

## S.C. WOMEN SENT TO PRISON FOR TAX FRAUD

Aisha J. Craig, 35, and Ebony N. Eddie, 34, both of Lancaster, S.C., were sentenced to prison for their involvement in a scheme to submit fraudulent tax returns to the IRS. They had pleaded guilty to the charges. According to court records, Craig and Eddie used stolen identities to receive more than \$100,000 in fraudulent tax returns. Craig was sentenced to 48 months and Eddie was sentenced to 54 months in prison.

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**I'd Like To Hear From YOU!**  
Whether you'd like to avoid the IRS, contact the IRS, settle with the IRS or just want to refer a friend, relative or client, I'd love to hear from you. I would be happy to provide you or that special person you refer a free no-obligation confidential consultation to explain every option available to solve IRS problems.

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## Prosecutors: Owner of Sports Complex Dodged \$1 Million in Taxes

The owner of a facility in which the NHL's Pittsburgh Penguins trained is accused of evading \$1 million in payroll taxes.

According to court records, Steven J Lynch, 59, of Pittsburgh, Penn., impeded collection of payroll taxes under the Internal Revenue Code in connection with his operation of the 65,000-square-foot IceoPlex at Southpointe, located in Canonsburg, Penn.

The indictment alleges that payroll taxes were underpaid by various business entities controlled by Lynch in the total amount of approximately \$1 million during the years 2008 through 2010. If convicted, Lynch faces up to 53 years in prison and a fine of up to \$2.75 million.

## IRS QUESTION CORNER

**Question:** I'm in a lot of IRS debt, and I don't know how best to deal with it. I've read about the Offer in Compromise and the Installment Agreement — but how do I know which one is best for me?

**Answer:** You are taking a very wise step by looking for a way to deal with your IRS debt. Having a large IRS debt can be a very troubling, even haunting, problem.

Before I get into the different programs you may have available to you, let's first talk about process. The first thing you should do is consult with a qualified tax professional. He or she will examine your tax situation and comb through your previous tax returns with a fine-tooth comb, looking for any problems or errors that can be addressed. This re-examination is important because oftentimes we find errors or problems that result in the overestimation of tax debt. If we're going to negotiate with the IRS, after all, why go in starting with a higher figure than what you really owe? A qualified tax professional will help you determine your exact debt.

Once you know your debt, it's time for your qualified tax professional to negotiate with the IRS and come up with a solution. There are a variety of programs available, but most likely you will be considering one of two options.

The Offer in Compromise is designed for taxpayers who cannot pay off their debt, even if given time. This may be due to health problems, a financial catastrophe or any number of possibilities. The key is being able to show the IRS that you do not have the financial resources to pay off your debt. Under this program, you negotiate a settlement amount with the IRS that can actually be much less than you owe. Your other option is the Installment Agreement, which will allow you to enter into a program of monthly payments that, as with a mortgage or car payment, will extinguish your debt over time.

I'm an IRS Problem Solver, and I can help solve your IRS problems. For a free, no-risk consultation, call my office at 305-682-1118



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IRS Question Corner



"This return looks mighty suspicious, Irv. This family spent less than they earned."

## More Money Trouble for 'The Situation'

Mike Sorrentino, better known by the moniker "The Situation" from his role on the MTV reality show Jersey Shore, is in a world of financial hurt.

Last year, federal prosecutors indicted him and his brother, Marc, for failing to pay taxes on nearly \$9 million they earned from nightclub appearances and endorsement deals. Prosecutors allege "The Situation" funneled his income into corporate entities, through which he and his brother then paid for personal expenditures, including clothing and grooming.

Money has even become so tight for Sorrentino that he put up his custom Ferrari wheels for auction on eBay.

## Utah Man, Nev. Woman Promoted Tax Fraud

A Utah man and a Nevada woman were convicted by a jury in Salt Lake City of conspiracy to defraud the United States related to their promotion of a tax fraud scheme.

According to court records, Gerrit Timmerman, of Midvale, Utah, and Carol Jean Sing, of Henderson, Nev., conspired to defraud the United States by falsely telling their clients that "corporations sole" were exempt from United States income tax laws, had no obligation to file tax returns and had no obligation to apply for tax exempt status.

A corporation sole is a form of incorporation allowed by some states, primarily for use by religious leaders to hold title to property. Timmerman and Sing face up to five years in prison and a fine of \$250,000.

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## WOMAN SENT TO PRISON FOR NOT REPORTING EMBEZZLED MONEY

A Michigan woman was sentenced to 15 months in federal prison for filing false information in a 2008 tax return.

Rebecca Hoff, 63, of Ironwood, Mich., had pleaded guilty to the charge.

