



# IRS Times & Inquirer

Tax Resolution Services, Co., Est. 1997

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## Cage Owes \$6 Million to IRS

Academy Award-winning actor Nicolas Cage owes the IRS more than \$6.6 million in income taxes.

According to a tax lien filed against him, Cage owes \$70,190 for the tax year 2002, \$179,738 for 2003, \$110,617 for 2004 and more than \$6.2 million for 2007.

Cage blames his financial and tax problems on his business manager, Samuel Levin, according to a lawsuit the actor filed against the man in California.

The nephew of director Francis Ford Coppola and actress Talia Shire, Cage has long been among Hollywood's royalty and highest-paid actors. He won the Academy Award for Best Acting for his lead role in *Leaving Las Vegas* and has earned box-office successes in various summer action films as well as the *National Treasure* series.

The federal government has not filed criminal charges related to the actor's \$6.6 million tax debt.

## Woman Faces 16 Years for Evasion and Embezzlement

An Illinois woman faces up to 16 years in prison after pleading guilty to four counts of tax evasion, willful failure to file federal income tax returns, embezzlement from an employee benefit plan and failure to pay employment taxes.

The convictions are the result of the conduct of Mary R. Storer, 40, formerly of Wood River, Ill., after she was hired by Elk Heating and Cooling as their office manager in 2006. Storer's responsibilities included answering the telephones, setting up customer appointments and handling accounts receivable and accounts payable. She was also in charge of payroll and filing and paying Elk Heating's payroll taxes. Storer immediately began embezzling money from Elk Heating and gambled away almost all of the money. In all, she lost over \$103,000 at the Alton Belle Casino in 2006. As part of the plea, she admitted she committed tax evasion, embezzled money from Elk Heating's employee benefit plans and failed to pay over employment taxes of Elk Heating. She has agreed to pay restitution in the amount of \$266,056 to Elk Heating.

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



"I owe that much? How much would I owe if I turned in a friend?"

## **Louisiana Doctor Guilty of Not Filing Return**

A New Orleans doctor was sentenced to five years of probation for failing to pay taxes.

Blainey J. Nicholas, 43, was also ordered to pay \$84,898 in restitution and pay a \$20,000 fine as well as perform 300 hours of community service. According to court documents, during the 2002 tax year, Nicholas received more than \$200,000 in gross income and failed to file a tax return.

Michael J. De Palma, Special Agent in Charge of Internal Revenue Service, Criminal Investigation, said in a statement: "Failure to file your income tax return is not a victimless crime. Honest, hardworking Americans pay the price when others choose to violate this basic requirement of citizenship."

## **Mayor Guilty of Tax Evasion and Corruption**

The mayor of Mandeville, La., pleaded guilty to honest services mail fraud and tax evasion.

According to court records, Edward "Eddie" J. Price III, as the elected Mayor of Mandeville, was a public official who was prohibited by state law from receiving gifts and gratuities from professional service contractors for the city of Mandeville and developers with business interests with the city. From 2003 to 2007, Price accepted numerous trips from the city's engineer and a developer in the Mandeville, La., area to participate in expensive golf tournaments in Pebble Beach, Calif.

These trips had a value in excess of \$45,000. Price's plea of guilty to honest services mail fraud included admissions that he illegally utilized money from his campaign fund account to pay various personal expenses.

In addition, Price failed to file a tax return for the 2007 tax year, evading taxes on his income as mayor as well as the value of the gifts and gratuities he received and funds he had taken from his campaign account.

The politician faces up to 25 years in prison and a fine of up to \$500,000.

"This investigation is another example where the teamwork between the IRS, FBI and the United State Attorney's Office has brought justice to our community," said IRS Special Agent in Charge Michael DePalma in a statement.

## **MAN GETS PRISON FOR NOT REPORTING \$500K FROM COLORADO BUSINESS**

John T. Minemyer, 49, of Casper, Wyo., was sentenced to 12 months in federal prison for tax evasion. Minemyer was also ordered to pay a \$25,000 fine and restitution totaling \$200,918.22.

Monomer's tax evasion charge stems from when he was a resident of Colorado Springs, Colo., where he was a 50 percent partner in a company known as Lozon, which sold coupler devices used for underground fiber optic cables.

