



IRS Times & Inquirer

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For Bar Owner, Prison Time for Tax Evasion

The owner of several bars in Scottsdale, Ariz., was sentenced to 24 months in prison after pleading guilty to four counts of evasion for the year 2003. The total amount evaded was more than \$500,000.

Brian C. Roehrich, 40, of Phoenix, attempted to evade the income tax due while he was the president and sole owner of several bars and nightclubs.

At the time of his guilty plea, Roehrich admitted that he established procedures to maintain a separate accounting of cover charge revenue collected from the patrons of one establishment and a portion of the revenue collected from the patrons of another establishment.

The cover charge and other revenue were stored separately from the claimed corporate revenue and diverted from the corporate structures for the personal benefit of Roehrich.

Fake Engineer Claimed Tax Credit, Faces Prison

Robert Henry Anderson, 59, of Bloomington, Ill., pleaded guilty to conspiracy to defraud the United States and to commit mail fraud.

According to the plea agreement, Anderson conspired with others to defraud the IRS through a fraudulent tax-credit scheme. The Internal Revenue Code permits producers of certain fuels from non-conventional sources to claim a tax credit if the fuels are sold to unrelated third parties. From 2003 through 2006, Anderson and his co-conspirators promoted a tax-credit scheme involving the sale of such fraudulent tax credits.

The conspirators identified landfills from which they purported to secure rights to the methane gas generated. Anderson, fraudulently claiming to be a professional engineer, created bogus engineering reports containing baseless findings that the landfills identified by conspirators qualified for tax credits. The conspirators then recruited a network of tax-return preparers to whom they promoted their tax-credit scheme, referencing their purported rights in the landfills as well as the bogus engineering reports.

Anderson faces up to five years in prison.

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Beat This Trivia Question and Win a \$250 Gift Certificate



"Honey, this tax attorney followed me home. can we keep him?"

Trucking Company Owner Convicted

The owner of a Texas-based trucking company has been convicted of three counts of making false statements on tax returns filed for the company for tax years 2000 to 2002.

Gladys Nell Bishop is the president of Quality Trucking Inc. in Houston. Trial evidence proved Bishop set up an accounting system at the company and maintained checking accounts at two different banks but only reported checks deposited into one of the checking accounts to the IRS. The total unreported income for all three years was in excess of \$500,000.

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

Watch Seller Pleads Guilty to Evasion

An Essex County, N.J., man who sells watches and other merchandise through Internet sites such as eBay pleaded guilty to filing a fraudulent tax return.

Jaime Virtucio, 59, of Bloomfield, pleaded guilty to subscribing to a false personal tax return. At his plea hearing, Virtucio admitted that he received payment from Internet sources, including PayPal and CPS Merchant Services, directly into bank accounts he controlled in return for merchandise he sold over the Internet.

Virtucio admitted that in April 2004, he signed and filed a 2003 tax return that stated his taxable income was approximately \$18,307. Virtucio admitted that he actually had received and failed to report additional taxable income of about \$106,559 that he gained through the sale of watches and other merchandise.

Virtucio also admitted that he filed false personal income tax returns with the IRS for 2004 and 2005, which understated the amount of taxable income he received for those calendar years. Virtucio admitted that for tax years 2004 and 2005, he failed to report a total of about \$122,498 in additional taxable income on those tax returns.

He faces up to three years in prison and a fine of up to \$100,000. \$343,038.

OHIO BUSINESSMAN HIT WITH TAX CHARGES AFTER BAD ADVICE

An Ohio businessman has been charged with attempting to evade his 2004 income taxes after he followed the erroneous advice of a person claiming to be a tax professional.

According to court records, Stephan Karchut, of Cortland, Ohio, the sole operator of a business known as PC Surveillance, failed to file income tax returns for the years 2002 to 2004, on false advice that under Section 861 of the IRS code income is not reportable unless it is received from foreign source. Karchut also structured the ownership of PC Surveillance as a supposed limited liability company in a manner designed to conceal Karchut's control of the business.

