

# Tax Resolution Times



## INSIDE THIS ISSUE:

Pop-Up Church Didn't Have a Prayer...Page 1

Bogus Tax Deduction Gets Dentist Extracted From Society and Sent to Prison...Page 1

Businessman Gambles with the IRS and Loses...Page 2

You Steal, Cheat and Do Tax Evasion BINGO! Your Number's Up...Page 2

Thank You!...Page 2

Bookkeeper's Numbers Don't Add Up— She Faces Jail Time and \$750,000 Fine...Page 3

Tobacco Farmer's False Insurance Claims Go Up in Smoke...Page 3

Client of the Month...Page 3

Did You Know...Page 4

Trivia Contest...Page 4

*“Unquestionably, there is progress.*

*The average American now pays out twice as much in taxes as he formerly got in wages.”*

H.L. Mencken

## Pop-Up Church Didn't Have a Prayer

Trenton Switzer, the owner of a successful sales training business in Colorado, was found guilty of submitting a false tax return.

In 2015 Switzer attempted to avoid paying taxes by claiming that he had made a \$250,000 charitable donation to a church he created for the purpose of evading taxes. As part of his scheme, Switzer incorporated the “Church of Divine Sovereignty” and opened a bank account in its name. Within 24 hours of incorporating the church he filed documents to dissolve it. But he did not close the church bank account and deposited \$250,000 in the account, which he later used to buy Bitcoin.

When it came time to prepare his 2015 tax return, Switzer provided his tax preparer with a letter signed by himself, as the pastor of the church, documenting the \$250,000 donation. Switzer's tax preparer warned him that the fake church did not qualify as a charitable organization, and therefore the \$250,000 could not be deducted, but Switzer still signed and personally filed his tax return.

Switzer was sentenced to 12 months and one day in prison and to pay restitution of \$241,964.71.

## Bogus Tax Deduction Gets Dentist Extracted from Society and Sent to Prison

Homayoun Zadeh, an associate professor of dentistry at USC, pleaded guilty to filing a false tax return in connection with the college admissions scandal. Zadeh paid \$100,000 to a bogus charitable organization run by Rick Singer, the mastermind behind the admissions scandal, in order to secure his daughter's acceptance to USC. He then deducted the payment from his taxes as a charitable donation, despite knowing it was not a legitimate donation.

In a plea agreement, the parties have agreed to a prison sentence of six weeks, a \$20,000 fine and 250 hours of community service.

## **Businessman Gambles with the IRS and Loses**

A Florida businessman, Alejandro Gomez, pleaded guilty to tax evasion after causing the IRS a tax loss of over \$545,000.

Gomez ran Fleischmann's Produce, a company that imported fresh herbs for wholesale distribution, and got in the habit of writing off gambling losses as company expenses.

In 2014 Gomez lost \$896,951 gambling, and in 2015 his gambling debt totaled \$1,051,213. When he filed his taxes for those years he declared the gambling losses as cost of goods sold. This in turn reduced the income that Gomez received from the business, which he also underreported.

In addition to restitution, Gomez faces up to five years in prison.

## **You Steal, Cheat and Commit Tax Evasion? BINGO! Your Number's Up**

Linda Pylant, the office administrator for a trade organization in Maryland, has been indicted on charges of tax evasion, wire fraud, identity theft and social security fraud.

From 2012 to 2020 Pylant was responsible for the organization's bookkeeping, and in 2017 opened a bank account in her employer's name that only she had access to. Over a period of three years, she deposited checks worth more than \$700,000 into this account. She spent more than \$75,000 at a bingo hall, more than \$100,000 in retail stores and restaurants and withdrew over \$200,000 in cash.

In 2015 she applied for social security disability insurance and falsely stated that she was disabled. She was approved and collected more than \$125,000 in benefits while she continued to work for her employer.

If convicted, in addition to restitution, she faces a maximum of 20 years in prison for wire fraud, two years for identity theft, five years for social security fraud and five years for tax evasion

## **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 **Mike Suave** for his referral of Tiger Tech.

A great way to have your company or yourself recognized here is to leave us a Facebook review @RedemptionLLC.org. Positive reviews help potential new clients find us and help them recognize you. Redemption, LLC will also host a quarterly drawing of all reviews left on Facebook for a chance to win a gift.

## ***Bookkeeper's Numbers Don't Add Up She Faces Jail Time and a \$750K Fine***

Melodie Ann Eckland pleaded guilty to defrauding her extended family and her employer, a non-profit adoption and surrogacy agency. From 2011 to 2018 Eckland, a bookkeeper, stole funds from her employer by making unauthorized wire transfers, wiring checks to herself, and paying herself unauthorized bonuses.

