

IN TAX CASE, PENN. MAN GETS PROBATION

A Pennsylvania man has been sentenced to five years of probation after being convicted of income tax evasion. Robert A. Varnish Jr., of Hooversville, Pa., was also ordered to pay \$98,127.60 in restitution. According to court records, Varnish had taxable income of \$135,011.75 in 2011 and \$108,453.61 in 2012. He owed nearly \$50,000 in taxes. During both years, Varnish concealed and underreported his income.

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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

2627 NE Ives Dairy Road, Suite 213
Aventura, Florida 33180
305-682-1118 1-800-219-1118
Email: help@FloridaTaxSolvers.com

To All My Friends Who Are Attorneys:

I am excited to announce that I have been named a finalist for the Dade

County Bar Association's "Legal Luminaries" award in the TAX category.

Every member of the Florida Bar is eligible to cast one vote for a lawyer in each category.

I would be honored if you would vote for me.

Please visit <https://www.dadecountybar.org/legal-luminaries-finalists/>

Scroll down to the **TAX** category and click the button next to my name

(Steven Klitzner).

I sincerely appreciate your support.

Thanks very much!

- Steve

Please note: Each member of the Florida Bar can only cast one vote. But you can tell your attorney friends to vote.

IRS QUESTION CORNER

Question: *If I owe a lot of money in tax debt — and if I'm asking this, you know I do! — how can I determine if the Offer in Compromise or the Installment Agreement is suitable for my situation?*

Answer: *This is a great question, and one that is very common among my clients who have large debts to the Internal Revenue Service.*

If you owe back taxes and are considering either the Offer in Compromise or the Installment Agreement as a way out of this tax debt, then the first thing you should do is consult with a qualified tax professional. In addition to advising you on the best path for your case, he will analyze your previous returns very closely to find any previous errors — a process that by itself often results in the reduction of tax debt.

Once you and your qualified tax professional know exactly what you owe in taxes, he will have decide which program is best for you. Since I don't know your specific situation, I can't recommend one — so let me talk in general terms.

The Offer in Compromise is designed for taxpayers who owe a substantial amount but who, for whatever reason, are unable to pay their debt, even if given time. Under this program, the taxpayer must demonstrate that he is unable to pay the debt and does not have the assets available to settle the debt. If you qualify for this program, your tax debt can be decreased to something you can afford.

The Installment Agreement is meant for taxpayers who owe a substantial amount but can pay that debt off if given time. Under this program, the taxpayer makes manageable, monthly payments that over time eliminate the debt once and for all.

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.



STEVEN N. KLITZNER'S...

IRSTIMES & INQUIRER

VOLUME XII, ISSUE 9
FRIDAY, 9:47 AM

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Vote For Me

IRS Question Corner



"I owe that much? How much would I owe if I turned in a friend?"

IRS BRINGS BACK PRIVATE COLLECTORS

It did not work the first time. It did not work the second time. So in its infinite wisdom, Congress has brought them back again. Private collection agencies.

The fact is that the government would collect more money by increasing the IRS budget and allowing Revenue Officers to do their jobs. The last time this program was tried, it failed miserably and there was no increase in revenue.

The good news is that not all taxpayers will be subjected to this program. Generally, only old debts where the IRS has not been able to collect for more than a year are eligible.

The private collector will usually contact the individual by mail. The best plan is to get help from a tax representative who will be able to stop the subsequent telephone calls and hopefully any further collection action.

IRS FILES TAX LIEN AGAINST N.C. MAYOR

Matthew Block is the mayor of Laurinburg, N.C., a town of about 15,000 people near the South Carolina border.

He is also, according to the Internal Revenue Service, in debt by \$101,358.68 in unpaid taxes.

The IRS filed a tax lien against the small-town mayor reporting the tax debt. Despite not having paid his tax debt, Block self-funded his mayoral campaign, spending about \$60,000 in the election, according to the local newspaper, the Daily Journal.

Block told the newspaper his tax debt was due to a "medical issue."

"I fully expect to take care of all my financial obligations in the coming months," Block told the Daily Journal.

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WISC. MAN FACES SIX YEARS FOR FILING FALSE INCOME TAX RETURNS

A Milwaukee, Wisc., man pleaded guilty to filing false federal income tax returns and aggravated identity theft in connection with the filing of those returns.

According to court records, James Ainsworth, 39, filed false tax returns that netted more than \$95,000 in tax refunds. His prosecution stemmed from an IRS investigation that identified 30 tax returns that sought tax refunds based on false wages, tax information and business losses.

