



IRS Times & Inquirer

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County Council Member Guilty of Tax Evasion

An Anne Arundel County, Maryland, council member pleaded failing to file a federal income tax return.

Daryl D. Jones, 47, of Severn, Maryland, also admitted that he failed to file personal income tax returns for four years and quarterly business payroll tax returns for six years.

Jones operated a law office and a tavern. From 2002 to 2007, Jones knowingly failed to file four personal income tax returns. He also failed to file 31 quarterly payroll tax returns for his businesses. The total amount of taxes due was \$108,369.57.

He faces up to a year in prison and a \$25,000 fine.

Defense Attorney Did Not File Tax Returns

A New Jersey criminal defense attorney who has not filed a personal income tax return since 2000 admitted to committing tax crimes in connection with income he received from his law practice.

Francis Cutruzzula, 48, of River Vale, New Jersey, pleaded guilty to two counts of tax evasion and one count of failure to file a federal tax return.

A 1988 graduate of Seton Hall Law School, Cutruzzula was admitted to practice law in New Jersey and was the sole proprietor of a Jersey City law practice. Despite receiving significant income from his practice, Cutruzzula has not filed a personal income tax return since calendar year 2000.

"Cutruzzula intentionally ducked his legal obligations, hiding personal income in a company account and then spending it on custom suits and travel," U.S. Attorney Paul J. Fishman said in an official statement.

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



"God created Heaven and Earth and it didn't cost the taxpayers a cent?"

Woman Gets 33 Years for Filing False Returns

A Flint, Michigan, woman was sentenced to 33 months in prison for preparing and filing false income tax returns.

Following a five-day trial, Chandra Hicks was convicted of 37 counts of preparing and filing false tax returns. According to evidence presented at trial, Hicks operated a tax preparation service called Unlimited Prosperity Tax Service in Flint, Michigan, from 2005 through 2009.

During that time period Hicks prepared 37 false tax returns by claiming a variety of false deductions on the returns, including false gifts to charities, false job and medical expenses, false child care credits and earned income credits, and false business losses. The tax loss to the government was more than \$110,000.

In addition to her prison sentence, Hicks was ordered to pay a \$3,700 fine.

Lawyer Pleads Guilty to Evasion, Admits Hiding \$1.5 Million

A Maryland attorney pleaded guilty to tax evasion and structuring financial transaction to avoid reporting \$1.5 million.

Stanley Needleman, 68, of Pikesville, Maryland, is a criminal defense attorney, practicing law for more than 30 years in state and federal court. Clients made payments mostly in cash, which was kept in a large bank envelope. At the end of each business day, Needleman took the bank envelope with the day's receipts home with him. No one at the office tallied the daily receipts or completed bank deposit slips. The next day, Needleman would return the bank envelope to the office empty.

"Stanley Needleman committed tax evasion by omitting \$1.5 million of income from his federal tax returns over five years, and he concealed his tax fraud by failing to report large cash receipts from his clients and by breaking up his large bank deposits into smaller amounts in an effort to avoid bank reporting requirements," U.S. Attorney Rod J. Rosenstein said in a statement.

"People who defraud the IRS shift the cost to honest taxpayers, and businesspeople who evade financial reporting requirements allow other criminals to spend their illegal proceeds without being detected by authorities."

OHIO PASTOR COLLECTED EMPLOYEE TAX WITHHOLDINGS, THEN DIVERTED MONEY TO ANOTHER ACCOUNT FOR HIS PERSONAL USE

A Shaker Heights, Ohio, pastor was charged with six counts of willful failure to collect and pay taxes.

A criminal information alleges that Charles J. Matthews, 58, failed to pay at least \$90,676 in income and FICA taxes that were withheld from employees at Cleveland's Mount Sinai Baptist Church and Ministries from October 2005 to January 2007.

Matthews was the senior pastor at Mt. Sinai and oversaw financial affairs of the church. He was responsible for collecting income and FICA taxes from Mt. Sinai employees and paying the IRS.

