

Tax Resolution Times

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



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Reality Star Steals SBA PPP Funds and Is in A Truckload of Trouble!

Maurice Fayne, one of the stars of VH1’s “Love & Hip Hop: Atlanta” has been arrested and charged with federal bank fraud for misusing funds from the SBA’s Covid-19 Paycheck Protection Program (PPP).

Fayne runs a corporation called Flame Trucking and his PPP loan application claimed that he had 107 employees and an average monthly payroll of \$1,490,200. He applied for a loan in the amount of \$3,725,500 and received one for \$2,045,800. Georgia state records show that Flame Trucking was established in April 2019, but investigators believe Fayne had no employees at the time of his PPP application. In support of his claim, Fayne produced bank statements from Arvest Bank dated from October to December 2019, but Arvest Bank told investigators that the Flame Trucking account was closed in September 2019.

Fayne used more than 1.5 million dollars of the loan for personal expenses, including purchasing a Rolex, a diamond bracelet and a 5.73 carat diamond ring, which he claimed were investments that would go up in value because he was wearing them. He also paid \$40,000 in child support and leased a Rolls Royce Wraith.

On May 11, less than a month after Fayne submitted his PPP application, federal agents searched his home and found \$80,000 in cash, including \$9400 that Fayne had in his pockets. Agents also seized \$503,000 from three bank accounts Fayne either owned or controlled.

She Left Her Employer Out in the Cold

Kerry Snow Yeager pleaded guilty to tax evasion, wire fraud and identity theft after embezzling \$316,231 from her employer. Snow Yeager’s deceit began in 2015 and ended in 2017 when the owner of the company discovered the fraud.

Snow Yeager stole the money through unauthorized ATM withdrawals, unauthorized use of a company debit card and cashing and depositing checks written on the company’s account with a forged signature of the owner. Snow Yeager failed to pay taxes on the embezzled money for 2015, 2016 and 2017. After a relative paid \$100,000 of her debt, Snow Yeager was ordered to pay \$216,231 in restitution and \$26,509 to the IRS. She was sentenced to 25 months in prison and three years of supervised release.

“When all is lost ask the IRS. They’ll find something.”

Douglas Horton

A Buffet of Lies and Deceit

The owners of the New China Buffet and Grill in Tennessee have been charged with employment and income tax fraud, conspiracy to harbor illegal aliens and money laundering. Quanwei Shi and Chongqiang Chen, both 29, are accused of hiring undocumented workers from China and Guatemala to work at their restaurant. They did not require the workers to complete any forms related to immigration status and paid them in cash.

The indictment states that Shi evaded payroll taxes by failing to withhold \$175,455 from the workers' payments. Shi is also accused of signing and filing false forms with the IRS that under reported the business gross receipts for tax years 2017 and 2018.

The illegal workers, who lived with Shi and Chen, were transported to the restaurant daily and ordered to work in the kitchen, where they could not interact with the restaurant's customers.

The defendants face up to 20 years in prison.

A Thousand Talents But Staying Out of Trouble Is Not One of Them

Xiao-Jiang Li, a former Emory University professor, pleaded guilty to filing a false tax return. Li did not declare income he made as a participant in the Thousand Talents Program, which recruits professors and researchers to work for China.

Li was sentenced to one year of probation and ordered to pay restitution in the amount of \$35,089 to the IRS. In addition, he was ordered to file legitimate tax returns for the years 2012 – 2018 within the first two months of his probation, and fully cooperate with the IRS in order to make an accurate determination of all taxes, penalties and interest that he owes.

“The defendant thought he could live two separate lives, one here at Emory University and one in China as a Thousand Talents Program participant,” said U.S. Attorney Byung J. Pak.

Starting in 2012 and continuing until 2018, while still working at Emory University conducting large animal research to investigate Huntington's disease, Li also worked at two Chinese universities doing similar research. During that period Li earned at least \$500,000 in foreign income that he never reported on his federal tax returns.

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!

Please don't forget to leave a review on Google to help us build a better business.



The Long and Short of It – This Attorney is Going to Jail

New Jersey attorney Douglas M. Long pleaded guilty to evading more than \$250,000 in federal taxes on income generated from his law firm. Long, managing partner of Long & Marmero LLP, had primary control over the firm's finances and supervised the firm's bookkeeper. He used the company's bank accounts to pay for school tuition payments for his children, utilities and service fees for his homes, student loan payments for himself and his wife and other personal expenses.

Long had the firm's bookkeeper classify those payments as law firm business expenses to avoid his tax obligations. In addition, he declared that his personal tax returns for tax years 2012 through 2015 were true and accurate when they were not.

