



IRS Times & Inquirer

Tax Resolution Services, Co., Est. 1997

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Personnel Co. Exec Ordered to Pay \$4.2m

After pleading guilty to failing to pay payroll taxes, Bruce Alexander Brown, the former owner of employee-leasing business Excell Personnel, was sentenced to 36 months in prison and ordered to pay \$4.2 million in restitution to the IRS.

Brown, a Dallas resident, did not pay federal payroll taxes for Excell in 2001 and 2002. According to court documents, Brown's company "leased" employees to companies that did not want to hire their own workers. Excell would locate, hire and train the employees, and then provide them to businesses that were Excell's customers. The businesses would pay Brown, who in turn would pay the employees.

Brown admitted that he was aware of the legal obligations to pay over to the IRS the required withholding taxes, Social Security taxes and Medicare taxes. He simply chose not to pay the taxes.

Gas Station Owner Guilty of Evasion

A Michigan gas station owner was found guilty of three counts of filing a false tax return after a five-day bench trial.

According to court records, from 1999 to 2001, Yousef Safiedine, 60, of Farmington Hills, owned a gas station in Dearborn, Mich., which he leased to a family member. He received monthly payments from either JLJ Enterprises or MTK Family Investments and reported only a portion of the rental income, \$134,000 per year, on his tax returns. Over the three-year period, Safiedine failed to include more than \$160,000 in income on his tax returns.

He faces up to three years in prison and a fine of up to \$100,000.

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"Is there anything else you'd like for your birthday besides a tax shelter?"

Contractor Evaded Taxes on \$200,000

A 44-year-old Stillwater, Minn., man was indicted for tax evasion and filing false returns to evade taxes on more than \$200,000 in income.

Jeffrey Siewert was charged with three counts of tax evasion and three counts of filing a false tax return. Siewert's indictment alleges that from 2000 to 2003 he engaged in various acts of tax evasion.

Siewert was the president and sole shareholder of Sieco Construction Inc., a construction company located in Minneapolis. For each of the tax years 2000, 2001 and 2002, he filed tax forms on behalf of Sieco, which was a "Chapter S" corporation. As a S corporation, Sieco was not required to pay income tax itself, but the company's profits or losses were attributable to Siewert.

While concealing the income he received from Sieco, Siewert allegedly evaded his personal income tax by ordering company employees to perform construction jobs on his personal residence and classifying those personal expenses as business expenses. Siewert also allegedly purchased a GMC Yukon and a personal camper with company funds.

Feds: Banker Did Not Report Income

A California banker is facing a stiff prison sentence after not declaring a six-figure income derived from a prime bank scheme.

Mary J. Clagg, 60, of Fresno, was indicted on federal income tax charges stemming from the scheme. She has pleaded not guilty.

According to the government, from approximately January 1999 to December 2002, CLAGG received commissions from Resource Development International (RDI), a scheme that raised nearly \$98 million. RDI was in fact a fraudulent investment scheme that offered and sold unregistered prime bank securities, mainly targeting people seeking to invest retirement funds. Instead, investors' funds were misappropriated and dispensed for personal and unauthorized business uses. Tens of millions of dollars were diverted from the RDI bank account to offshore accounts in the Bank of Nevis, West Indies.

Over about three years, more than \$802,000 was deposited into Clagg's Bank of Nevis account. From approximately November 1999 to June 2003, CLAGG repatriated thousands of dollars from her Bank of Nevis account into the United States and failed to declare on her tax returns the more than \$634,000 of income derived from paid commissions received to her Bank of Nevis account.

She faces up to three years in prison and a fine of up to \$250,000 for each count.

ARIZ. TAX PROTESTOR DID NOT REPORT \$2 MIL, GETS 18 MONTHS IN JAIL

Roy A. Ottinger II, 48, of Phoenix, Ariz., was sentenced to 18 months in federal prison after being charged in an information to two counts of failing to file income tax returns. Ottinger was also ordered to cooperate with the IRS in order to come into compliance.

Ottinger was a licensed chiropractor in the state of Arizona, conducting his chiropractic practice in Apache Junction through Optima Multi-Care PLC, a Limited Liability Company that Ottinger incorporated in 1999. In 2001 and 2002, Ottinger earned a gross income from his practice of \$1,110,263 and \$826,309, respectively. Ottinger also earned rental income of \$51,466 in 2001 and \$59,807 in 2002 generated from numerous properties he owned.