Eckland maintained two sets of agency books, one for the board of directors and one that showed the payments made to herself. To cover the stolen money, she applied for loans and altered financial records to make it appear that she owned the agency. Beginning in 2016 she stopped paying the agency's quarterly employment tax payments to the IRS and stopped filing employment tax returns. As a result, the agency owed more than \$94,000 in past due employment taxes.

Eckland also stole more than \$123,000 from the estate of her deceased brother-in-law. Her husband was the executor of the estate and Eckland forged his signature on stolen checks. She used some of this money to replace a portion of the stolen funds from her employer.

She did not report the embezzled funds on her tax returns in 2013, 2014 and 2017. In 2015 and 2016 she reported more than \$550,000 as "other income" but did not pay the taxes due. Between 2013 and 2017 she failed to report more than \$675,000 in income, resulting in a tax loss to the IRS of more than \$345,000.

Eckland faces up to 30 years in prison, a \$750,000 fine and restitution.

## ***Tobacco Farmer's False Federally Insurance Claims Go Up in Smoke***

Christopher Hickerson, a tobacco farmer in Kentucky, was found guilty of crop insurance fraud and tax fraud.

From 2009 to 2016 Hickerson filed false claims of loss on his Multi-Peril Crop Insurance policies. These policies are federally sponsored and funded with taxpayer money.

Hickerson got the owner of a tobacco warehouse to give him fake sales receipts and grading reports that made it appear as if he was producing and selling poor quality tobacco. He then submitted these on his loss claims. As a result, he caused the insurance program a loss of almost one million dollars.

Hickerson also admitted that he underreported his income in 2012, 2013 and 2015, causing the IRS a loss of more than \$150,000.

He was sentenced to 66 months in prison and under federal law must serve 85% of his sentence.

## ***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 **Duckroost Seafood & Deli** in St. Amant, LA. Redemption, LLC has worked with Duckroost for 4 years, ensuring all of their income and expense transactions are captured and recorded correctly. The services we provide have been a key component to identifying the most profitable areas of the business. Duckroost has some of the best seafood in the area at the best prices. Our office favorites are the fried, grilled, and boiled shrimp. Whether it's in a wrap, on a po'boy, or in a salad it's always delicious! Check them out the next time you are in the St. Amant area.

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

## Did You Know?

In Nevada, escort services are subject to a 9% entertainment tax. Brothels, which are legal in the state, are not subject to the same tax.

## Thank you for the Kind Words...

“Dawn and Redemption LLC do an outstanding job! Looking for some peace of mind with bookkeeping & payroll? Give Redemption LLC a call.”

-Jada K.

## 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.

Dawn Louviere, Owner  
[Dawn@Redemptionllc.org](mailto:Dawn@Redemptionllc.org)  
[www.redemptionllc.org](http://www.redemptionllc.org)  
 225-235-1949

## Enter Our Trivia Contest for a Chance to Win a Gift!

*Take the Trivia Challenge to win!*

Each month, I'll give you a new trivia question. The first **THREE** people who email us at [asst@RedemptionLLC.org](mailto:asst@RedemptionLLC.org) with the correct answer win a free gift. Take your best guess and email us at [asst@RedemptionLLC.org](mailto:asst@RedemptionLLC.org).

This month's question is....

**Pavol Durdik from Slovakia holds the world record for putting on the most socks, one at a time, in 30 seconds. How many socks did Pavol put on?**

- a) 28                      c) 37  
 b) 15                      d) 21

*Email today at [asst@RedemptionLLC.org](mailto:asst@RedemptionLLC.org)*

## Your IRS Questions Answered Here...

**Question:** *I owe several years of back taxes, about \$43,000, but do not have the money to pay the IRS. I want to get them off my back and heard of something called an Offer in Compromise. What is it and how do I get one?*

**Answer:** An Offer in Compromise (“OIC”) is the IRS’ tax resolution debt settlement program. It’s a program for taxpayers who owe the IRS more money than they can afford to pay back, even over time. It’s the IRS’s version of a “fresh start” when it comes to tax debt. If approved, the IRS accepts a lesser amount (sometimes a fraction of what’s owed) to settle your debt. However, it isn’t always easy to gain approval due to its strict criteria. Most taxpayer’s fail when they attempt to go up against the IRS and try to do this themselves.

The IRS considers your income, assets, expenses, liabilities, ability to pay, and whether paying the full amount would cause financial hardship. It’s important to remember that the IRS wants its money and will only accept an Offer in Compromise if it thinks it couldn’t collect from you otherwise.

Your odds for approval increase significantly when you have an experienced tax resolution specialist in your corner when it comes to negotiating with the IRS.

We at Redemption, LLC 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! **225-235-1949** for a FREE confidential consultation.