

# Tax Resolution Times

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



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## **Question**

What do you call a trial balance that does not balance?

## **Answer**

A late night.

## **IRS puts Major Dent in Auto Repair Shop's Tax Evasion Scheme**

Aniello Strocchia, the owner of an auto repair shop in Queens, New York, pleaded guilty to defrauding the United States by concealing income from the IRS.

Between 2013 and 2017, Strocchia, with a few others, cashed more than 1.3 million dollars in checks payable to the repair shop at check cashing businesses. Strocchia concealed this from his tax preparers, which resulted in the filing of false tax returns that underreported the auto repair shop's gross receipts and ordinary business income, in addition to his personal income.

Strocchia used the money on personal expenses, including luxury cars and more than half a million dollars on home renovations. He also attempted to hide his income from his ex, who he took to court in 2016 in order to reduce his court mandated child support payments.

He faces a maximum of five years in prison and restitution and penalties to the IRS.

## **Tax Preparer Prepares to Go to Prison**

Jean Montalvo, the owner of Montalvo Tax Service in Texas, was sentenced to 36 months in prison for making and subscribing a false return.

From 2014 to 2016, Montalvo did not report a portion of the fee she charged her customers for filing their returns to the IRS, causing a loss of \$197,136. She also filed 58 tax returns between 2014 to 2017 that contained false information, such as bogus charitable contributions, business meals and entertainment expenses. This caused the IRS a loss of \$311,214. In addition to the prison sentence Montalvo was ordered to pay the IRS \$508,350 in restitution.

## Government Employee Creates Fake Children to Collect Benefits

Lee Nichols, a former claims specialist with the Social Security Administration pled guilty to theft of government property.

Nichols began his scheme to defraud the US government by creating fictitious profiles for two children that did not exist. He linked the profiles to a recently deceased man and a disabled woman living in Mexico, and was then able to apply for survivor benefits on behalf of the 'children' he invented.

Nichols had the debit cards for the children's benefits sent to a friend's house and then used the cards to withdraw funds at ATMs. In order to conceal his identity at the ATMs, he disguised himself by pulling a hat over his face and by wearing sunglasses and various head coverings.

The IRS also issued each 'child' stimulus payments of \$1400 each.

Nichols caused a loss of \$75,000 to the government and agreed to pay \$82,516 to SSA and \$2800 to the IRS.

## *Take 2.1 Million of These and Call Me in the Slammer*

Pain clinic doctor, Qing McGaha, was sentenced to seven years and eight months in prison for illegal drug distribution, money laundering and filing a false tax return.

McGaha, a Florida licensed MD, operated a pain clinic and was arrested after a 20 month sting operation by the Drug Enforcement Agency. During that time, DEA agents visited the good doctor several times, and each time left the clinic with hydrocodone, hydromorphone or oxycodone, none of it for legitimate purposes. Between January 2016 and January 2021 McGaha distributed more than 2.1 million opioid pills.

In 2021, McGaha filed a false tax return that underreported the clinic's income by nearly \$300,000.

In addition to the prison sentence, McGaha was ordered to forfeit an office condominium, \$774,216.12 in cash seized from her home, and \$170,512.34 from two bank accounts. She was ordered to pay \$100,000 in criminal fines and \$119,462.34 in restitution to the IRS.

## **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!

Thanks to Roy W. for his referral of Jason P to our office. Jason P recently received a Federal Audit notification. We counseled Jason on the audit process and background information on the best way to proceed with the audit.. As of the drafting of this newsletter Jason P was reviewing her options on proceeding.

## ***Business Owner Dumps Company Funds In Her Account Faces Jail Time***

The owner of a commercial trash collection and removal business, Michele Letourneau, pleaded guilty to filing a false tax return and engaging in a pattern of financial transactions created to avoid bank reporting requirements.

Between 2016 and 2020, Letourneau instructed her staff to separate checks written to her company that contained 'Inc.' in the payee description, from those that did not. Checks that included Inc. were logged into the company's customer tracking system and accounting ledgers and deposited into the business bank account. The other checks were logged into the company's customer tracking system but not the accounting ledgers. Letourneau deposited these checks into her personal bank accounts, keeping each deposit under \$10,000 to avoid bank reporting requirements.