As of at least mid-2005, Karchut questioned the validity of the 861 argument and realized that the nominal ownership arrangement of PC Surveillance was a device to conceal his true ownership and control over the business. He nevertheless continued to present that argument and to conceal his ownership and control over the business in his communications with the IRS.

In particular, for 2004, Karchut attempted to evade income taxes of at least \$34,075, owing on unreported income of at least \$161,849, by failing to file a personal income tax return, among other tactics.

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. Roger Barr

Mr. Barr hired us for audit representation for the tax year of 2006. He owed over \$22,000. We successfully reduced his tax liability to \$3,875. A savings of over \$18,000!!!

Congratulations Mr. Barr!

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 well-known politician recently resigned as governor?

- a) Sarah Palin
- b) John McCain
- c) Barack Obama
- d) Mitt Romney

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/

OREGON MAN PLEADS GUILTY TO TAX EVASION

Javid David Azari, 60, of Portland, Ore., pleaded guilty to one count of tax evasion. As part of the plea agreement, Azari agreed to cooperate with the United States regarding the whereabouts of all assets related to income tax evasion.

According to the plea, Azari knew he had unpaid federal income taxes for the years 1997 to 1999, and he attempted to evade payment of those taxes by transferring money out of the United States in 2000 to a bank in Turkey. In addition, on Nov. 28, 2001, Azari deposited \$465,000 into a TD Waterhouse brokerage account in the name of a nominee.

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

ARCHITECT PLEADS GUILTY TO TAX EVASION

Architect Thomas Allan Bouffard, 48, of Vacaville, Calif., pleaded guilty to attempted tax evasion. Bouffard admitted that for tax year 2002 he understated his income by \$121,693, resulting in an underpayment \$38,388.

In 2005, during an IRS audit, discrepancies were found in Bouffard's return for tax year 2002. The IRS then expanded the audit to include his 2003 tax return, and Bouffard admitted there may be "something wrong" with it as well. He faces up to five years in prison.

IRS Question Corner ...

Question: Like others who have asked questions here, I owe a substantial amount to the IRS. But I fear I won't qualify for the Offer in Compromise program you have mentioned, because I still make a sizeable salary. Do I have other options?

Answer: Yours is an excellent question. And I think you'll like the answer: Yes, you do indeed have options.

If, as you say, you owe a large amount to the IRS, the first thing you should do is consult a qualified tax professional. The reason for that is simple: We often find our clients who are in tax trouble believe they owe more money than they actually do. A qualified tax professional will carefully analyze your returns in question to make sure you are not obligating yourself to pay even a penny more than you owe.

Now, it's possible you may not qualify for the Offer in Compromise program. If, for example, you still make a lot of money, the IRS may not consider you a candidate. For those who are unfamiliar, the Offer in Compromise is program designed for taxpayers who owe a substantial amount but for whatever reason now lack the economic means to pay it. If the taxpayer meets the IRS's criteria, he or she may submit an Offer in Compromise — oftentimes resulting in a significant discount — that eliminates the IRS debt once and for all.

Assuming you are correct and do not qualify for the Offer in Compromise, however, I would suggest you and your tax professional consider the Installment Agreement. Under this agreement, you submit monthly payments to the IRS that over time will pay off your debt without significantly affecting your lifestyle. You should look at this the same way you do, say, a car loan. This is a way of paying off your debt without forcing drastic changes now.

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.

Fred Schlosser and Kenneth Conley Jr.

I just couldn't do it without you!

SOUTH DAKOTA MAN FACES 18 TAX-RELATED CHARGES

Thomas R. Kelley, of Salem, S.D., was originally indicted by a federal grand jury on Dec. 3, 2008, for filing a false income tax return, impeding the Internal Revenue Service, and 16 counts of uttering fictitious obligations. A new superseding indictment added two counts of tax evasion and three counts of willful failure to file tax returns. If convicted, he faces up to five years in prison and a fine of up to \$250,000.

Thanks for the Kind Words...

"TRS was very helpful and informative. I did not have the time, nor the knowledge to deal with the issue and TRS explained the process in detail and this made our experience overall great." -R. Barr

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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