He operated two accounts — a general church operating account and an account for Matthews' use, known as the "pastor's account."

The taxes were collected and withheld from Mt. Sinai employees, but Matthews willfully failed to report and pay over the money to the IRS.

Instead, Matthews used those funds for other purposes, including transferring money to the "pastor's account" for his personal use, according to the information.

IRS Criminal Investigation Division brought this case to prosecution.

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. Thomas H.

Mr. Thomas H. owed the IRS over \$70K in back taxes when he sought our help. After several months of negotiations, we were able to settle his liability with the IRS for just \$1,857, through the Offer in Compromise program. Congratulations Mr. Thomas H.!!!

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...

Brad Pitt is in a new movie version of which Michael Lewis book?

- a) The Big Short
- b) Moneyball
- c) Liar's Poker
- d) The New New Thing

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



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insight, tips and humor
from tax expert Michael
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www.taxresolution.com/blog/

SOUTH CAROLINA COMPANY OWNER FAILED TO PAY EMPLOYMENT TAXES

The owner of a South Carolina construction company did not pay employment taxes.

Francisco De Leon Campa, 43, of Bluffton, South Carolina, pleaded guilty to one count of willfully failing to truthfully account for and pay over withholding taxes for the second quarter of 2007.

According to court records, Campa was the sole shareholder and registered agent of Francisco Campa General Carpentry. Campa had a duty to collect and pay to the IRS payroll taxes for the company. Instead, Campa underreported the total wages of his employees for the second quarter of 2007 in the amount of \$167,152.74, which resulted in \$52,569.53 of unreported and unpaid federal employment taxes, including FICA taxes.

Campa underreported the taxes by falsely categorizing certain employees as subcontractors instead of as employees. Campa also underreported the payroll taxes for his company in the same manner for the remaining three quarters of 2007, as well as for all four quarters of 2006 and all four quarters of 2008. The government said in the written plea agreement that the total tax loss for sentencing purposes was \$427,003.94.

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

IRS Question Corner ...

Question: I'm really behind on my taxes, and now I'm getting letters from the IRS. I'm having trouble sleeping. I don't know how I can pay this debt. I also have a mortgage and my daughter starts college next year. How can you help?

Answer: I know that feeling. I know what you're thinking and why you're worried. The reason for that is because I've had so many clients in the same position you are in right now. But take comfort in this: You have options. You're not going to be penniless and homeless.

The absolute first thing you need to do is consult a qualified tax professional. In my experience, people in debt to the IRS often believe they are in greater debt than they actually are. A qualified tax professional will analyze your previous returns with a fine-toothed comb and determine exactly how much you owe to the IRS.

Once you have that figure, it's time to negotiate a solution with the IRS. Based on the brief description of your situation, it sounds like your best bet would be the Offer in Compromise. This is a program designed for taxpayers who owe a substantial amount to the IRS but who, for whatever reason, are unable to pay that debt. If you can prove to the IRS that you can't pay the debt, even over time, then you and your qualified tax professional can negotiate a settlement amount that will settle your debt once and for all. Oftentimes, this settlement amounts to a significant discount.

But that isn't your only option. If you do not qualify for the Offer in Compromise, you may qualify for the Installment Agreement. This program allows taxpayers to pay off their tax debt over time by making small monthly payments. For some taxpayers, this is enough to relieve the repayment stress.

I handle tax problems like yours every day. 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.

Joseph Greenberg, CPA

I just couldn't do it without you!

MINNESOTA MAN FILED FALSE CORPORATE TAX RETURN

John Joseph Bridge of Minnesota pleaded guilty to one count of filing a false return for his business, Finline Lakeshore Inc.

He admitted that he filed a false 2008 corporate tax return, specifically understating the amount of Finline's gross revenue by approximately \$89,000. Bridge was one of three partners at Finline and responsible for preparing the corporate tax return.

He faces up to three years in prison.

Thanks for the Kind Words...

"I wanted to thank everyone in TRS. It's been a long road and I can finally sleep. Thank you." -- Thomas H.

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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