

Tax Resolution Times

“Read About Taxpayers with IRS Problems & Find Out How to Solve Them”



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Tax Identity Theft and the Dark Web

In the World Wide Web, there is a part of it that is only accessible by means of special software, which allows users and website operators to remain anonymous or untraceable. That place is known as the dark web.

A cybersecurity firm called Carbon Black, released a report in April about the growing threat of obtaining inexpensive tax identity information through the dark web. Here's what they found:

- W-2's and 1040's are available at a relatively low cost, ranging from \$1.04 to \$52. Names, social security numbers and birthdates can be obtained for a range of \$.019 to \$62.
- For \$1,000, a relatively inexperienced hacker can purchase authenticated access to a U.S.-based bank account, file a false tax return, claim the IRS refund and cash out via a cryptocurrency exchange for a 100+% return on investment.
- How-to guides for cashing out other people's tax returns are available for around \$5 but one offer, claiming to be the most comprehensive guide for tax refund cash out was listed for \$70.
- A hacker can now provide stolen/purchased identity information (Name, DOB, SSN, etc.) and receive an original image of some person holding a forged passport with matching picture/information and scans of the forged identity documents.

(Continued on page 2)

The IRS and Computerization

At the end of the Second World War, the IRS was handling sixty million tax returns each year, using a combination of mechanical desk calculators, accounting machines and pencil and paper forms. In 1948 punch card equipment was used. The first trial of a computer system for income tax processing was in 1955, when an IBM 650 was installed in a Kansas City office that processed 1.1 million returns. The IRS was authorized to proceed with computerization in 1959, and purchased IBM 1401 and IBM 7070 systems for local and regional data processing centers. The Social Security Number was used for taxpayer identification starting in 1965. By 1967, all returns were processed by computer and punched card data entry was phased out.

-Source: Wikipedia Internal Revenue Service page

Former Police Chief Learns Orange is the New Blue

Former police chief, Anthony Marraccini, of Harrison, NY, was sentenced to 18 months in prison for tax evasion.

Marraccini pleaded guilty to charges against him this past January. According to federal prosecutors, Marraccini earned more than \$2.5 million from his home improvement business and rental income from investment property owned, causing a loss to the IRS in excess of \$782,000 and nearly \$200,000 in state income taxes.

Marraccini retired in 2016 from the Harrison Police Department after serving nearly 30 years due to being placed on paid leave for allegedly falsifying his timesheets.

In addition to prison time, the court sentenced him to one year supervised release, a fine of \$25,000 and pay \$126,347 in restitution.

Marraccini must report to prison on July 31st.

Tax Identity Theft and the Dark Web (cont.)

In an article from Bleeping Computer, a summary of the report said:

“Financial and social security identity theft services are becoming more and more affordable every year on the dark web, leading to a drop in the skill level required for tax fraud schemes. This means that even the most inexperienced cybercriminals can now quickly whip up a whole new identity with just a couple of mouse clicks. It is just as easy for a crook to get his hands on the documents and credential needed for running a successful tax identity theft campaign these days as is for someone to order a pizza using a food delivery service.”

Although the IRS is taking steps to identify and stop tax fraud, there are ways that the taxpayer can take to minimize the chances of identity theft:

- Protect your data by limiting the places your information is stored;
- Only use secure, encrypted transfer methods when possible;
- Never click on a link sent to you in an email, always go to the actual website;
- If you see a small charge on your credit card that you did not make, contact your credit card issuer immediately;
- Review your credit report annually.

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.

I just couldn't do it without you!

This Month I would like to Thank Milendy for all her help. Helping us better our business and referring us to more customers.

Any Way You Slice It, Deli Owner is in Trouble with the IRS

The owner of a deli in Hamden, CT, Raymond George, waived his right to be indicted and pleaded guilty in federal court to one count of tax evasion.

George, who owned Ray & Mike's deli, tried to evade taxes in numerous ways between 2012-2013.

According to court documents, George failed to deposit all of the cash receipts he collected from his business into his business bank account. He used a portion of the cash to fill an in-store ATM and didn't report the cash as income.

