NEB. MAN SENTENCED
FOR NOT FILING
RETURNS

Craig Workman, 40, of Lincoln, Neb., was sentenced to five years of probation for his failure to file tax returns for the years 2001, 2002, 2003 and 2004. During these four years, Workman was a part owner and operator of The Scooter Superstore, a retail provider of electric power chairs for mobility impaired and the elderly. The IRS determined that Workman avoided at least $61,500 in taxes between 2002 and 2005.

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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.

STEVEN N. KLITZNER

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According to the judge's ruling, in May 2000, Egan and his family hired tax shelter promoters that helped the Egans use the "Son of Boss" scheme to avoid tax liabilities. Two of the complicated tax shelter transactions were developed by Fidelity International Currency Advisor and Fidelity High Tech Advisor.

"None of the participants in these complex transactions believed that they were real business transactions, with any purpose other than tax avoidance," Judge Saylor wrote.

Egan, who suffered from lung cancer, was 73 when he was committed suicide on Aug. 28, 2009.

IRS Question Corner

Question: I owe a significant amount in back taxes and interest. What's the best option for me — an Offer in Compromise or an Installment Agreement?

Answer: I wish it were as simple as saying one option is better than the other. But that's impossible to say. The truth is, the Offer in Compromise and Installment Agreement are both excellent programs suited for specific and different circumstances.

The first thing you should do is determine your current circumstances. The best way to do this is by consulting with a qualified tax professional who will analyze your previous returns and your current financial situation. From this information, you and your tax professional can begin to assess whether the Offer in Compromise or the Installment Agreement would be your better option.

Let me briefly explain the differences between the two programs.

The Offer in Compromise is geared to taxpayers who owe a significant amount of money to the IRS but who, for whatever reason, are unable to pay this debt, even over time. This may be due to a failed business, medical expenses, legal judgments, personal misfortune, etc. The point is, for taxpayers who cannot pay their debt, the IRS allows the taxpayer to make an offer that would settle that debt once and for all. Oftentimes, this offer amounts to a substantial discount.

By contrast, the Installment Agreement is intended for taxpayers with debt who are unable to pay the debt off in one lump sum but who have the resources to pay the debt down over time. Under the program, the taxpayer makes monthly payments that will over time eliminate the tax debt. Think of this like a car payment — paying a small amount regularly to pay off a large amount in time.

If you're curious about IRS solutions, come see me. I'm an IRS problem solver. For a free, no-risk consultation, please call my office at 305-682-1118 or toll free at 1-800-219-1118.

STEVEN N. KLITZNER'S...
IRS Times & Inquirer
Volume XIII, Issue 6
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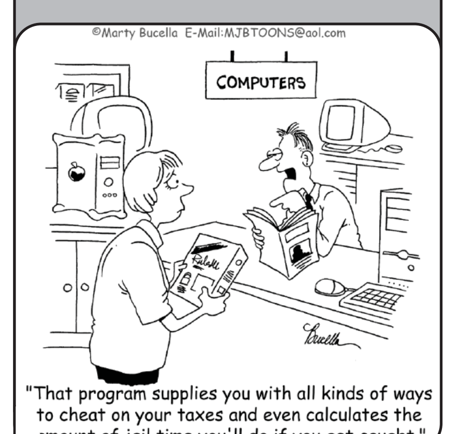

FIRM RESOLVES 2 MORE OFFER IN COMPROMISE CASES

Despite what you may hear on television and radio ads from national tax resolution firms, the IRS is getting stricter on granting Offers in Compromise for taxpayers. In fact, last year they only agreed to 20% of the OICs requested.

The Law Office of Steven N. Klitzner has continued its high success rate with the acceptance of two recent Offers.

The first case involved a client who owed $118,000 in income tax since 2001. With very little in the way of assets and annual income of $25,000, Mr. Klitzner convinced the IRS that they would never receive anywhere near the liability. The case was settled in 6 months with IRS Appeals for $1,835.

The next client owed $54,000 in personal and payroll taxes. He had fallen on hard times and his income had decreased dramatically. After a year of negotiation, the IRS agreed to accept the funds he had in the bank and 80% of the value of his vehicles. The case was settled for $3,640. The taxpayer borrowed the money from relatives and the tax liens were released.

Not everyone qualifies for an Offer in Compromise. Mr. Klitzner must conduct an extensive analysis of assets, income, and expenses before submitting the Offer. If the numbers work, success usually follows.

Former Official
Guilty In Tax Case

The former law director of Knox County, Tenn., has pleaded guilty in federal court to a tax charge. *(Continued on Page 2)*

N.J. POLITICIAN GETS PROBATION IN TAX CASE

Leonard Kaiser — formerly mayor of North Arlington, N.J., executive director of the Bergen County Utilities Authority, and a commissioner of the N.J. Meadowlands Commission — was sentenced along with his wife for attempted tax evasion.

