



IRS Times & Inquirer

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South Carolina Politician Cops to Tax Evasion Charge

A South Carolina politician faces up to five years in prison after pleading guilty to a tax evasion charge.

Columbia City Councilman Ernest W. Cromartie II, 64, was charged in federal court with a felony information, and at the same time in a plea agreement, he chose to waive the presentation of the information to a grand jury.

Cromartie, the longest-serving city council member in Columbia, is a managing partner in a law firm and owner of One Stop Party Shop. According to federal records, Cromartie did not pay federal taxes and lied about this to investigators.

Specifically, prosecutors alleged he did not pay \$25,316 in income taxes in 2004, and his overall actions resulted in a \$58,075 tax loss to the United States government.

Ex-FBI Agent Guilty of Tax Evasion

A retired FBI Agent has pleaded guilty to evading approximately \$109,000 in personal income taxes.

Jan Lindsey, 67, of Henderson, Nevada, pleaded guilty to one count of felony tax evasion and is scheduled to be sentenced on Friday, July 9, 2010.

According to the plea agreement, Lindsey worked as an FBI Agent for 26 years and retired from the FBI in 1995. For the next 10 years, Lindsey worked for the FBI as a contractor performing background investigations. Prior to 1999, Lindsey filed tax returns with the IRS.

Beginning in 1999, Lindsey started using illegal tax-avoidance methods to file his and his wife's joint tax returns.

Lindsey failed to file or pay federal income tax for the years 1999 through 2006, and committed various acts that were designed to hide his income and assets from the IRS, including placing assets in nominee names and presenting or recording fraudulent documents in an attempt to obtain lien and levy releases on his property.

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



"Remember, dad, those grades are after taxes."

Oregon Man Found Guilty Following Elaborate Scheme to Evade Taxes

Jerry Lawrence Miller, 60, of Bend, Oregon, was found guilty of five counts of income tax evasion and one count of conspiracy. Miller and his wife, Rosemary Josephine Miller, were charged in May 2009 with conspiracy and tax evasion.

According to evidence presented at trial, Miller worked for a company called Business Administrative Services. Miller attempted to thwart the IRS's efforts to collect federal income taxes by entering into a "Professional Services Agreement" with BAS, in which he agreed to donate his time to BAS and, in return, BAS agreed to pay his personal expenses.

BAS paid Miller's personal expenses and issued him a preloaded ATM card to pay for personal expenses.

Alaska Businessman Faces Up to Five Years

An Alaska businessman was convicted of felony tax evasion following a five-day trial in Fairbanks.

Roger Lee Shoffstall, 59, is the president and owner of Summit Telephone and Telegraph Company of Alaska, which is a rural telecommunications utility that provides telephone service to several hundred customers in remote areas north of Fairbanks.

According to trial evidence, Shoffstall failed to pay income taxes for the years 1996 to 2003, and he had not filed federal individual income tax returns with the IRS for those years or any years thereafter. Instead, Shoffstall mailed simulated legal process and other documents to the IRS citing frivolous tax arguments.

Additional evidence presented at trial indicated that Shoffstall used his position as president of Summit to prevent the company from complying with an IRS levy and an IRS final demand for payment that would have resulted in Shoffstall's wages being garnished.

In addition, trial evidence demonstrated Shoffstall requested the IRS halt collection efforts so that he could negotiate a settlement while at the same time he invested in the purchase of a \$225,000 house and other items on installment payments, effectively removing these mortgaged assets from the reach of IRS collection procedures.

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

COLORADO MAN CHARGED WITH FAILURE TO FILE

Darrell Stoffels, 59, of Castle Rock, Colorado, was charged with failure to file tax returns.

According to court records, during the calendar years 2003 to 2005, Stoffels, who was a resident of Colorado, received gross income of approximately \$281,838.

Stoffels earned \$58,958.09 in 2003, \$121,607.64 in 2004 and \$101,273.09 in 2005. Stoffels failed to file income tax returns with the IRS for those years, citing specifically his gross income and any deductions and credits to which he was entitled.

"Fulfilling individual tax obligations is a legal requirement and those who criminally evade that responsibility will be prosecuted," said U.S. Attorney David Gaouette in a statement.