George deposited three large checks totaling \$300,000 from Ray & Mike's business account to his personal investment account without reporting the funds as income, and then withdrew the funds to buy personal investment property. He was also accused of depositing a check for \$25,800 from Ray & Mike's lottery account into his personal investment account without reporting the income.

The IRS states that George's underreported income for those two years totaled \$638,173, resulting in a loss to the IRS of approximately \$220,000 in taxes.

George faces up to five years in prison and a fine of up to \$440,000. He has agreed to pay back taxes of \$220,663 plus penalties and interest.

Office Manager Helps Herself to Employer's Money

Terra Dawn Ferguson, of New London, NC, pled guilty in Federal Court on one charge of employment tax fraud.

Ferguson was employed as the office manager for a pediatric office for approximately 24 years. It was Ferguson's responsibility to collect, account for and pay to the IRS the business' employment taxes. From 2011 to 2016, Ferguson withheld \$78,937 from the employees' paychecks but failed to turn those funds over to the IRS. The employer's share of employment taxes in the amount of \$35,472 was also not paid to the IRS. Instead, Ferguson used the money to pay her personal credit card bills, funded personal business ventures including a mountain cabin rental and a bar, paid for personal vacations and issued herself checks totaling \$1.4 million from the business' bank account.

In addition, Ferguson tried to hide her crime by preparing false income tax returns on behalf of her employer that underreported gross receipts and inflate mortgage interest deductions. The result is a loss to the IRS of \$374,101.

Ferguson faces up to five years in prison, restitution and monetary penalties.

Are You My Next 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 Michael Acevedo. Michael got himself into a sticky situation with the IRS owing them money. Luckily for him we made an arrangement and paid to assure that next year's taxes goes well for him and it sure did. Thank you Michael, for choosing Ultimate Tax Relief.

You might be my next *Client of the Month* too! Watch for your name here in an upcoming month.

IRS Fun Fact

From 2001 to 2016, there were 5,900 changes to the tax code. Under the Tax Cuts and Jobs Act of 2018, there were 600 changes to the tax code, the most extensive in 30 years.



I'd Like to Hear From You!

If you have an IRS issue, or just want to refer a friend, relative or client, we'd love to hear from you. We can provide a no-obligation confidential consultation to help you solve your IRS problems.

Ultimate Tax Relief
Toll Free (800) 245 - 8257
Phone (718) 367- 6111
Fax (718) 584 - 6654

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Enter Our Trivia Contest for a Chance to Win a \$250 Transferrable Gift Certificate!

Take the Trivia Challenge to win!

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. Your prize is also transferrable, so use it for yourself, or give it to a family member or friend. Take your best guess and call me at (718) 367 - 6111.

This month's question is:

Which 80's movie spawned 6 sequels and a T.V. series?

- a) Die Hard
- b) Police Academy
- c) Airplane
- d) Raiders of the Lost Ark

Call today at (718) 367- 6111

Your IRS Questions Answered Here:

Question: *I have a substantial tax amount owing, the IRS is harassing me and I need help. I got a quote from another firm at a much lower price. Why should I hire you?*

Answer: This is your financial life and the stakes are very high. If you needed heart surgery, would you shop around for the least expensive surgeon or would you get the very best you can find. The same holds true for dealing with the Internal Revenue Service. Having IRS problems can ruin all aspects of your life, your marriage, relationships with your children and family members, your employment, ability to buy a house, a car, money for retirement or even have a bank account. You want the best person for the job, not the cheapest.

Your IRS debt doubles every 8 years due to the daily compounding of interest and penalties so to ignore this problem is probably not a wise decision. Generally, you'll never have to speak or meet with the IRS once we're retained on your case; you'll be able to sleep better at night knowing that we're working hard to get you the lowest settlement allowed by law in the most expeditious fashion possible!

We at Ultimate Tax Relief are experts in IRS tax problem resolution and help taxpayers with their IRS Problems every day. **There is a solution to EVERY problem.** Generally, you'll never have to meet or speak with the IRS once you bring us into the picture. Call us today! (718) 367-6111