Hoff worked as an office manager and accounts payable bookkeeper for T.A Solberg Company, Inc. in Minocqua, Wis., during the years 2004 through 2010. In that capacity, Hoff had access to T.A. Solberg checks. Without authorization, she used the company checks to make payments to multiple personal credit cards from January 2004 to December 2010. In addition, Hoff used T.A. Solberg checks to pay for home improvements, purchase a vehicle, and make payments on the mortgage on her residence.

T.A. Solberg discovered the embezzlement when they conducted an investigation and audit after a credit card company inquired about company checks being used to pay off personal credit card accounts belonging to Hoff.

Hoff never declared the money she embezzled as income on her federal tax returns, including the return for 2008.

According to IRS calculations, Hoff embezzled more than \$1.1 million over the seven years, resulting in a tax liability of \$302,183.73.

## Texas Man Faces 31 Tax Charges

A Texas man has been charged with 31 counts of preparing income tax returns with false statements in them, six counts of theft of government money, and six counts of aggravated identity theft.

According to court records, Jefferson Kincade, 37, of Palestine, Texas, prepared tax returns for individuals at a tax preparation business, EZ Tax, in Palestine, Texas. Kincade allegedly devised a scheme to prepare false tax returns, steal clients' refunds, and use the clients' and other individuals' identities to accomplish the theft.

The indictment alleges that the goal of Kincade's false statements and representations in the tax returns that he submitted was to increase the amount of tax refunds to which the taxpayer would be entitled.

If convicted, Kincade faces up to three years in federal prison for each of the 31 counts.

## Sovereign Citizen Convicted of 26 Tax-Related Charges

A so-called sovereign citizen was convicted following a three-day trial of 26 counts of tax-related crimes.

Scott Bodley, 58, formerly of Madison, Wis., was convicted of filing false money orders with the IRS, filing false 1099-OID documents with the IRS, filing false tax returns with the IRS, income tax evasion, and endeavoring to impede and obstruct the due administration of tax laws.

The case involved Bodley's attempt to harass and impede IRS agents by filing a variety of false documents. The government presented evidence that Bodley stopped filing tax returns in 1999. In 2003, he threatened to file liens on an IRS agent who was auditing Bodley's 1999 to 2001 taxes. Bodley filed false W-4 documents with his employers in an effort to avoid withholding of taxes from his paychecks. In 2004, he quit his job in an effort to stop an IRS levy on his wages. In 2008, Bodley filed more than 100 false forms with the IRS, including 1040s, and fictitious money orders in amounts ranging from \$300 to \$70 million.

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## W.V. MAN FAILED TO PAY EMPLOYMENT TAXES

A West Virginia man received three years of federal probation and a \$2,000 fine for failing to collect and pay over federal employment taxes.

Alvis Porter, 61, of Logan County, W.V., pleaded guilty to the charge. He also admitted to paying hundreds of thousands of dollars in kickbacks to David Runyon, general manager of Arch Coal's Mountain Laurel mining complex in Logan County.

Porter owned and operated Quality Oil Inc., which did construction work at the Mountain Laurel complex. Porter admitted that he began paying kickbacks to Runyon in 2009, so Runyon would continue to hire Porter's company to do work at the mine. Porter paid Runyon \$5,000 per month initially, with the sum eventually growing to \$10,000 per month.

Porter also admitted that in 2013, he paid a Quality Oil employee under-the-table cash wages to avoid withholding federal taxes. Failing to collect and pay over federal employment taxes is a crime. Porter paid the employee more than \$63,000 in cash.

Porter agreed to forfeit \$350,000 to the IRS in connection with the kickback scheme, and \$29,851.48 in restitution for his failure to withhold employment taxes.

The evidence presented at trial showed that Bodley considered himself a sovereign citizen who used aliases, false social security numbers and false identification documents.

Bodley faces up to three years on each of the two tax charges and five years on the remaining 24 charges.

*Thank You! 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!

## STEVEN KLITZNER'S UPCOMING SPEAKING ENGAGEMENTS



**6/6/15**

**Florida Society of Enrolled Agents –**  
"8 Mistakes Practitioners Make That Get Their Clients in Hot Water With the IRS" - *St. Petersburg*

**6/12/15 and 6/26/15**

**American Society of Tax Problem Solvers –**  
"The IRS Mediation Program"  
– *Orlando and Los Angeles*

**7/20/15 to 7/23/15**

**National Association of Tax Professionals –**  
"Installment Agreements and Offers in Compromise" and "Understanding IRS Collection Letters" - *New Orleans*

**7/30**

**Law to the People –**  
"Overview of IRS Problem Resolution"  
- *Webinar*

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