Once the funds were available, Letourneau would withdraw the exact amount from the account. She made 196 deposits and withdrawals this way.

In total, Letourneau deposited \$1,261,724 in business funds into her personal account, and did not disclose the income to the preparers of either her corporate or personal tax returns. She filed a false 2018 tax return that caused the IRS a loss of \$472,167.

She faces a maximum prison sentence of eight years and restitution to the IRS.

### ***Client of the Month – G Rivera***

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 **G Rivera**. *Mr. Rivera has been a client of the office for several years. Mr. Rivera recently retired and was looking forward to his golden years; however, a tax lien was hanging over his head and casting a dark shadow over these years.*

*He had a tax liability beginning at approximately \$300,000 and was reduced to \$3400 through an Offer in Compromises. Now based on that reduction with the IRS and other legal actions taken on his behalf Mr. Rivera is now **tax free**.*

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

## ***Luck Runs Out for Owner of Illegal Gambling Businesses***

A grand jury has charged Steven Saris with operating illegal gambling businesses (IGBs), tax evasion, conspiracy to defraud the US, willful failure to collect and pay over employment taxes, money laundering and a related obstruction offense.

From 2012 to 2022, Saris owned multiple IGBs throughout Ohio, and concealed his involvement by having others serve as the nominee owners of the businesses. He did not file any personal tax returns for 2016 through 2021, in spite of the fact that he made more than four million dollars from the IGBs during that time period.

Saris also paid his employees in cash and did not pay over employment taxes.

Saris lied to investigators about his ownership of one of the IGBs and during a search of his home he tried to keep investigators from finding and taking his cell phone by hiding it inside the water tank of a toilet.

He faces decades in prison.

**Did You Know?**

*Willie Nelson recorded an album, **The IRS Tapes: Who'll Buy My Memories**, as part of a deal he made with the IRS to pay back taxes. The album made 3.6 million dollars and Willie had to come up with another nine million to satisfy the debt.*

**Thank you for the Kind****Words...****G Rivera**

I am elated! After so many years in the making I have finally received the release of the IRS tax lien on my home! When I first came to your office, I was filled with fright, anxious and depressed over the prospect of losing my home. You helped me start and finish an arduous process to file an offer in compromise with the IRS during one of the most difficult periods of my life. I realized that despite the complications due to the Covid pandemic and the efforts to defund the IRS you successfully persisted to engage with the IRS on my behalf! For these reasons, let this letter serve as testimony that your skills as a lawyer, listener and communicator have immensely helped my family. I would recommend you in a heartbeat to anyone needing your services.

**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.

**Daniel M. Silvershein, Esq.**

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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 **212-387-7880**.

This month's question is....

### **How many people took to the roads, rails and skies for the 2022 Thanksgiving Holiday?**

- |                      |                      |
|----------------------|----------------------|
| a) Almost 55 million | c) Almost 25 million |
| b) Almost 75 million | d) Almost 60 million |

*Call today at 212-387-7880.*

**Your IRS Questions Answered Here...**

**Question:** *I own a small business and did not file or pay payroll taxes for the last few quarters. I may owe about \$100,000 in 941 taxes How much trouble am I in?*

**Answer:** Owing 941 payroll taxes is very different from owing personal 1040 income taxes. Not only can the IRS padlock the doors to your business, but they can also come after you personally, levy your bank accounts, confiscate your receivables, and seize your income and real property. Scarier still is that it could turn into a criminal matter. Why? Because the money has already been deducted from your employee's payroll checks; so, **it's not your money to begin with!** The IRS will look at it as if you stole their money. Payroll tax delinquency is the IRS's number one enforcement priority.

You need to get help NOW from an experienced professional who deals with the IRS every day. The IRS has special programs for business owners who have fallen behind on their payroll tax obligations. We can assess your situation and figure out the best way to protect you and will take over all dealings with the IRS, so you don't have to. Don't let them take everything you've worked so hard for, penalties and interest compound daily. Call us today so we can get you protected! There is a solution!

We at Law Offices of Daniel M. Silvershein are experts in tax resolution and help taxpayers with their IRS Problems every day. Call us today at **(212) 387-7880** for a FREE confidential consultation. We can put a stop to the IRS's aggressive enforcement tactics, but you have to take that first step and call us today!