



# IRS Times & Inquirer

Tax Resolution Services, Co., Est. 1997

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6345 Balboa Blvd., Bldg. IV, Suite 195 Encino, CA 91316

1-(866) IRS – PROBLEMS or (818) 774-1813

## Construction Co. Owner Gets 10 Years in Prison

The owner of a large construction management company has been sentenced to 10 years in prison after underpaying his company's payroll taxes by nearly \$3 million over a 10-year period.

Lucky Mata, 47, of West Palm Beach, Fla., and owner of Kodiak Construction and Management, was convicted of multiple charges relating to his evasion of federal payroll taxes. Kodiak underpaid its federal payroll taxes by nearly \$3 million between 1994 and 2005, during which time it paid its workers nearly \$18 million in cash payments.

Check cashers posing as subcontractors helped Mata perpetrate the scheme. Mata caused the check cashers to lie to banks about the final destination of the cash after it left the bank, and then caused multiple false federal payroll tax returns to be filed with the IRS. The total scheme involved more than \$18 million in Kodiak wages over a ten-year period.

## Craigslist IDs Fuel to Tax Refund Scheme

Roger Lexin Mai was sentenced to two years in prison, to be followed by three years of supervised release, and ordered to pay restitution of \$57,481 for presenting false claims to the IRS.

Mr. Mai, 33, of San Francisco, pleaded guilty to 17 counts of filing false claims. In pleading guilty, Mai admitted that from January to April 2003, he filed 17 false tax returns with the IRS. He purchased names and Social Security numbers through the Web site Craigslist for \$20 per identity. He created false Wage and Tax Statements, Forms W-2, using the identities he purchased. He then created false U.S. Individual Income Tax Returns, which he filed electronically, claiming tax refunds of \$107,049. The individuals to whom the identities belong did not authorize the sale or use of their identities.

Mr. Mai further admitted that in addition to the 17 false returns, to which he pleaded guilty, he electronically filed an additional 125 false Forms 1040 and Forms W-2, claiming refunds totaling \$734,448.

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

## **Steel Trader Pleads to Tax Evasion Counts**

A Birmingham, Mich., steel trader pleaded guilty to two counts of tax evasion.

During an IRS civil audit of the tax returns of Paul M. Wolf, 49, the revenue agent detected fraud and referred the case to the Criminal Investigation Division of IRS. IRS's criminal investigation showed that Wolf knowingly and willfully filed false 2002 and 2003 tax returns with the IRS, which included Wolf's overstating his mortgage interest deduction, reporting more than \$400,000 on these tax returns when his actual mortgage interest payments were approximately \$87,000. Wolf also overstated his charitable contributions on his 2003 by more than \$42,000.

Wolf faces up to five years in prison and a \$100,000 fine per count.

## **Tax Refund Scheme Doesn't Pay**

Charlene L. Saucier, 37, of Sacramento, Calif., was sentenced to 18 months in prison for her role in a scheme to submit fraudulent tax returns to the IRS seeking refunds. Saucier was also ordered to pay \$2,273 in restitution to the IRS.

Saucier's former husband, Tavoris Timane Saucier, 28, of North Highlands, Calif., was previously sentenced to five months in prison and three years of supervised release in connection with the same scheme.

According to Asst. U.S. Attys. Camil A. Skipper and Benjamin B. Wagner, Charlene Saucier admitted in her guilty plea that, in 2004 and 2005, the Sauciers recruited individuals willing to submit fraudulent tax returns to the IRS and that she prepared tax returns for at least two such individuals using false income and dependent information so that they appeared to qualify for refunds under the Earned Income Credit (EIC) provisions of the tax code. She and her former husband had agreed to split with those individuals any refunds issued by the IRS as a result of the false claims.

In 2000, Charlene Saucier pleaded guilty in Sacramento federal court to a nearly identical phony tax return scheme in which she admitted to preparing false tax returns seeking EIC refunds. She served a one-year sentence in that case.

## **MASS. TRIO IMPRISONED FOR REFUND SCHEME**

Two Lynn, Mass., women and a man were sentenced in federal court for their roles in a conspiracy and scheme to file false federal tax returns to obtain fraudulent tax refunds. Esther Arias, 30, Esther Percel, 48, and Edwin Gonzalez, 35, were sentenced to prison terms.

Arias was sentenced to 60 months in prison, to be followed by three years of supervised release, with an order of restitution to federal and state tax authorities in the amount of \$70,148. Percel (mother of Arias) was sentenced to serve 36 months in prison, followed by three years of supervised release, with an order to pay \$69,592 in restitution. Gonzalez (former boyfriend of Arias) was sentenced to 42 months in prison, to be followed by three years of supervised release, with an order of restitution in the amount of \$64,664.

