



IRS Times & Inquirer

Tax Resolution Services, Co., Est. 1997
"The Nation's Leading Experts in Tax Negotiation and Mediation"
6345 Balboa Blvd., Bldg. IV, Suite 285 Encino, CA 91316
1-(866) IRS-PROBLEMS or (818) 774-1813 / www.taxresolution.com

[facebook.com/taxresolution](https://www.facebook.com/taxresolution) twitter.com/taxresolution [youtube.com/taxresolution](https://www.youtube.com/taxresolution)

Arizona Treatment Center Owners Get Prison Term

The owners of a Sedona, Arizona, drug and alcohol rehabilitation center have been sentenced to prison following a trial in which they were convicted on one count of conspiracy to impede the IRS and four counts of tax evasion.

Dr. William Howard Steiniger, 65, received 42 months in prison. His wife Diana, 52, received eight months behind bars.

Together, the Steinigers operated Desert Canyon Treatment Center from 1998 to 2008. During a four-day trial, testimony showed that the Steinigers concealed income from the IRS by funneling money into sham entities they created. One of those sham entities was set up in the Central American nation of Belize.

Contractor Guilty in 69-Count Indictment

A 34-year-old construction company president in Florida pleaded guilty to a 69-count indictment charging him with failing to file federal corporate income tax returns.

Mauricio Soto, of Navarre, Florida, and the president of Mauricio Soto Concrete Construction, admitted to structuring cash withdrawals in order to avoid federal currency reporting requirements from January 2006 to October 2007. During this period, 62 checks in the amount of \$9,500 each cashed, totaling \$589,000, in an attempt to evade the requirement that financial institutions make reports of currency transactions greater than \$10,000.

Soto also admitted to having failed to file the federal corporate income tax returns for his business, Mauricio Soto Concrete Construction, Inc., for the years 2005 to 2009. Soto's concrete and framing business generated more than \$9 million in gross receipts during the years 2005 to 2009 from new housing construction.

Soto faces up to 10 years in prison and a \$500,000 fine for each cash-reporting violation. He also faces additional years and fines for the other charges as well as potential deportation since he is not a U.S. citizen.

Inside This Issue...

Arizona Treatment Center Owners Get Prison Term

Contractor Guilty in 69-Count Indictment

Louisiana Woman Sentenced to Prison for Refund Scheme

Racecar Specialist Gets Prison for Tax Evasion Charge

IRS Agent Nailed on Tax Charges

Connecticut Man Guilty for Evading Income Reporting

Idaho Man Faces Three Years in Prison For Not Reporting Income

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



"Of course there's nothing there. I'm an IRS auditor."

Louisiana Woman Sentenced to Prison for Refund Scheme

Levonne Stewart, 42, of Baton Rouge, Louisiana, was sentenced to 48 months in prison and order to pay \$70,485.38 in restitution to the IRS after pleading guilty to conspiracy to file false claims for tax refunds, wire fraud, and aggravated identity theft.

Stewart conspired with others to obtain the names and Social Security numbers of various individuals and to prepare false and fraudulent federal income tax returns for filing with the IRS.

The conspiracy included falsely claiming that taxpayers had been self-employed and had earned income to maximize the refund amount obtained. In all, Stewart's participation in this scheme involved approximately 30 false tax returns claiming refunds totaling \$102,913.

IRS Agent Nailed on Tax Charges

An IRS revenue agent pleaded guilty to charges of filing false tax returns for himself and innocent relatives that claimed, among other things, bogus deductions for alimony and mortgage payments.

Albert Bront, 51, a former Santa Clarita, California, resident, pleaded guilty to one count of subscribing to a false return and two counts of assisting others in subscribing to false tax returns.

Bront specifically pleaded guilty to a count involving his own fraudulent 2005 tax return, but also admitted filing fraudulent tax returns for the tax years 2003 to 2007 that claimed excessive deductions and failed to report certain income. Bront also pleaded guilty to two counts involving fraudulent tax returns he filed without his relatives' knowledge, admitting that he stole large tax refunds that were the result of the fraudulent tax returns filed on behalf of the unknowing relatives.

In relation to his 2005 tax return, Bront falsely claimed approximately \$16,819 in mortgage interest. Bront also falsely claimed an approximately \$12,000 deduction for "alimony paid" and failed to report as income more than \$10,000 he received from the fraudulent activity.

Bront faces up to nine years in prison and has agreed to pay approximately \$127,116 in restitution.

RACECAR SPECIALIST GETS PRISON FOR TAX EVASION CHARGE

Ian Prout, 38, of Essex, Connecticut, was sentenced to three months in prison, to be followed by one year of supervised release, for failing to report more than \$250,000 in income on his federal tax returns between 2005 and 2007.

