



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

School Board Prez Sent to Jail, Fined

A former school board president in California was sentenced after pleading guilty to tax evasion.

Dirk Fulton, 53, of Benicia, received five months in prison, five months of home detention, two years of supervised release, and was ordered to pay \$115,000 in restitution and a \$28,000 fine.

According to prosecutors, Fulton had requested that following his prison and home confinement he be allowed to serve a shorter, one-year period of supervised release. But the judge denied that request, citing letters he received from the community. In particular, one letter writer point out the circumstances of Fulton's resignation from the school board ultimately led to an expensive special election for taxpayers.

Additionally, in his sentencing papers, Fulton cited his public service on the Benicia City Council and as president of the school board. Responded U.S. Atty. McGregor W. Scott: "Dirk Fulton was in a position to know that public institutions cannot function unless people pay their taxes. He did not do his duty. He lied to his government and kept money to which he was not entitled."

Gov't: Land Investor Did Not Report \$45m

The owner of the San Francisco-based Brugnara Corp. has been charged with filing false tax returns and failing to report more than \$45 million in gains from real estate sales.

According to the indictment, Luke D. Brugnara is the sole owner and shareholder of Brugnara Corp. and Brugnara Properties I, II, III, IV, V and VI (Brugnara Properties). During the tax years 2000, 2001 and 2002, Brugnara sold four properties in San Francisco and one in Las Vegas. But he failed to report capital gains of \$45.6 million from those properties.

If convicted, he faces up to three years in prison and a fine of up to \$250,000, plus restitution.

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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."

Calif. Tax Protestors Guilty of Evasion

Tax protestors in California were found guilty by a federal jury.

Kathryn Hanes and Madonna Hanes were charged with conspiracy to commit tax evasion and tax evasion. During the trial, the government presented evidence that both defendants used "tax protestor" tactics to commit tax evasion for the tax years 1996 to 2000.

According to the indictment and evidence introduced at trial, Kathryn Hanes and Madonna Hanes mailed frivolous letters to the IRS claiming, among other things, Kathryn Hanes was not a U.S. citizen and the IRS had no authority or jurisdiction to collect income tax from her.

Trial evidence showed, between 1996 and 2000, Kathryn Hanes earned hundreds of thousands of dollars from her chiropractic business, "Biophysics Chiropractic," which she operated in San Diego. She then sent the business profits to the personal bank account of Madonna Hanes, who then used this "tax-free" money on their personal expenses, which included multiple vacations to Maui, Hawaii.

Businessman Faces Embezzlement, Tax Evasion Charges

A California businessman was charged with four counts of tax evasion for the years 2001 to 2004 and for embezzlement of employee pension plan accounts.

According to prosecutors, Patrick Neal Young, 40, was the former operating officer of Plyco Foundation Vents, of Waterford, Calif. From 2000 to 2004, he allegedly embezzled about \$710,389 from Plyco for his own use. He used the embezzled Plyco funds to purchase a home in Oakdale, landscape his yard, buy automobiles, travel, including a trip to Europe, and for other personal expenses.

In May 2003, Young requested that certain employee benefit accounts be closed because the employees were no longer working for the business. In truth, however, some of the employees were still working for Plyco. The money from those accounts was sent to Young, who then did not remit the pension funds to the employees who were entitled to them.

Young also did not report the money as income on his federal tax returns. The tax evasion and embezzlement of pension benefit counts carry a maximum of five years in prison and a fine of up to \$250,000. The mail fraud count carries a maximum of 20 years in prison and a fine of up to \$250,000.

LA. POLITICIAN PLEADS GUILTY TO EVASION

Joseph Anthony Impastato, a former St. Tammany Parish, La., councilman, 36, pleaded guilty to two counts of an indictment that dates back to Hurricane Katrina.

The two charges to which Impastato admitted guilt included federal bribery through illegal solicitation and receipt of payments in connection with a Hurricane Katrina debris removal contract and making false statements in his 2001 federal income tax return.

Specifically, within two weeks following Hurricane Katrina, Impastato obtained an Omni-Pinnacle debris removal contract on behalf of Diane Mauberret and her son, Lee Mauberret, both of whom who resided in Lacombe, La., and were constituents of Impastato.