Minemyer filed with the IRS false joint tax returns for the years 2000 and 2001, substantially underreporting his income from the partnership and using a series of offshore financial transactions to hide that income.

As a result, Minemyer failed to report on his 2000 return income of \$355,176, which resulted in an underreported tax liability of \$140,561. In addition, Minemyer failed to report on his 2001 return income of \$174,087, which resulted in an underreported tax liability of \$60,357. The total loss for both years is \$200,918.

"This case is a good example of those who evade their tax obligations may end up finding themselves in federal prison and owing a lot more money than they would have originally had to pay," said U.S. Attorney David Gaouette.

## 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. Blake Epstein.**

Mr. Epstein owed the IRS over \$38,000 when he retained our firm. We were able to negotiate a payment plan for just \$100 a month for the first 3 years and it will increase there after until the liability is paid off.

Congratulations Mr. Epstein.

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...**

In what state did the so-called "Balloon Boy" hoax occur?

- a) Utah
- b) California
- c) Colorado
- d) Washington

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/)

## CONNECTICUT BUILDER SENTENCED TO PRISON FOR TAX EVASION

Leonard Widman, 54, of Sherman, Conn., was sentenced to 12 months and one day of in prison for failing to pay more than \$170,000 in taxes.

Widman owned a sole proprietorship known as Phase II Construction, which performed general contracting services in New York and Connecticut. Phase II Construction had a business checking account into which Widman deposited all business receipts and from which he paid both business and personal expenses.

For tax years 1997 to 1999, Widman filed tax returns and made false statements to IRS employees. In a series of interviews with IRS agents in 2003 and 2004, Widman falsely represented the nature of dozens of expenditures made from the Phase II Construction checking account as legitimate business expense.

These expenditures included payments for renovation done to Widman's home, personal gym equipment, family meals, marina and boat fees, vacations, furniture, and clothing. In addition, Widman told IRS investigators he had received loans and cash gifts from family members and friends, which would be non-taxable sources of income, when in fact he had not.

In all, Widman failed to pay \$173,355 in federal income tax and self-employment tax.

## IRS Question Corner ...

**Question:** I'd rather not get into the reasons why — let's just say I made some bad decisions and made those decisions worse by following bad tax advice — but I'm in the hole to the IRS for much, much more than I can afford to pay. What can I do? I'm worried.

**Answer:** I understand how difficult your situation is personally. But first of all, you should take some comfort in knowing you are not alone. Thousands of people every year fall into tax trouble and tax debt. What's more, you have options and you still can prevent this tax debt from ruling your life.

The absolute first thing you need to do is consult a qualified tax professional. It's quite possible that a full review of your situation and previous returns will result in information you would welcome — such as the possibility that you may actually owe to the IRS less than you think.

Now to your options: Once your qualified tax professional has reviewed your situation and previous returns with the proverbial microscope, you and your qualified tax professional will meet with the IRS. From the brief information you've provided here — specifically your belief that you owe far more than you can pay — I am going to guess that an Offer in Compromise may be your best option. This program was designed for taxpayers who for whatever reason cannot pay their tax debt. Through this program, intended for taxpayers who have no way of paying their tax debt, you can settle with the IRS for much less than you owe. I would specifically ask your qualified tax professional if you qualify for this program.

However, if you do not qualify, you have other options, such as the Installment Agreement, which allows you to pay down your tax debt over time without significantly hampering your lifestyle.

Let's talk about your tax troubles in person. I deal with IRS problems such as yours every day 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.

**Norm Goodman, JD, CPA & Ron Corvino**

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

## KENTUCKY MAN DID NOT REPORT NEARLY \$500K IN INCOME

Charles L. Boulton, 61, of La Center, Ky., was sentenced to one year and nine months in prison for failing to file tax returns. He was also ordered to pay restitution of \$94,870. Boulton, a chiropractor, provided drug and alcohol tests to truck-driving schools and transportation companies in Western Kentucky. During the tax years 2001 to 2006, he earned \$495,600 and did not file income tax returns for those years.

## Thanks for the Kind Words...

"TRS has helped me in many ways, I can't thank you enough. April made me feel like she was saving a family member and not just another client".

- B. Epstein

## 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.

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