



# IRS Times & Inquirer

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## Staffing Business Owner Did Not Report \$850k

The owner of a California healthcare-staffing business was sentenced to 18 months in prison after filing tax returns that failed to report more than \$850,000 in income.

Nwadinaume Uba, 57, who was also fine \$5,000 and ordered to pay \$258,741 in restitution, pleaded guilty to three counts of filing false tax returns.

According to the plea agreement, Uba owned and operated TLC Prostaffing and Evergreen Health Care Connection — staffing businesses for nursing care facilities located in San Jose, Calif. On her 2001, 2002 and 2003 personal income tax returns, Uba admitted that she omitted a significant amount of gross receipts on her Schedule C (Profit of Loss from Business).

## 22-Year Sentence for Tax, Other Charges

A Florida businessman was sentenced 22 years and six months in federal prison for, among other charges, for conspiring to commit wire fraud, obstructing an agency proceeding and impeding the IRS, and failing to remit payroll taxes.

Frank L. Amodeo, 48, of Orlando, pleaded guilty and was also ordered to forfeit more than \$1 million seized from various accounts, three homes, several luxury automobiles, commercial real estate, a Lear Jet and his corporations. The court imposed a money judgment of approximately \$181 million, which is amount of the stolen payroll tax funds.

According to court documents, Amodeo, and his co-conspirators controlled several companies. They conspired to absolve themselves and the companies they controlled of the responsibility for existing payroll tax liabilities and to divert payroll tax funds paid by clients to the companies that Amodeo and his co-conspirators controlled.

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"It's from the internal Revenue Service. They want to know why we haven't withheld any taxes on the money we've been paying Snow White to do all the cooking and cleaning around here."

## **Ariz. Consultant Gets 12 Months for Not Filing**

An Arizona businessman has been sentenced to 12 months in federal prison for failure to file a federal income tax return.

Mario Alexander Pino, 38, a self-employed consultant in Scottsdale, was indicted by a federal grand jury in August 2008 and entered a guilty plea in March 2009 to the crime of willful failure to file his 2003 tax return. Pino was also ordered to serve one year of supervised release upon leaving prison.

Pino admitted that a reasonable estimate of his 2003 income was \$602,933 and that his federal income tax liability on that income was approximately \$192,244. In addition, Pino admitted as part of his guilty plea that he purposefully did not file his 2003 return by April 15, 2004, and that he knew that he had an obligation to do so. Despite not filing his return, Pino said that he used an unfiled 2003 return as supporting proof of his income in making applications for automobile and mortgage loans in 2004 and 2005.

## **Investor Failed to Report \$15 Million**

A California businessman pleaded guilty to not reporting \$15 million in capital gains from the sale of real estate.

Luke D. Brugnara was in the business of acquiring and renting real estate in the San Francisco area and elsewhere. In February 1998, the IRS requested copies of Brugnara's individual income tax returns for the years 1990 to 1996, in addition to copies of tax returns for Brugnara Corporation. Brugnara returned those notices to the IRS with a notation indicating that the tax returns were already filed. At about the same time, Brugnara applied for a gaming license to operate a casino after acquiring the Silver City Casino in Las Vegas.

The Nevada Gaming Control Board began an investigation as part of Brugnara's application for a gaming license. The investigation included an inspection of his tax filings. During the check, investigators discovered Brugnara had not filed tax returns for the years 1991 to 1998.

Brugnara further admitted that in January 2000, he sold two properties in San Francisco and did not list the sales of these properties on his 2000 federal income tax return, which he knew he was required to provide on the Form 1040 for 2000.

As part of the plea agreement, Brugnara agreed to a prison term of between 18 and 24 months. He also agreed to pay a fine of \$30,000 and restitution of \$343,038.

## **GEORGIA WOMEN PLEAD GUILTY TO TAX-REFUND CONSPIRACY; DEFRAUDED THE U.S. GOVERNMENT OF NEARLY \$200,000**

Georgia resident Yolanda Canty and Jacqueline Kier pleaded guilty to conspiracy to defraud the government following an IRS investigation that discovered their fraudulent tax-refund scheme.

The pair was involved in a scheme to file false tax returns based on fabricated W-2 forms in their own names and in the names of others.

Most of the "taxpayers" had no knowledge of the returns being filed in their names.

They would persuade individuals to provide them with their names, Social Security numbers and dates of birth. The defendants would use this information to create false W-2 forms in the name of actual employers who did not employ the individuals.