Percel pleaded guilty, while Arias and Gonzalez were convicted after an eight-day trial. The evidence presented at the change-of-plea hearing and at the jury trial proved that from February 1999 to April 2004, the defendants participated in a scheme to use stolen identities to file more than 45 fraudulent tax returns in the names of other individuals. Arias, Percel and Gonzalez illegally claimed more than \$200,000 in federal and state tax refunds, from which they received more than \$130,000 in refund checks before the scheme ended.

## 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 Gabriel Garcia.

When Mr. Garcia sought our help, his debt to the IRS was over \$190K. Our negotiations and advocacy resulted in the IRS accepting a \$13,618 settlement via the federal government's Offer In Compromise program, A savings of over \$178,000!!!!

Congratulations Mr. Garcia!

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 drama did NBC pick up following its popularity online?

- a) Quarterlife
- b) Halflife
- c) Cane
- d) Law & Order

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

### ALA. WOMAN GUILTY OF FRAUD, FALSE RETURN

Beverly Byers, 46, of Leeds, Ala., has pleaded guilty to mail fraud and filing false income tax returns. According to the plea agreement, Byers was an office manager/bookkeeper employed by Plateau Construction Company, also located in Leeds, from the early 1990s until April 2005. Beginning in 2002 and continuing until 2004, Byers used her position in the company to embezzle funds from a checking account totaling \$90,576.27.

Byers filed with the IRS reporting her income as \$26,777 for tax year 2004. Byers knowingly failed to report the embezzled income.

Byers faces up to 20 years in prison and a fine of up to \$500,000.

### CALIF. MAN DID NOT REPORT EXTRA INCOME

Dirk Fulton, of Benicia, Calif., pleaded guilty to tax evasion. According to federal prosecutors, Fulton caused his businesses to transfer money to his personal accounts and pay for personal expenses without declaring those transfers and expenditures on his income tax form for 1999. Among the expenses was the construction of his home. Fulton knew such personal expenditures should have been reported on his personal income tax return, but he did not report them. He faces up to five years in prison.

## IRS Question Corner ...

Question: How do I determine if I qualify for the IRS's Offer in Compromise program, and how best do I determine if the program would benefit me?

Answer: You should first understand what the Offer in Compromise program is and why it came into being. The gist is this: After spending years with a bare-knuckled approach to tax collection, the IRS began to question whether working with people with tax debt would be more effective than chasing people with tax debt. They discovered that many of the people they were chasing truly wanted to pay off their tax debt — they just didn't have a way to do that.

Enter the Offer in Compromise program. It's specifically designed for people who have amassed a large amount of tax debt but who, for whatever, are not in a position to pay off that debt. For those who qualify, the Offer in Compromise program can reduce tax debt by pennies on the dollar and finally eliminate those IRS nightmares.

Of course, there are some requirements and limitations. You can't, for example, live the high life with lavish vacations and keys to a Maserati at the same time you're asking to participate in the Offer in Compromise program. But for those who qualify, the program allows taxpayers to eliminate their debt without leaving them penniless and homeless.

To determine if you qualify, you should first consult a qualified tax professional. He or she will analyze your returns with a fine-toothed comb to ensure that you are not volunteering to pay the IRS even a penny more than you owe. Once your tax professional has determined exactly what you owe, you and he/she will meet with an IRS agent to discuss the terms of your Offer in Compromise.

It's really that simple. And for those who qualify, it can be a financial-life-changing experience.

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.

Tony Rose, CPA

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

### UNREPORTED PAYMENT MAY LEAD TO JAIL TIME

Raymond G. Clyne, 43, of North Haven, Conn., pleaded guilty to one count of filing a false income tax return with the IRS. According to court documents, Clyne filed his tax return for 2003 and showed taxable income of \$98,613. In fact, Clyne also received a payment of \$42,862.50 that he failed to report. He faces up to three years in prison and a fine of up to \$250,000.

### Thanks for the Kind Words...

"I was very happy with my whole experience with Tax Resolution Services. Your firm has a great team and were always there to answer any questions I had. I would very much recommend your services to others."

- G. Garcia

### 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, American  
Society of IRS Problem Solvers  
6345 Balboa Blvd., Bldg. IV, Ste 195  
Encino, California 91316  
Tel: (818) 774-1813  
Fax: (818) 774-9361  
E-mail: Michael@taxresolution.com  
www.taxresolution.com