



# IRS Times & Inquirer

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## Scorsese, Pacino Hit with IRS Tax Liens

Director Martin Scorsese and actor Al Pacino, both members of the Hollywood elite, received liens for unpaid federal taxes.

Scorsese, famous for gangster movies including Goodfellas and The Departed, was slapped with a \$2.85 million tax lien. The New York Post reported that the director's problems could be a result of his business relationship with Kenneth Starr, who was convicted of fraud for running a \$33 million Ponzi scheme.

Also reportedly affected by Starr's fraud is Al Pacino, famous for his roles in The Godfather and Scarface. According to a tax lien, Pacino owes \$188,000 in unpaid taxes.

## Nevada Businessman Guilty of Tax Evasion

A Nevada man who operated a nightclub in Carson City and two laundromats in Reno pleaded guilty to tax evasion.

According to the plea agreement, between 2005 and 2007, Bradley H. Herndon, 54, operated three restaurants and two Duds and Suds Laundromats in Reno, as well as the Club JB nightclub in Carson City.

Herndon failed to report all the cash receipts received by the two laundromats and the door receipts received by the nightclub. Herndon then converted these funds for personal use.

Herndon also prepared false documents and concealed or altered other documents to hide his actions from his company's bookkeeper, return preparer and the IRS. As a result, Herndon understated his taxable income by \$106,497 for the 2005 tax year, \$120,435 for the 2006 tax year and \$52,291 for the 2007 tax year. The tax loss for all three years totaled \$74,883.

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Beat This Trivia Question and Win a \$250 Gift Certificate



"The Feds are watching us like hawks, so this year, instead of cooking the books, maybe you could just stir fry them a little."

## **Former Alabama Mayor Guilty of Filing False Tax Return**

The former mayor of an Alabama town pleaded guilty to one count of filing a false tax return.

According to the court documents, John Jackson, the former mayor of White Hall, Alabama, admitted to filing a false joint income tax return that did not report all of the income earned by him and his spouse.

Jackson also admitted in his plea to filing false joint returns for 2005 and 2006, which failed to report all of total income earned by him and his spouse.

Jackson faces up to three years in prison, three years of supervised release and a fine of up to \$250,000.

## **Colorado Man Did Not Report \$4.7 Million**

A Colorado loan preparer has pleaded guilty to tax evasion, admitting that he omitted more than \$4.7 million from his income tax returns.

According to the plea agreement, from 2002 to 2005, Leonid Shifrin, 40, of Aurora, Colorado, originated and closed loans for residential properties. Shifrin underreported his business receipts from 2002 to 2005 by \$4,745,600, which, if reported, would have resulted in \$1,365,788 in taxes.

Beginning in or about 2002, Shifrin conducted his mortgage brokerage business in partnership with others under the name Consumer Mortgage Group. During this time, Shifrin formed a Nevada corporation under his retired father's name and requested ownerships distribution be made payable to his father's name.

In or about August 2004, Shifrin ceased conducting most of his mortgage loan brokerage business through CFS, withdrew from the partnership, and entered into collaboration with a loan processor who had been a former employee. During this collaboration, Shifrin continued to structure his activities to avoid reporting all of his business' mortgage loan commissions on federal income tax returns.

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

## **PENNSYLVANIA MAN CHARGED IN \$7 MILLION INCOME TAX EVASION CASE**

David M. Mengden, of Chadds Ford, Pennsylvania, has been charged in a nine-count indictment with tax evasion, obstruction of justice, failing to file tax returns and bank fraud.

The indictment alleges that Mengden engaged in a scheme to evade taxes on millions of dollars in income while, at the same time, he purchased a \$3.8 million home in Chester County, Pennsylvania.

Mengden operated Global Advisory Group, which marketed investment advisory services. From 2001 to 2008, Mengden made more than \$7 million from his business. Despite this, he filed no federal income tax returns and paid no taxes during this time. Rather, Mengden falsely stated to the Internal Revenue Service that he had ceased operating his business in 2000 and was no longer required to file tax returns.

The indictment further alleges that when he learned of the federal investigation, Mengden attempted to obstruct justice by filing tax returns that concealed the fact that he was operating Global Advisory Group.

Mengden also allegedly told a person who he knew would be testifying before the federal grand jury that he believed the federal tax laws were illegal.