The tax returns would be electronically filed and requests made for refund-anticipation loans; then the refunds would be sent by direct deposit to a bank account which was controlled by the defendants.

According to the IRS, the estimated loss from the conspiracy totaled \$192,529.

Canty and Kier face up to 10 years in prison and a fine of up to \$250,000.

## 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. John Gordon**

Imagine owing the IRS over \$78,000. That's what Mr. Gordon's debt to the IRS was when he enlisted our help. Our negotiations and advocacy resulted in the IRS accepting a settlement of \$22,000 via the federal government's Offer In Compromise program. Congratulations Mr. Gordon!

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...**

What was the name of the late Michael Jackson's California home?

- a) Neverland
- b) Kidworld
- c) Jacksonworld
- d) Musicland

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



Get IRS news, commentary, insight, tips and humor from tax expert Michael Rozbruch online at Tax Resolution University

[www.taxresolution.com/blog/](http://www.taxresolution.com/blog/)

## **FORMER STRIP CLUB OWNER SENTENCED**

Jon Dale Adams of Jackson, Miss., was sentenced to 18 months in prison, to be followed by one year of supervised release, for filing a false federal income tax return in 2000. Adams was also ordered to pay a \$5,000 fine.

The former owner of a strip club, Adams was indicted by a federal grand jury in February 2007. According to the indictment, Adams was charged with filing false returns that failed to report substantial gross receipts from his business for calendar years 1999 and 2000.

"The prosecution of individuals who intentionally conceal income and evade taxes is a vital element in maintaining public confidence in our tax system," said Michael J. De Palma, Special Agent in Charge of IRS Criminal Investigation, New Orleans Field Office.

## **ORE. MAN SENTENCED FOR TAX CHARGE**

Mark Arthur Henriksen, of Monmouth, Ore., was sentenced to 12 months and a day in prison after pleading guilty to one count of income tax evasion for the 2001 tax year. Henriksen was a principal of Applied Technical Systems, a business in Lake Oswego.

Henriksen evaded the assessment of his income taxes in 2001 by instructing employees of ATS to make his bonus checks payable not to him but instead to third parties.

## IRS Question Corner ...

**Question:** I owe a lot of money in back taxes to the IRS. I'd prefer not to go into details, but let's just say it's a mix of employment changes and some bad tax advice. There's no way I can pay what I owe. What can I do?

**Answer:** First of all, your situation isn't altogether uncommon. Many taxpayers have been, and are, in your exact situation. So take some solace in knowing you are not alone.

Now, what do you do next? The good news is that you have options, no matter the reasons why you got into this tax debt.

Your first step should be to consult a qualified tax professional. He or she will deeply analyze your previous tax filings and records to make sure you have not obligated yourself to pay the IRS even a penny more than you owe. Once your qualified tax professional has come to an exact amount you owe, it will be time to meet with the IRS. Here you likely have two main options:

The first is the Offer in Compromise. This program allows taxpayers who owe a substantial amount, but for whatever reason are unable to pay this debt, to negotiate with the IRS on a settlement— often resulting in a payoff amount of less than owed. After years of chasing deadbeat taxpayers with mixed results, the IRS realized that a kinder, gentler approach can often be more effective in tax collection. The result of this is the Offer in Compromise program. You must meet certain criteria to qualify, but if you do, it's an excellent option.

The second option is the Installment Agreement. This allows you to pay your debt down over time by making manageable monthly payments to the IRS. Think of this like taking out a car loan — payments large enough to pay down your debt but not so large as to change your lifestyle significantly.

I solve tax problems every day. That's because 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.

**Nanette Wenger and Christine Redlin**

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

## TENN. MAN GETS THREE YEARS OF PROBATION

Jeremy S. Schmid, 31, of Sevierville, Tenn., was sentenced to three years of probation and six months of home detention. He was also ordered to pay \$204,723.47 in restitution to the IRS. Schmid pleaded guilty to three counts of failing to file tax returns with the IRS. According to the stipulation of facts filed with the court at the time of his plea, Schmid admitted to willfully failing to file returns for the 2002, 2003 and 2004 tax years.

### Thanks for the Kind Words...

"My feelings about TRS are good. I was well informed through out the process. They were finally able to get the offer accepted for me. I saved over \$65,000 on tax debt".

-J. Gordon

### 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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