars in income and evaded nearly \$550,000 in taxes.

In 2014 he reported his taxable income at \$11,843, which was underreported by \$660,296. In 2015 he underreported his taxable income by \$785,586 and in 2016 by \$765,610.

In 2016 he reported a loss of \$38,000 on his tax return. That same year he purchased a primary residence for \$445,000 in cash and made other extravagant purchases.

In addition to the prison sentence, Patterson was ordered to pay \$436,195 in restitution to the IRS.

**Did You Know?**

During the Civil War, the government placed taxes on all sorts of goods in order to generate revenue. Carriages, gold watches, musical instruments, pool tables, and yachts were among the items taxed. The tax on a gold watch was \$1.50.

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

Every one of you who brag on us. We truly appreciate all of you.

**I'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.

615-395-5888  
TaxSolutionExpert.com  
info@taxsolutionexpert

## **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. Call me at 615-395-5888 and take your best guess.

This month's question is....

**What country has the most islands?**

- a) Norway                      c) Finland  
b) Sweden                      d) Canada

*Call today at 615-395-5888*

**Your IRS Questions Answered Here...**

**Question:** *I owe the IRS \$74,367 for several years of back taxes but do not have the money to pay them at all. I want to get them off my back and heard of something called an Offer in Compromise settlement. What is it and how do I qualify?*

**Answer:** An Offer in Compromise is a binding agreement between the taxpayer and the IRS that settles the full amount owed...many times for a FRACTION of what's owed. It's the IRS's version of a "fresh start" when it comes to IRS debt. If approved, the IRS accepts a lesser amount to settle your entire debt. However, it isn't easy to gain approval due to its strict criteria and eligibility requirements.

The IRS considers your income, assets, expenses, ability to pay, and whether paying the full amount, even over time, would cause financial hardship. It's important to remember that the IRS wants its money and will only accept an Offer in Compromise if it thinks it's in the best interest of the government and it wouldn't receive any money otherwise.

Your odds for acceptance increase significantly when you have an experienced tax resolution specialist negotiating with the IRS on your behalf. If you do qualify, we get to work immediately by implementing a customized resolution plan that fits your unique circumstances.

We at *Tax Solution Expert* are experienced in IRS tax problem resolution, and we help taxpayers with their IRS problems every day. We know the "ins and outs" and know how to navigate the IRS maze. **There is a solution to EVERY problem.** Call us today at 615-395-5888 for a FREE, no-obligation confidential consultation.