## Are You My 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 Mr. Markos G.

Mr. Markos G. owed the IRS over \$27,000 in back taxes when he sought our help. After several months of negotiations, we were able to settle his debt for just \$500.00 through the IRS's offer in Compromise program. Congratulations Mr. Markos G. Amazing settlement!

You might be my next Client Of The Month too! Watch for your name here in an upcoming month.

## "Who Else Wants To Win A \$250 Transferable Gift Certificate?"

### Take my Trivia Challenge and you could win too!

This is one of my favorite sections. 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. (One per client, please.) And best yet, your certificate is transferable.

Use it yourself, or give it to a family member or special friend and help them save money. Take your best guess, then call me at 818-774-1813.

### This Month's Mega Trivia Question...

Which Two and a Half Men star made headlines for crazy antics?

- a) Jon Cryer
- b) Charlie Sheen
- c) Angus T. Jones
- d) David Caruso

Call me right now with your answer! 818-774-1813



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insight, tips and humor  
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## L.A. DUO BARRED FROM PROMOTING TAX SCHEME, ORDERED TO TURN OVER CLIENT LIST

A federal court has issued a preliminary injunction barring Gwenn Wycoff and Frank Ozak, both of Los Angeles, from promoting so-called "common-law trusts" that help individuals evade taxes.

The injunction will remain in effect while the government's lawsuit seeking a permanent injunction is pending.

The court found that Wycoff and Ozak promote their scheme through personal appearances, a website and a self-published, two-volume work they wrote with others titled The Art of Passing the Buck, which contains false statements about the internal revenue laws.

The court determined that the trusts promoted by Wycoff and Ozak, including one they created for themselves, are shams and have caused substantial harm to the government. The court found that the total amount of tax deficiencies assessed by the government with respect to four customers mentioned in the order is more than \$1.1 million.

The court also ordered Wycoff and Ozak to post a copy of the injunction on their website and provide the government with a list of people who have purchased their products and services.

## IRS Question Corner ...

**Question:** How do I know if I'm eligible for an Offer in Compromise? And what's the difference between that and the Installment Agreement?

**Answer:** If there's one thing I've learned from being in this business, it's that no one asks these questions out of intellectual curiosity. So I'm going to assume you've found yourself in tax trouble, owing a significant amount, and now you're looking at what your options might be.

That's a terrific first step. But your next step should be to consult with a qualified tax professional. He or she will be the one who can help you determine whether you qualify for the Offer in Compromise or whether the Installment Agreement might be your best approach. A qualified tax professional will also analyze your previous returns, looking for mistakes that, when corrected, could save you a lot of money.

Not everyone qualifies for the Offer in Compromise. That's because the IRS established this program for a specific type of taxpayers. The Offer in Compromise is for those taxpayers who, for whatever reason, are unable to pay down their tax debt no matter how much time they're given. This can be a result of medical problems, business failures or lawsuits. If you qualify for the Offer in Compromise, you and your qualified tax professional will make an offer to the IRS to settle your debt once and for all. Often, this settlement amount can be a fraction of what you owe.

However, if you owe back taxes but are in a position to pay your debt over time, the Installment Agreement will be your best option. The Installment Agreement allows taxpayers to pay their tax debt by making monthly payments. Think of this like a car payment: It's sizeable enough each month to pay down the principal over time but not so large that you can't put food on your table.

I know both the Offer in Compromise and Installment Agreements program very well. I handle tax problems every day, because I'm an IRS problem solver. For a free, no-risk consultation, please call my office at 818-774-1813.

## 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.

**Mrs. Angela Setters-Bessard**

*I just couldn't do it without you!*

## OHIO MAN CHARGED WITH INCOME TAX EVASION

Anthony S. Spitalieri, 60, of Wickliffe, Ohio, has been charged with attempting to evade income taxes for the years 2004 to 2007. Spitalieri operated several cleaning companies in Northeast Ohio. For the tax years 2004 and 2005, Spitalieri filed tax returns reporting his wages but omitting the non-salary checks paid to him. For the years 2006 and 2007, Spitalieri failed to file individual income tax returns. According to the government, he tried to evade \$167,590 from 2004 to 2007.

### Thanks for the Kind Words...

"I would like to tell you that we really enjoyed working with your company. Thank you for your help. You and your staff were very professional and helpful. I couldn't have done it without you!"

-- Markos G.

### 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 no-obligation confidential consultation to explain every option available to solve IRS problems.

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