Many of the returns provided false wage and tax information purporting to be from employment at a defunct business. Other returns provided false wage and tax information from legitimate employers. The fraudulent refunds sought by the returns were frequently directed to bank accounts controlled by Ainsworth or his mother.

The identity theft charge is based on a false tax return in the name of a woman who had applied to rent an apartment from Ainsworth. Ainsworth used her information to file a false refund claim in her name. The return indicated that the refund should be deposited to a bank account in the name of Ainsworth's mother.

Ainsworth faces up to up to seven years in prison and a fine of up to \$250,000.

'Sovereign Citizens' Sent to Prison

Five so-called "sovereign citizens" — who believe they are not required to comply with U.S. tax laws — were convicted in South Carolina on tax charges and sentenced to prison.

According to court records, Jefford Henry, Linda Marie Henry, Makeshia Glover and Bobby McGuire are members of the Moorish Nation, a sovereign citizen group. They stole approximately \$2 million from the IRS and attempted to steal more than \$12 million dollars by submitting fraudulent tax returns.

Evidence established that once the money was deposited, the five shared in the proceeds, buying automobiles and property. They claimed that their beliefs allowed them to steal from the IRS.

Jefford Henry was sentenced to 108 months in prison, Jeffrey Henry to 121 months, Linda Marie Henry to 87 months, Makeshia Glover to 87 months and Bobby McGuire to 46 months.

Temp Agency Owner Guilty in Tax Case

The owner of a Massachusetts temp agency has pleaded guilty to charges that she failed to pay \$720,923 in employment and personal income taxes to the IRS.

According to court records, Rossy Noriega, 50, of Providence, R.I., owned New Diamond Work, in Fall River, Mass. In a plea agreement, Noriega admitted that during tax years 2009 through 2013, she made more than \$2.5 million in cash withdrawals from her company bank accounts. Some of the money was used to pay employees in cash as well as for her personal benefit.

Noriega admitted that she failed to accurately report to the IRS the number of employees, total payments to the employees, and the employees' share of federal employment taxes due to the IRS. She also admitted that she failed to accurately report her own personal income, failing pay the appropriate amount of taxes due the IRS as a result.

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VA. MAN SENTENCED TO SIX MONTHS FOR BANK FRAUD, TAX CHARGES

A Virginia man was sentenced to six months in prison and ordered to pay \$284,796 in restitution after pleading guilty to bank fraud and conspiracy to willfully fail to pay taxes.

According to court records, between April 2013 and March 2015, Robert Donald Morgan III, 44, of Hillsville, Va., executed a scheme to defraud Grayson National bank through a series of false representations.

Morgan has admitted that while working as a bookkeeper and accountant, he fraudulently caused checks to be deposited into his own personal bank account without authority. In all, Morgan fraudulently obtained \$66,776.

In addition, Morgan, and others, devised and executed a scheme in which a portion of some employees' salaries would be in cash and therefore lessening the payroll tax burden owed by the company to which he providing services.

"This defendant betrayed his duties as a bookkeeper and accountant for his own personal gain," United States Attorney John P. Fishwick said in a prepared statement.

"I am grateful to the agents and investigators who worked hard to bring this defendant to justice."

Businessman Failed to Pay \$1 Million

The owner of two Virginia Beach companies that rent jet skis and offer parasailing tours was sentenced to 24 months in prison and fined \$50,000 for tax evasion.

David A. Parker, 49, of Virginia Beach, was also was also ordered to pay restitution in the amount of \$1,070,358.26. According to court documents, Parker owned Rudee Inlet Jet Skis and Adventure Parasail Inc. He was also a partner in Duck Parasail Inc., in Duck, N.C., which provided similar services as the companies in Virginia.

According to a plea agreement, Parker admitted that from 2005 until 2011, he failed to file individual federal income tax returns and also declined to file business income tax returns after 2007. For several years, Parker ignored attempts by the IRS to recoup his tax balance.

In February 2012, an IRS agent interviewed Parker about his failure to file individual income tax returns and his current finances. Parker failed to disclose all of his assets to the officer and maintained that he had little money and could not pay his tax balance.

In the weeks after his meeting with the IRS agent, Parker traveled to casinos in Florida and Atlantic City, where he purchased nearly \$50,000 in chips. Parker continued not to file his tax returns for the next several years. The combined tax due and owing resulting from Parker's failure to file individual and business income tax returns is more than \$1 million.

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