



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

## FedEx Pilot Pleads Guilty to One Count in Tax Evasion Case

A FedEx pilot, charged with six counts of income tax evasion, pleaded guilty to one of those counts.

According to the indictment, Michael D. Mason, 51, of Cordova, Tenn., failed to file income tax returns for calendar years 2000 to 2004. Additionally, the indictment alleges that Mason failed to pay the IRS income tax due and owing and concealed or attempted to conceal his true and correct income from the IRS. Mason pleaded guilty to income tax evasion for calendar year 2003, a year in which he received approximately \$240,359 in taxable income. As part of his plea agreement, Mason agreed that the tax loss to the United States for tax years 2000 to 2004 was \$229,064.48, and he agreed to make restitution to the IRS.

Once Mason became aware of the IRS investigation of him, he formed sham entities to be used as nominees. In fact, he employed an attorney to prepare legal documents making it appear as if Mason's residence was mortgaged to one of Mason's sham nominee entities in an attempting to prevent IRS from collection efforts against his home.

## Va. Man Faces Prison Again for Tax Charge

A Virginia man may be headed back to prison for tax evasion.

Richard C. Menner, 48, of Glen Allen, Va., was convicted on five counts of filing a false federal tax return and one count of obstruction of justice following a three-day jury trial.

Menner was previously convicted in federal court in 1998 on five counts of failing to file his individual income tax returns for tax years 1991 through 1995 after evidence was introduced at trial showing that he had received income from various individuals and building contractors during the prosecution years.

After Menner was released from prison, evidence showed he obstructed the IRS's attempts to assess and collect the taxes owed for tax years 1991 to 1995 by repeatedly submitting documents to the IRS that set forth frivolous legal arguments claiming that he had not earned any income during those years and that he owed no tax.

### Inside This Issue...

FedEx Pilot Pleads Guilty to One Count in Tax Evasion Case

Va. Man Faces Prison Again for Tax Charge

Bar Owner Faces Five Years for Tax Charge

Georgian National Pleads Guilty to Tax Evasion Charge

School Board Member Pleads Guilty to Tax Evasion Charge

Software Designer Gets 21 Months on Tax Charges

Property Investor Receives 6 Months

R.I. Man Faces Five Years for Tax Charge

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



## **Bar Owner Faces Five Years for Tax Charge**

A Tennessee bar owner pleaded guilty to tax evasion and faces up to five years in prison and a \$100,000 fine.

According to prosecutors, John H. Rawlings, 70, of New Johnsonville, Tenn., filed a false and fraudulent income tax return for the calendar year 2002. The return claimed Rawlings had no taxable income and owed no taxes during that year when, in fact, he knew that he had approximately \$92,358.21 of taxable income from owning the bar. In all, he owed approximately \$35,413.44 in income taxes.

Rawlings admitted he kept journals and records in which he recorded the income to the bar and the expenses. However, Rawlings omitted income he received from cover charges while including the expenses for payments he made to the bands that played at the bar. He provided these records to his bookkeeper for the purpose of preparing his income tax returns.

## **School Board Member Pleads Guilty to Tax Evasion Charge**

Former Parsippany-Troy Hills (N.J.) Board of Education member John J. Montefusco Jr. was sentenced to three years of probation for willfully filing a false tax return, admitting that he failed to report approximately \$159,000 in income on his 2003 federal tax return.

Montefusco pleaded guilty to one count of a three-count criminal information charging him with willfully subscribing to a false tax return.

At his plea hearing, Montefusco admitted that in or about 2003, he failed to report approximately \$97,576 in taxable capital gains that he received from the purchase and immediate sale, or "flipping," of two townhouses in Morris Plains. Montefusco also stated that in 2003, he received approximately \$43,950 in upgrades, options and extras that were added to his primary residence.

Montefusco also stated that in 2003, he was a partner at a company that provided him travel and entertainment expense payments and that these monies were to be used for legitimate business-related activities. Montefusco, however, admitted that he used these monies for personal purposes and that he falsely characterized them as legitimate business expenses on his 2003 tax return. As a result of these false characterizations, Montefusco failed to report approximately \$18,075 of additional income received on his 2003 tax return.

## **GEORGIAN NATIONAL PLEADS GUILTY TO TAX EVASION CHARGE**

Vitali Popkov, a 31-year-old Georgian national living in Morrow, Ohio, pleaded guilty to one count of committing income tax evasion and one count of aiding and abetting marriage fraud.

Popkov admitted that he operated Mirage Cleaning Services of Cincinnati from September 2003 to December 2007. His company contracted with area businesses and hotels to provide cleaning services.

