



IRS Times & Inquirer

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So-Called Priest Hid Assets Using Fake Church

Self-proclaimed priest Earl R. Wolfe, 59, was convicted on charges of conspiring to defraud the United States and six counts of filing a false tax return.

According to court documents, from 1999 to 2004, Wolfe reported \$600 of income on tax returns. However, he in fact earned more than \$750,000 as an unlicensed architect. Wolfe attempted to conceal his income by cashing more than \$600,000 at a local check-cashing store and utilizing nominee entities. Evidence presented at trial proved that Wolfe had not paid any income taxes since 1989.

In addition to concealing his income, Wolfe attempted to hide his assets from the IRS. In October 2003, falsely claiming to be a priest, Wolfe created the Office of the Presiding Overseer of the Domicile Creators Service Ministry, which purported to be a tax exempt religious entity. Wolfe then transferred ownership of his personal residence and two Harley Davidson motorcycles to the so-called ministry.

Indy Attorney Faces Income Tax Charges

Robert E. Lehman, 57, of Indianapolis, Ind., was sentenced to eight months in prison and six months home detention following his guilty plea to making a false federal income tax return.

Lehman was a personal injury lawyer. The evidence presented indicated that Lehman signed and filed false Form 1040 personal income tax returns with the IRS for the years 2002 through 2004. The returns were false in that Lehman understated his business income. To commit the offense, Lehman did the following: When Lehman paid his clients from the firm trust account, he would cut two checks. Both checks were made payable to the client. Lehman would then direct the client to endorse one check to him. These checks represented fees or income to Lehman's law practice. Lehman's law practice, however, would treat both of the checks made payable to the clients as cost of goods sold. As a result, the net income would be underreported. For the three years charged, Lehman underpaid in federal income tax by more than \$100,000.

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IRS Official Charged in Tax-Refund Scheme

The IRS busted one of its own.

Jesse Pedro Hernandez Jr., 30, of Fresno, Calif., is charged with an 11-count tax fraud indictment.

According to prosecutors, Hernandez was a Tax Examining Technician with the IRS in Fresno. Hernandez assisted other taxpayers to obtain refunds they were not entitled to receive by falsely claiming money had been withheld from rollover distributions on Individual Retirement Accounts. In some cases, the request for a refund was supported by a fraudulent Form 1099-R created by Hernandez. The total amount of refunds claimed by taxpayers that they were not entitled to receive was allegedly \$28,010.

If convicted on all counts, Hernandez faces up to 44 years in prison.

Father-Son Tax-Scheme Duo Sentenced to Prison

A father who shot his son in an attempt to develop a "duress" defense after IRS investigators uncovered a tax fraud scheme has been sentenced to 84 months in federal prison.

Paul Hansen, 57, of Apple Valley, Calif., received the seven-year prison term, from U.S. District Judge Stephen G. Larson, who took into account the 2002 father-son tax scheme, the shooting of the young man and a 2005 tax scheme that used personal information obtained from online "wanted" posters. In addition to the prison sentence, Judge Larson ordered Paul Hansen to pay \$115,862.66 in restitution to the IRS.

The son, Adam Hansen, 28, was also sentenced, receiving from Judge Larson a term of 12 months in custody, to include six months in a community corrections center and six months of home confinement. In addition to the prison term, Adam Hansen was ordered to pay \$93,865.66 in restitution to the IRS.

Paul Hansen pleaded guilty last year to conspiracy to defraud the United States, possession with intent to use false identity documents, making false claims to the United States, possession of counterfeit credit cards and identity theft. Paul Hansen admitted that he filed false claims with the IRS, claims that totaled approximately \$629,000 in just seven months in 2002. Additionally, Paul Hansen admitted to engaging in a second scheme in 2005 in which he filed claims seeking nearly \$300,000 in refunds. Adam Hansen pleaded guilty earlier this year to conspiracy to defraud the United States and making false statements.

ALASKA MAN HEADED BACK TO PRISON FOR NOT PAYING TAXES

Donald Louis Hymes, 73, a resident of Fairbanks, Alaska, was sentenced to five months in prison for violating conditions of supervised release. His violation: failing and refusing to file individual income tax returns and pay incomes taxes for numerous past years.

According to information presented to the court, Hymes violated the conditions of his supervised release after having served a prison sentence for his 2003 conviction in federal court on 45 counts, which included 12 counts of mail fraud; 12 counts of receiving mail under false name; 13 counts of conversion of money of the United States; seven counts of money laundering; and one count of criminal contempt of court.