Leonard and Barbara Kaiser each received a year of probation.

Leonard Kaiser, 61, and Barbara Kaiser, 60, both pleaded guilty to an information charging them with attempting to evade income tax due on more than $28,000 in unreported income that they took from the campaign account of Leonard Kaiser.

At their plea hearing, the Kaisers admitted that while they knew that New Jersey election laws prohibited the personal use of campaign funds, they nevertheless caused a number of checks to be issued from the election fund to Barbara Kaiser personally after Leonard Kaiser lost the 2002 election. Though many of the checks indicated on their face that they were for "salary," the payments were not disclosed on campaign finance forms filed.

The Kaisers admitted that from 2002 to about 2004, they received just under $30,000 in income from the election fund that they deliberately did not report as income on their federal tax returns in order to avoid paying taxes.

William "Bill" Lockett Jr., 55, admitted that for the tax years 2006 and 2007 he failed to file federal income tax returns in order to avoid payment of taxes. Those years, Lockett's income was substantial — $122,733 in 2006 and $107,365 in 2007.

The investigation of Lockett was conducted by IRS Criminal Investigations. He resigned as Knox County's law director on April 8, when he pleaded guilty in another case to stealing almost $63,000 from Kennerly, Montgomery & Finley, his former law firm.

The former public official in Knoxville faces up to one year in prison and a fine of up to $100,000.

N.Y. Businessman Could Get Five Years in Prison

Joseph K. Muller, 50, of Webster, N.Y., was charged with evading the payment of taxes for eight businesses he represented between 2004 and 2008.

According to the indictment, from July 2004 to September 2008, Muller did not file the required IRS Form 941 (Employer's Quarterly Federal Tax Return) for the employees of HOW Pumps Inc., Artisan Plumbing, The Fitzpatrick Agency, Waltpeterich Restaurant Inc. (Foley's), Jim Demaio Insurance, Stringer Homes LLC, Talarico & Associates and Regal Carriage Luxury Car and Limousine. He also did not pay to the IRS withholding taxes due and owing for the employees of the businesses.

If convicted, he faces up to five years in prison and a fine of up to $100,000.

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!

CAR WASH OWNERS PLEAD GUILTY TO INCOME TAX EVASION

Thomas Ellis, 63, and Brenda Ellis, 59, of Richmond, Va., have pleaded guilty to conspiring to defraud the IRS of more than $133,000 in tax revenue from 2003 through 2007.

The Ellises were the owners of Buzz Thru Car Washes, an automated car wash service in which customers deposited payment, generally in the form of paper currency or coins, into a machine.

Thomas Ellis brought the daily car wash cash receipts to the home office where Brenda Ellis would then account for the cash in two sets of records and ledgers. On one set, she recorded the true amount of cash received by the two car washes. On another set, however, she recorded a lesser amount of cash received.

When the business owners went to the bank, they deposited only the lesser amount of cash recorded in the second set of records. They kept the rest of the cash in a safe at the house or used the funds to maintain their lifestyle.

Between 2003 and 2007, the Ellises understated $386,397 in income from their car wash businesses, resulting in the nonpayment of $133,163 in income tax.

They face up to five years in prison and a fine of up to $250,000.

Clergy Members Guilty of Evasion

The husband-wife/bishop-pastor team at Greater Salem Church in Charlotte, N.C., is guilty of tax evasion.

A federal jury in Charlotte convicted Anthony L. Jinwright, 53, and his wife, Harriett P. Jinwright, 50, following a four-week trial. The guilty verdict concluded an investigation of evasion of federal tax obligations by the couple for their failure to report more than $2.3 million in taxable income from 2002 to 2007.

The 19-count federal indictment charged conspiracy to defraud the government, six separate counts of tax evasion, six counts of filing a false tax return and five separate counts of mail fraud.

"Notwithstanding any claims to the contrary, this case was not investigated or prosecuted because of the Jinwrights' positions as members of the clergy," said U.S. Attorney Anne M. Tompkins in a statement. "Bishop and Pastor Jinwright chose to use their positions within their church to collect enormous amounts of compensation, but ignore the tax responsibilities that all U.S. citizens must bear."

According to evidence presented at trial, Bishop and Pastor Jinwright collected $6 million in income, but failed to report $2.3 million that constituted income for federal tax purposes, and failed to pay nearly $700,000 in income taxes owed.

Ambassador Was Tax Cheat, Judge Says

In a decision handed down in May, U.S. District Judge F. Dennis Saylor ruled that the late Richard J. Egan, the founder of EMC, the world's largest data-storage company, was a tax cheat while he served as President George W. Bush's ambassador to Ireland.

(Continued on Page 4)

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