From January 2004 to December 2007, Popkov paid wages totaling \$2.7 million to his employees but knowingly failed to withhold federal income taxes on wages paid and failed to pay the company's share of the taxes.

As a result, Popkov evaded \$423,635 in federal employment taxes.

He faces a punishment of up to five years in prison, a fine of up to \$100,000 and payment of taxes, interest and penalties on the amount of unpaid taxes.

What's more, Popkov admitted that he helped an associate arrange a sham marriage with a U.S. citizen in Louisville, Ky.

For the marriage fraud charge, Popkov faces up to five years in prison and a fine of up to \$250,000, as well as possible deportation.

## 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 Jessika Cardinahl.**

Ms. Cardinahl owed close to \$105,000, to the IRS when she contacted us. Our Tax Professionals negotiated a \$900.00 (that's right...Nine Hundred!) Offer In Compromise settlement with the IRS, a savings of over \$104,000. Congratulations Ms. Cardinahl

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 Major League Baseball team went from worst to first?

- a) Tampa Bay Rays
- b) Philadelphia Phillies
- c) Chicago Cubs
- d) Chicago White Sox

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/)

## SOFTWARE DESIGNER GETS 21 MONTHS ON TAX CHARGES

Fayez Damra, aka Alex Damra, was sentenced to 21 months custody and three years supervised release. He was also fined \$50,000 and ordered to pay \$274,389 in restitution to the IRS.

Damra, 43, who resides in Henderson, Nev., was convicted by a jury of conspiring to defraud the United States in connection with an alleged conspiracy in which Fayez distributed funds from his computer software design corporation, known as Applied Innovation Management, to members of the Damra family, then deducting those funds as AIM expenses. Fayez was also convicted of attempting to evade and defeat approximately \$184,788 in corporate income tax due from AIM for its 1999 tax year.

## PROPERTY INVESTOR RECEIVES 6 MONTHS

Robert A. Huff was sentenced to six months in prison, to be followed by one year of supervised release, for failing to file a 2001 tax return. Huff in 2001 and 2002 was self-employed in various real estate business activities in the greater Cleveland, Ohio, area. In his written plea agreement, Huff acknowledged that he had gross receipts of approximately \$283,142 in 2001 and \$405,064 in 2002 and that he willfully failed to file tax returns, or pay any taxes, on the income.

## IRS Question Corner ...

**Question:** What's the saying? When your friend loses his job, it's a recession. When you lose yours, it's a depression. Well, it's a depression — and it's worse because I owe a substantial amount in taxes. I feel hopeless. What can I do?

**Answer:** First of all, you aren't alone. In fact — and this is tragic — as the economy worsens, there may be many more people in positions just like yours.

It's important to remember right now that you are not in fact hopeless or helpless. You have options, and now is a time when you should explore what option will be best for you moving forward.

Since you say you are unemployed and owe a lot in taxes, one of your best options may be the Offer in Compromise. This IRS program is designed for taxpayers who, for whatever reason, have found themselves in a situation in which they absolutely cannot pay their tax debt. Obviously, losing a job in a bad economic climate could be such a situation.

The first thing you should do is consult a qualified tax professional. He or she will analyze your return, ensuring that you are not obligating yourself to pay the IRS even a penny more than you truly owe. Once your true debt figure has been established, you and your qualified tax professional will meet with an IRS agent and negotiate a final settlement amount. This often amounts to pennies on the dollar.

Unbelievable, you might be saying. Not really. After chasing taxpayers without much success, the IRS discovered a kinder, gentler approach, such as the Offer in Compromise, can be more effective in collecting taxes than a steel fist.

While I think the Offer in Compromise is the first option you should explore, given your situation, it's not your only option. Another is the Installment Agreement. Let's talk about your options. 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.

**Peter Kemble, CPA and David Bowman**

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

## R.I. MAN FACES FIVE YEARS FOR TAX CHARGE

Jon Wilk, 48, of Wakefield, R.I., pleaded guilty to income tax evasion, admitting he failed to report about \$648,000 in income from his masonry company. Wilk tried to conceal his income by converting business checks to cash, getting paid personally, and depositing customer checks into his girlfriend's bank account. In addition, in 2004, Wilk asked clients to make checks out to him personally rather than to the business. He faces up to five years in prison.

## Thanks for the Kind Words...

"They are reliable, trustworthy and very efficient. I had the best time working with them, I felt that I was taken care of. They resolved a matter that weighed heavily on my life. Thank you".

-J. Cardinah

## 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