"As April 15 is approaching, this is a reminder that all taxpayers should pay their fair share and file complete and accurate tax returns," said Christopher M. Sigerson, Special Agent in Charge, IRS Criminal Investigation, Denver Field Office.

"IRS special agents are doing their job to ensure the honest individuals do not have to pick up the tab of those people not filing returns or filing frivolous returns."

Stoffels faces up to one year in prison and a \$25,000 fine per count.

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. Eddie Shad.

Mr. Shad owed the IRS over \$150k in taxes including penalties and interests. We successfully abated the penalties in the sum of over \$75,031 and were also able to get Mr. Shad a refund on the penalties and interest paid, bring the total amount of his refund for over \$84K. Congratulations Mr. Shad!

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...

Who won a Best Actor Oscar for her role as a suburban mother?

- a) Sandra Bullock
- b) Kate Winslet
- c) Naomi Watts
- d) Megan Fox

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



Get IRS news, commentary, insight, tips and humor from tax expert Michael Rozbruch online at Tax Resolution University

www.taxresolution.com/blog/

GEORGIA WOMAN CHANCES DECADE IN PRISON AFTER SUBMITTING FALSE TAX RETURNS

Charlene Hughes of Waynesboro, Georgia, was indicted by a federal grand jury sitting in Savannah and charged with conspiracy to defraud the United States.

The indictment arises out of a joint investigation by the Internal Revenue Service Criminal Investigations and the Federal Bureau of Investigation into Hughes' alleged involvement with more than 25 fraudulent tax returns which falsely claimed more than \$90,000 in refunds between April 2006 and August 2007.

The indictment alleges that these fraudulent tax returns contained false Form W-2 information, including false employers and wages.

"As we near the height of this year's tax filing season, those who might consider preparing false tax returns should be aware of the severe consequences of doing so," U.S. Attorney Edward J. Tarver said in a statement.

"This indictment emphasizes that the IRS, the FBI and the United States Attorney's Office will aggressively pursue anyone who attempts to defraud America's tax system."

If convicted, Hughes faces up to 10 years in prison and a \$250,000 fine.

IRS Question Corner ...

Question: Like others who read IRS Times & Inquirer, I owe a significant debt to the IRS. Which program would be better for me — the Offer in Compromise or the Installment Agreement?

Answer: Those are two great programs for people with significant tax debt, and one of those programs might be right for you. However, without reviewing your case in detail, I can't say with authority which program you should pursue.

Let me tell you a little about each program, and this may allow you to determine the answer.

The Offer in Compromise was implemented by the IRS following the tax-collecting agency's realization that the strong-arm, door-knocking technique of tax collection isn't always the most effective. In fact, this kinder, gentler approach is as effective, if not more effective, than the old ways. This program is designed for taxpayers who owe a significant amount to the IRS but who, for whatever reason, are unable to pay the debt, even over time. Under this program, you and your tax professional can negotiate a settlement amount with the IRS that can result you paying far less than you owe.

Now, you may not qualify for the Offer in Compromise program. Your capacity to pay back the debt, for example, might be too high to qualify. If that is the case, then the Installment Agreement could be your best option. Under this program, you can pay down your tax debt over time by making small monthly payments. Think of this like a car payment — enough each month to pay down the debt over time but not so significant that you need to alter your lifestyle dramatically.

If you indeed have tax debt and are considering one of these options, your first step should be to consult a qualified tax professional. He or she will analyze your previous returns and chart your course to freedom from the IRS!

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.

Mr. Richard Moss

I just couldn't do it without you!

SIX MONTHS IN PRISON FOR CALIFORNIA MAN

Pradeep Bali, 56, of Fresno, Ca., was sentenced to six months in prison for tax evasion. According to prosecutors, Bali is a self-employed real estate agent and co-owner of Realty World Starr and First Continental Mortgage Starr, both in Fresno. Bali pleaded guilty on August 17, 2009, and admitted that he submitted a false tax return for the year 2000. He falsely inflated losses or did not report income to one of his businesses, resulting in a tax loss of \$79,000.

Thanks for the Kind Words...

"We became a client about 1 year ago. We were refunded \$84,000 from the IRS in a penalty abatement case. That made us very happy. The benefit we received was knowing that if we get cheated by the IRS, there is a firm such as yours that will fight for us tooth and nail. We would like to thank you for your determination" -E. Shad

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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