During that time Long concealed over \$800,000 in personal income and evaded payment of over \$250,000 in taxes owed to the IRS, including \$368,000 in income and \$120,000 in taxes for tax year 2014.

This was not Long's first encounter with the law. In 2016 he was reprimanded by the state's Office of Attorney Ethics for not supervising a bookkeeper who used almost \$200,000 in client deposits that should have been held in trust, for firm expenses including overdraft fees and paying back personal loans.

Long's current tax evasion charge carries a maximum sentence of five years in prison and a potential fine of \$250,000, or twice the gross gain or loss from the offense. In addition to the guilty plea, Long agreed to pay restitution to the IRS.

The IRS Returns, But This Tax Preparer Taketh

Michigan tax preparer, Mark Alan Patterson has been charged with wire fraud. Patterson worked for Shuster Tax Service as a tax return preparer from 2015 until February 2020, when the fraud was discovered.

He is accused of stealing a portion of his clients' tax refunds by directing portions of refunds into accounts that he controlled. Patterson hid his crime by giving his clients unfiled versions of returns that showed they were owed a smaller refund amount than what they were actually due.

Jennifer Shuster Semer, the owner of Shuster Tax service, discovered the fraud and alerted law enforcement. In a review of returns filed by Patterson, Shuster discovered approximately 120 client tax returns dating back to 2015 that had refunds electronically diverted into accounts controlled by Patterson. Semer calculated an approximate loss to her clients of over \$400,000.

Patterson faces up to 20 years in federal prison.

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.

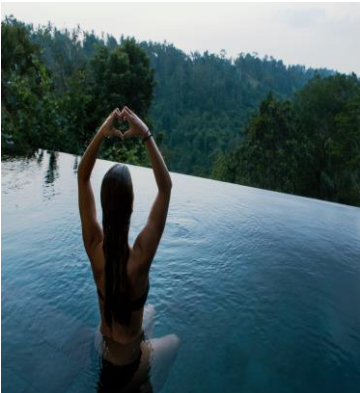
This month's Client of the month is Simone we were able to get the max on her tax return. Simone states "This is the first year that I feel as though my taxes were done correctly." I am glad we were able to help. Thank you for trusting in us!

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

Did You Know?

Exotic dancer Chesty Love decided that she needed breast implants to get bigger tips. The IRS said no to the deduction she claimed for the size 56FF implants, but the tax court disagreed, deeming the implants as depreciable assets, a type of stage prop.

Let us take care of your tax problem while you do the things you love! Contact us today!



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.

Contact us at:
P: 718-367-6111
F: 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....

How many Father's Day cards were given out last year?

- | | |
|----------------|---------------|
| a) 100 million | c) 33 million |
| b) 72 million | d) 45 million |

Call us today (718)-367-6111

Your IRS Questions Answered Here...

Question: I do not have the funds to pay what I owe for my 2018 income tax return. I also was late in filing the return. Not only is the IRS demanding the tax I owe, but they have slapped on these huge amounts for penalties and interest. I had extenuating circumstances that caused all of this. This isn't fair...what can I do?

Answer: We can request the removal (abatement) of penalties 2 ways: 1) "First Time" Penalty Abatement and 2) a Reasonable Cause Argument. The IRS writes off billions of dollars in penalties each and every year, but you must know how to do it correctly. A First Time Penalty Abatement (FTP) can be requested if you have a "clean" compliance record, meaning you have not incurred a Failure to File or Failure to Pay penalty for the 3 years preceding the year you are requesting relief for. FTP is generally granted in most cases, regardless of what the underlying reason is, if you are eligible.

If you do not qualify under FTP, there are 9 main "Reasonable Cause" arguments to get your penalties removed. They are: 1) Death, Serious Illness, 2) Fire, Casualty or Natural Disaster 3) Unable to Obtain Records (common issue with couples going through a divorce) 4) Mistake was made by the taxpayer or tax preparer, 5) Erroneous Advice or Reliance on a tax preparer 6) Written/Oral Advice from the IRS 7) Ignorance of Tax Laws 8) Reasonable Cause/Ordinary Business Care and Prudence 9) Undue Economic Hardship.

Your Tax Resolution Specialist will guide through what documentation is needed to submit a formal legal request in writing. For instance, let's say you were going through a divorce and your ex-spouse withheld records from you needed to file a complete and accurate income tax return and you filed your return late because of this. You could request abatement of these penalties using one of the above reasonable cause arguments, specifically #3 above.

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.