According to court records, Prout was a self-employed racecar specialist. Typically, Prout rented the facilities for the weekend and was paid to teach high-performance car owners how to drive and race their vehicles. Prout also derived income by providing consulting services to car dealerships and marketing firms.

Prout deposited most of the income from his racetrack instruction events into his business banking account, but deposited the income from his consulting work into his personal bank account.

When preparing his tax returns, Prout supplied information to his accountant about his business bank account but failed to supply information about his personal bank account. That ensured his tax returns failed to report the total amount of income he received in each year.

For the tax years 2005 to 2007, Prout failed to report \$251,136 in income, resulting in his underpayment of \$74,481 in taxes for those years. Prout was ordered to pay to the IRS approximately \$150,000.

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 Ms. Jennifer C.

Jennifer owed the IRS over \$38K in back taxes when she sought our help. After several months of negotiations, we were able to settle her IRS tax liability for just \$2.2K through the IRS's Offer in Compromise program. Congratulations Ms. Jennifer C!

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...

Hosni Mubarak stepped down as president of which country?

- a) Egypt
- b) Tunisia
- c) Iraq
- d) Saudi Arabia

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/

CONNECTICUT MAN GUILTY FOR EVADING INCOME REPORTING

Joseph Romanello, 45, of Stamford, Connecticut, pleaded guilty to one count of illegally structuring cash withdrawals to evade reporting income on his federal tax returns for the years 2003 and 2004.

Federal law requires all financial institutions to file a Currency Transaction Report for currency transactions that exceed \$10,000. To evade the filing of a CTR, individuals will often structure their currency transactions so that no single transaction exceeds \$10,000. Even if the deposited funds are derived from legitimate means, financial transactions conducted in this manner are still in violation.

According to court records, Romanello earned income by providing masonry and landscaping services. Between approximately January 2003 and March 2005, Romanello structured cash transactions of approximately \$2 million by routinely withdrawing cash from various bank accounts he maintained in amounts at or slightly below \$10,000 to prevent the financial institutions from filing CTRs.

For the years 2003 and 2004, Romanello did not file any federal income tax returns, and he failed to pay almost \$1 million in income taxes during those two years.

Romanello faces up to 10 years in prison and a fine of up to \$500,000.

IRS Question Corner ...

Question: After doing my taxes this year, I realize I'm in trouble. I owe taxes from previous years, and now I owe even more for 2010. What can I do?

Answer: Because the economy has been so lousy these past few years, with a stock market crash a few years ago that severely damaged many people's savings and retirement accounts, I see more and more people every day with the same problem you have.

First, take some comfort in knowing that you are hardly alone. Thousands of other taxpayers are in the exact same situation you are. But please take greater comfort now in knowing that you have options.

I recommend that you immediately set up an appointment with a qualified tax professional. He or she will analyze your previous tax returns closely to make sure they you are not obligating yourself to pay the IRS even a penny more than you owe. You'd be surprised how much supposed tax debt can be eliminated by finding errors in previous tax returns.

Once you and your qualified tax professional have come to the exact amount you owe the IRS, you'll want to consider the Offer in Compromise or the Installment Agreement.

If you qualify for the Offer in Compromise, you and your tax professional will negotiate a final settlement amount with the IRS. The Offer in Compromise is intended for taxpayers who, even if given time, are unable to pay their tax debt. Instead, the IRS will consider the acceptance of a one-time payment that can amount to significant discount.

If you do not qualify, you have another alternative: the Installment Agreement. This will allow you to pay down your tax debt by making regular payments.

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.

Mr. Rick Ross, EA

I just couldn't do it without you!

IDAHO MAN FACES THREE YEARS IN PRISON FOR NOT REPORTING INCOME

Glenn Mosell, 47, of Eagle, Idaho, pleaded guilty to filing a false tax return. Mosell admitted he filed a false 2005 tax return claiming total income of \$30,579. Mosell knew he failed to report income of more than \$1 million from various sources, including from a lawsuit and a purchase option. The returns Mosell filed for 2004 and 2006 also failed to report income. He faces up to three years in prison and a fine of up to \$250,000.

Thanks for the Kind Words...

"I would like to tell you that we really enjoyed working with your company. Thank you for your help".

-Jennifer C.

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.

Tax Resolution Services, Co.
Contact: Michael Rozbruch, Certified Tax Resolution Specialist, Member of American Society of IRS Problem Solvers, 6345 Balboa Blvd., Bldg. IV, Ste 285 Encino, California 91316
Tel: (818) 774-1813
Fax: (818) 774-9361
E-mail: Michael@taxresolution.com
www.taxresolution.com