



# 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 195 Encino, CA 91316

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

## Calif. Man Gets 2 Years, \$1.16m Bill

A California chiropractor has been sentenced to two years in federal prison and ordered to pay \$1.16 million in restitution for tax evasion.

Ramon Reynoso, 45, of Castro Valley, Calif., pleaded guilty to one count of tax evasion. According to the plea agreement, Mr. Reynoso admitted that from 1991 to 2004, he was self-employed at his chiropractic business in Hayward, Calif. He agreed that his taxable income for services from 2000 to 2003 was \$3.18 million and the tax due and owing on that income was \$1.16 million.

Reynoso admitted that he had last filed his personal federal income taxes for the calendar year 1996, and despite earning a significant income during the calendar year 2001, he willfully failed to file his federal income taxes and took a number of affirmative acts to willfully attempt to evade and defeat this income tax due and owing to the United States, including placing assets in nominee accounts, using the Zeus Trust to conceal his receipt of income, and opening bank accounts with false Social Security numbers.

## Gov't: Real Estate Agent Owes \$800,000

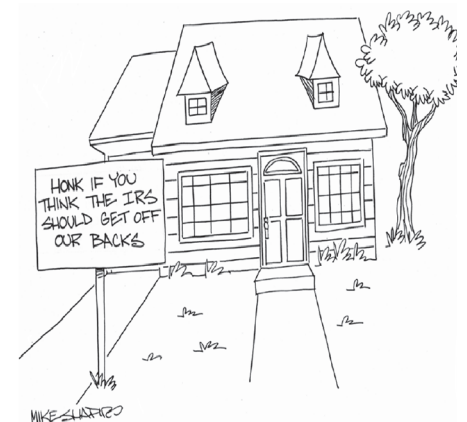
A grand jury in Baltimore indicted commercial real estate broker Henry Cole, 55, of Lutherville, Md., for filing three false federal tax returns. The government alleges Cole owes approximately \$900,000 in taxes.

According to the three-count indictment, Cole filed individual federal tax returns for tax years 2001 to 2003 in which he falsely claimed \$2 million as capital gains to be offset by carry-forward losses when in fact the money was ordinary income; falsely claimed a portion of an \$800,000 charitable deduction for an easement donated to a trust when in fact he had failed to donate the easement and the easement had not been appraised for \$800,000; and falsely claimed \$345,000 of business expenses which he in fact had not incurred. He also failed to include an additional \$98,200 in income on his 2003 tax return.

Cole faces up to three years in prison and a fine of up to \$100,000 on each of the three counts.

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## La. Man Did Not File Returns, Faces Prison

A St. Bernard, La., man pleaded guilty to a three-count bill of information for failure to file tax returns for the years 1999 to 2001.

According to court records, Clifford E. Clayton, 63, knew he was required by law to file annual tax returns. Specifically the defendant's taxable income for 1999 was \$717,104 resulting in a tax due of \$281,855; for 2000 was \$483,860 resulting in tax due of \$145,815; and for 2001 was \$411,671, resulting in a tax due of \$181,057,

"IRS Criminal Investigation is committed to aggressively pursuing those taxpayers who willfully fail to file their tax returns," Special Agent in Charge of the IRS Criminal Investigations Division Michael J. De Palma said in a statement.

Clayton faces up to three years in prison, a fine of \$300,000 and three years of supervised release.

## Drug Dealer's Girl Guilty of Tax Fraud

Here's a new one: A high-speed pursuit leads the IRS to a tax fraud case and a guilty plea.

According to Asst. U.S. Attys. Anne Pings and Jill Thomas, Olivia K. McCormick, 47, of Sacramento, Calif., was originally arrested in May 2006 after her boyfriend, Michael Slaton, fled from officers of the Sacramento Police Department who had arrived at McCormick's residence to execute a search warrant.

After leading the police on a high-speed vehicle chase, Slaton crashed his own car and eventually was running from the police on foot, dropping large quantities of crack cocaine as he ran. The officers found more crack cocaine in McCormick's house. Slaton was sentenced in February to 18 years in prison.

At the time of that arrest, Slaton had just been out of federal prison a short time after having been arrested in 1993 and sentenced to serve 14 years in federal prison. After the arrest of Slaton, federal authorities learned that while Slaton was in prison serving that 14-year sentence, McCormick had been declaring him on tax returns from 2001 to 2003 as a dependent in order to reduce her taxes. She falsely identified Slaton as her "nephew" instead of her boyfriend. During that time, McCormick was not providing any support for Slaton. Instead, during that time all of Slaton's shelter, clothing, food, medical care and other support were being provided by the United States Bureau of Prisons.