Claiming his income was excluded from taxation based on the U.S. Constitution, Ottinger did not file a correct tax return between 1992 and 2005. In 1994 Ottinger's accountant advised him that his anti-tax views he were incorrect and invalid.

Beginning as early as 1998, the IRS initiated examinations on Ottinger for his 1994, 1995 and 1997 tax return delinquencies. Ottinger responded to the IRS with letters espousing his anti-tax views and filed tax returns reflecting zero income for the years 1994, 1995 and 1997.

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 Raul Barrile.

Mr. Barrile's debt was over \$91,000 when he sought our help. After several months of negotiations, the IRS agreed to accept just \$3,475 to settle!! Amazing!!

Congratulations Mr. Barrile's

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...

The Associated Press recently prepared an obit for which pop star?

- a) Hannah Montana
- b) Shakira
- c) Christina Aguilera
- d) Britney Spears

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

CONN. MAN DID NOT REPORT LIQUOR SALES

Gurdev S. Kaura, 54, of Naugatuck, Conn., pleaded guilty to one count of willfully filing a false tax return.

According to court documents, Kaura owned and operated Fairfield Wine and Liquor. He also was employed as a maintenance worker and received W-2 wages.

On his 2005 tax return, Kaura falsely represented that his total taxable income was \$8,136 when, in fact, his total taxable income was \$123,812, the difference resulting primarily from his failure to report \$117,330 of proceeds from the liquor business.

He also faces up to 10 years in prison and a fine of up to \$250,000.

IDAHO MAN GETS FIVE MONTHS PROBATION

The owner of Glenn Electric has been ordered to serve five years of probation and pay \$300,000 to the IRS and a \$10,000 fine for filing a false federal income tax return.

Robert R. Glenn III, 47, of Boise, pleaded guilty to filing a false federal income tax return for 2001 by charging personal expenses to his business. Among other things, he used a corporate credit card to pay personal expenses and to obtain cash advances for personal purposes and used corporate funds to pay personal expenses.

IRS Question Corner ...

Question: I don't think I qualify for the Offer in Compromise program. However, I've heard a little bit about the IRS's Installment Agreement. What is that and how could it help me?

Answer: First, unless you have consulted with a qualified tax professional and he or she has advised you that you do not qualify for the Offer in Compromise program, do not assume you are ineligible.

The Offer in Compromise program is a powerful tool for taxpayers that can allow those saddled with tax debt to reduce that debt by pennies on the dollar!

But, for the sake of this Q&A session, let's assume indeed you do not qualify for the Offer in Compromise program:

The Installment Agreement is exactly as it sounds: It allows you to pay down your IRS debt by making small monthly payments that over time will eliminate that debt entirely. Think of it the same way you might think of a car loan: a substantial amount of money to pay every month but not so substantial that your lifestyle must change drastically or you have to pull Suzy out of college.

After years of chasing deadbeat taxpayers, the IRS has learned that offering flexible programs can in fact be a very effective way of bringing more and more Americans into tax compliance. One reason many Americans in the past chose not to work with the IRS was simply because they did not have the money available to pay their debt. The Installment Agreement solves this by allowing taxpayers to pay off their tax debt piecemeal.

If you think you would benefit from this program, you should consult a qualified tax professional who will analyze your tax returns and determine exactly what you owe the IRS and then discuss such an arrangement with a tax agent.

I solve IRS 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.

Lawrence Rachmel, CPA and Norm Tamkin, CPA

I just couldn't do it without you!

MAN GETS PRISON FOR NOT REPORTING WINNINGS

After pleading guilty to filing a false tax return, John Doucet, 37, of Quaker Hill, Conn., was sentenced to five months in prison. He was also ordered to pay a \$30,000 fine. According to court documents, Doucet earned substantial gambling winnings that he failed to include in his 2004 IRS tax return. As part of his plea, Doucet agreed to pay a civil fine of \$50,000 and make full restitution to the government for personal tax liability of \$37,000.

Thanks for the Kind Words...

"Great place and very professional, they did what they told me they were going to do. What made me very happy was the day I walked in and Brian Compton told me not to worry, we will handle everything and they did."

- R. Barrile

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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