Impastato then required payments.

Impastato admitted that in April 2002, he electronically filed a 2001 income tax return which falsely reported that he had received a total income of about \$34,000, when in truth and in fact his taxable income amounted to \$52,000. His willful failure to report this \$18,000 on his tax return resulted in a material false statement to the IRS.

As a result of the plea agreement, Impastato faces a mandatory two-year federal prison term.

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 Claudette Siah

When Ms. Siah sought our help, her debt to the IRS was almost \$19,000. Our negotiations and advocacy resulted in the IRS accepting a settlement of \$307.00. Amazing!!

Congratulations Ms. Siah.

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 city will host the controversial 2008 Summer Olympics?

- a) Beijing
- b) Shanghai
- c) Pyongyang
- d) Damascus

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

DENTIST TRIED TO EVADE INCOME TAXES

Gerald M. Dortch, a dentist in Illinois, received a six-month prison sentence following his conviction for tax evasion. He will also serve a three-year term of supervised release, with the first six months to be spent on home detention.

In addition, he was ordered to perform 240 hours of community service and pay \$127,103 in restitution.

During his guilty plea, in which he admitted to tax evasion for the years 2001 to 2003, Dortch indicated he operated Lincoln Place Dental in Belleville, Ill., and deposited some business checks into his personal account to avoid taxes. Dortch self-prepared his tax returns for the years 2001, 2002 and 2003, omitting about \$346,825 in income.

27-YEAR-OLD FACES UP TO 5 YEARS IN PRISON

Nicole Brown, 27, of Minneapolis, pleaded guilty to one count of false claims for tax refund and one count of aiding and abetting false claims for tax refund.

According to Brown's plea agreement, she prepared federal individual income tax returns for various individuals. Brown included false information, such as false Form W-2 information. The total loss was \$198,136, the total of claims she made for others and herself. She faces up to five years in prison.

IRS Question Corner ...

Question: According to the news media, the Internal Revenue Service has been becoming more aggressive with taxpayers. So how does the Offer in Compromise fit in if the IRS is so aggressive these days?

Answer: It's hard to understand, isn't it? At the same time the IRS has become more aggressive with tax cheats and debtors, the tax-collecting agency also has a program like the Offer in Compromise, which seemingly goes easy on taxpayers.

Let me explain: For years, the IRS tried hard-as-nails collection tactics. They worked for some taxpayers. Others just continued to hide, running from their debt and forcing the IRS to throw more and more money at trying to collect from them.

The Offer in Compromise doesn't make the IRS soft. Far from it. In fact, the Offer in Compromise actually allows the IRS to collect more from taxpayers. In some cases, as the IRS has discovered, taxpayers simply can't pay their debts — no matter how many times an agent knocks on the door. What the Offer in Compromise does is allow taxpayers to settle their tax debt once and for all and with an amount they can actually pay.

For taxpayers who want to be settled up and end their tax nightmare, the Offer in Compromise is the perfect solution. If you are one of the thousands of U.S. taxpayers unable to pay your tax debt, the first thing you should do is consult a qualified tax professional. He or she will analyze your previous returns, determining exactly how much you owe, and then discuss an Offer in Compromise with an IRS agent.

If you qualify, the Offer in Compromise can reduce your current tax debt to pennies on the dollar.

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.

Gary Messina and Mark Schur

I just couldn't do it without you!

BOCA RATON MAN PLEADS GUILTY TO TAX CHARGE

James H. Batmasian, 61, of Boca Raton, Fla., pleaded guilty to one count of willfully failing to collect and pay employment taxes of employees for his Boca Raton company. As part of the plea, Batmasian admitted that he failed to collect and pay more than \$253,513 in FICA taxes from 2001 to 2003. Batmasian also agreed to pay prior to sentencing the outstanding taxes and to file amended tax returns with the IRS for the years 2001 to 2003.

Thanks for the Kind Words...

"Tax Resolution Services made me feel very special at the time that things weren't going good for me. I have never had anyone in my lifetime fight for me so hard like the staff did. Thank you from the bottom of my heart".

- C. Siah

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