## SAN FRANCISCO WOMAN DID NOT REPORT \$1.4M

A San Francisco woman was sentenced to 20 months in prison, to be followed by three years of supervised release, for her involvement in an embezzlement scheme and for filing a false tax return.

Suzie Moy Yuen, 53, of San Francisco, Calif., pleaded guilty to mail fraud and willfully subscribing to a false tax return. According to the plea agreement, Yuen served as an executive assistant to an individual for over ten years. The victim, who is now 99 years old, had given Yuen signature authority over two of his checking accounts. From 1999 and 2003, Yuen fraudulently used the victim's checking accounts to pay her own bills and made false entries in the general ledger to conceal her fraud. Yuen admitted to embezzling more than \$1.4 million.

Yuen also admitted that she failed to include in her tax returns the income she had embezzled from her employer.

In particular, Yuen omitted from her 1999 return about \$127,000 she had stolen from the victim during that year. Yuen similarly failed to report her embezzled proceeds for each of calendar years 2000 through 2003, resulting in a total of approximately \$1.4 million in fraudulent income. In all, Yuen owed the IRS, excluding interest and penalties, a total of \$492,646.

## 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 Conrad Salumbides Jr.

Mr. Salumbides' debt to the IRS was for \$208,609, we he retained our firm. His IRS Offer In

Congratulations on your incredible settlement!!

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 star recently had her TV debut in How I Met Your Mother?

- a) Christina Aguilera
- b) Derek Jeter
- c) Britney Spears
- d) Paris Hilton

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

### MAN FACES 5 YEARS FOR UNREPORTED INCOME

Jay Bruce Bernstein, 62, formerly of Paradise Valley, Ariz., pleaded guilty to one count of tax evasion. The charge was connected with \$744,048 he received in 1998 from selling his convenience store businesses to The Circle K Corporation.

The government alleged Bernstein provided false documents and statements to an employee of the IRS to conceal the income. At the plea hearing, Bernstein admitted that in April 1994, as the president of Kwik-Stop Corporation and as the general partner of Kwik-Stop limited partnership, he entered into a contract to sell 16 Kwik-Stop stores to The Circle K Corporation for \$744,084, an amount that was not included on Bernstein's tax return.

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

### GA. WOMAN GETS FOUR MONTHS IN PRISON

Kimberly Martello, 37, of Thomasville, Ga., was sentenced to four months in prison after pleading guilty to filing a false income tax return. Martello filed 23 false income tax returns, fabricated false W-2 wage and tax statements, and claimed false tax refunds for tax years 2002, 2003, and 2004. The total amount falsely claimed by Martello was \$48,591.

## IRS Question Corner ...

Question: Help! After a successful business that went under unexpectedly, and some bad tax advice in the past, I'm stuck with a six-figure tax bill — and no way to pay it. What are my options?

Answer: : I know how difficult this time is for you. Having a large tax bill looming over you is among the most difficult things to face. Financial uncertainty can be crushing.

But you have options. And know this: You are not alone. Thousands of American taxpayers just like you have found themselves in trouble with the IRS. They got out that trouble.

And you can too.

The first thing you should do it consult a qualified tax professional. He or she will analyze your return with a fine-tooth comb to make sure you're not obligating yourself to pay even a penny more than you owe. Once you and your tax professional have determined your exact tax debt amount, it's time to meet with an IRS agent.

You may qualify for what is known as the Offer in Compromise program. If you have amassed a large tax debt but, due to current situations, are unable to pay that debt down, you may be able to negotiate a settlement amount with the IRS that amounts to pennies on the dollar. This program is meant to allow indebted taxpayers to come into compliance with the law under mutually agreeable circumstances.

Another option is the Installment Agreement. If you can pay your tax debt, but only over a period of time, you and the IRS may enter into an agreement that would let you pay down your debt just like you pay down a car loan.

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.

Tom O'Reiley and Ed Boots, E.A.

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

### INSURANCE AGENT FACES PRISON FOR TAX FRAUD

Cindy L. Beyersdorf, 47, of Northglenn, Colo., pleaded guilty to subscribing and filing a false federal income tax return for the year 2001. Beyersdorf, an insurance agent, owned and operated Horizons Insurance. Beyersdorf admitted that she signed and filed a tax return for calendar year 2001 that claimed the gross receipts of Horizons Insurance were \$14,888 when they totaled \$87,878. She faces up to three years in prison and a fine of up to \$250,000.

#### Thanks for the Kind Words...

"Tax Resolution Services, Co., were very professional. The offer in compromise that they were able to negotiate for me will assist me greatly towards getting reinstated to practice law. Thank you."

- C. Salumbides

#### 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