For those offenses, Hymes was sentenced to 28 months in prison and ordered to pay restitution of \$78,005 for stolen federal funds. After his release from prison, Hymes violated his conditions of supervised release by failing and refusing to file his income tax returns for numerous past years and by refusing to make any efforts to pay the taxes due for those years.

The past due taxes amount to \$234,320.79, plus interest.

Prior to imposing the sentence, the judge stated Hymes despised his United States citizenship and had stolen from the U.S. Treasury for a long period of time.

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. Robert Becher.

Imagine owing the IRS over \$120,000. That's what Mr. Becher's debt was when he enlisted our help. Our team of attorneys, cpas and E.A.'s resulted in the IRS accepting a settlement of \$6,537.00 via the federal government's Offer In Compromise program!!! That's 5.4 cents on the dollar!!!!

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...

Whom did Barack Obama pick as a running mate?

- a) Joe Biden
- b) Hillary Clinton
- c) Evan Bayh
- d) Al Gore

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/

PAKISTANI MAN INDICTED ON TAX CHARGES

Furqan Mian Mehmood, 39, of Boise, Idaho, is charged with two counts of filing false tax returns, two counts of failure to file federal tax returns and four counts of making a false statement to a federal agency.

According to the indictment, Mehmood is a native of Pakistan who worked as a real estate broker and agent in Boise and formed two corporations through which he conducted his real estate transactions. He allegedly failed to report income from those corporations on his tax returns.

Mehmood also allegedly failed to file tax returns in 2004 and 2005 for entities that he operated to handle real estate transactions. He faces up to five years in prison.

NONPROFIT EXECUTIVE EMBEZZLED FUNDS, FAILED TO PAY TAXES

The former director of operations for a nonprofit was sentenced to one year in prison. Michael W. Slayton, 49, Tecumseh, Kan., pleaded guilty to one count of tax evasion and one count of failing to pay employee withholding taxes to the IRS. Slayton was a founder of Designs 4 Life, a nonprofit created to assist families requiring in-home care. From 1999 to 2004, he embezzled \$238,097 from Designs 4 Life. He wrote 138 checks to himself and fraudulently avoided paying a total of \$44,478 in taxes.

IRS Question Corner ...

Question: I've heard I should be skeptical of claims that I can reduce my tax debt by pennies on the dollar. What do you say?

Answer: First of all, skepticism isn't necessarily a bad thing. Whoever told you to be skeptical of claims that you can reduce your tax debt by pennies on the dollar is partly right. As you've no doubt read in the pages of IRS Times & Inquirer, there are a lot of scam artists out there who would like to take advantage of people with tax troubles. Many of these scam artists will make such claims.

That's why it's important to see a qualified tax professional. Under the right circumstances, he or she may be able to in fact reduce your tax debt by pennies on the dollar.

Really.

Here's what you should do: Go in for a consultation with a qualified tax professional. Once you and the tax professional decide to move forward, your tax professional will analyze your previous returns with a fine-tooth comb, making sure you are not volunteering to pay the IRS even a penny more than you owe.

Once you have the exact tax debt established, you and your qualified tax professional will meet with an IRS agent and discuss the terms of an Offer in Compromise — which will establish an amount, sometimes the equivalent of pennies on the dollar that will allow you to pay off your tax debt once and for all.

If that sounds too good to be true, it isn't. Trust me. Through decades of experience, the IRS has learned it's sometimes easier and more effective to be flexible and negotiable. 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.

Stanley Glanz and Sean Foley

I just couldn't do it without you!

FEDS: MICH. MAN DID NOT PAY INCOME TAXES

Frank Scaramuzzino, of Shelby Township, Mich., owner of Premier Autoworkers, was charged with three counts of failure to file income tax returns and four counts of failure to pay income tax. According to court records, during the 2001 through 2003 tax years, Scaramuzzino received gross income of more than \$2 million and failed to file his income tax returns with the IRS. As a result, he failed to pay \$736,917 in income tax due and owing to the IRS.

Thanks for the Kind Words...

"I was so happy when I received a call from TRS letting me that my offer was accepted. I can finally participate in all of my children's hobbies without thinking about my tax burden. I can not begin to express my thanks to everyone at TRS."

- R. Becher

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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