

Tax Resolution Times



INSIDE THIS ISSUE:

Millionaire Tax- Evader and
Medicaid Thief Goes to Jail...Page 1

Corporate Secretary for Puts Plumbing
Company in Hot Water for Embezzling
Almost a Million Dollars...Page 1

Businessman Constructs False Tax
Returns for Hefty Refunds...Page 2

Couple Strike Out with Gambling Ruse,
End up in Prison...Page 2

Thank You!...Page 2

New York City Council Member Loses
Job for Cheating on Taxes ...Page 3

Antique Dealer Illegally Selling Walrus
Tusks Pays Fine in Six-Figures and
Marine Mammal Parts...Page 3

Client of the Month...Page 3

Did You Know...Page 4

Trivia Contest...Page 4

"I have always paid income tax. I object only when it reaches a stage when I am threatened with having nothing left for my old age - which is due to start next Tuesday or Wednesday."

-Noel Coward

Millionaire Tax-Evader and Medicaid Thief Goes to Jail!

Jeffrey Scott Allen, a Missouri businessman, pleaded guilty to tax evasion for underreporting his income from 2012 to 2017.

Allen's business provides installation services for satellite based Internet and television, and he contracts labor with five different contractors. He claims an annual profit of 2.1 million dollars, and takes a \$6,000 monthly draw from the company.

In order to avoid paying taxes, Allen grossly underreported his net income from the business and paid the majority of his family's personal expenses through the company. He lowered his taxable income by so much that he was able to qualify for federal benefits for his family, including \$15,856 in Medicaid for three of his children, \$4,392 in free and reduced school lunches, and \$35,453 in federal student aid under the Pell Grant program.

Allen was sentenced to two years in prison without the possibility of parole, and was ordered to pay \$758,517 dollars in restitution. He's also required to pay back federal and state agencies for the services received from Medicaid, the school lunch program, and the Pell Grant.

Corporate Secretary Puts Plumbing Company in Hot Water for Embezzling Almost a Million Dollars!

Sara Collins, the corporate secretary of a plumbing, heating, and air conditioning business in Delaware, pleaded guilty for failing to pay employment taxes on behalf of her employer. From 2013 to 2019 Collins paid less than \$37,000 in payroll taxes when the business owed a total of more than \$960,000.

Collins used the diverted funds to pay for personal expenses and covered her tracks by entering bogus purchases and payments in the company's accounting program. She faces a maximum sentence of five years in prison for each of five counts.

Businessman Constructs False Tax Returns for Hefty Refunds

Shawn Smith, a Chicago business owner, was sentenced to three years in prison for filing false tax returns.

Smith created several companies, including a construction business, that did very little work, but provided him with the opportunity to create false W2s that falsely listed him as earning millions of dollars in wages.

In total, Smith filed eight false tax returns seeking 3.1 million dollars in tax refunds by claiming Schedule E losses that greatly reduced his income.

The IRS paid Smith \$815,000 in fraudulent returns. He used the money to fund a lavish lifestyle that included purchasing a trailer for his truck, several BMWs, expensive dinners, and shopping sprees at luxury retailers.

Couple Strikes Out with Gambling Ruse, Ends Up in Prison!

Cherie and Dudley Hellenbrand, owners of Middleton Sports Bowl, a bowling alley and sports bar in Wisconsin, pleaded guilty to underreporting the sales receipts from video gambling machines they had installed in their business in 2010.

The Hellenbrands scheme came to light when they admitted to a potential buyer of the business that they did not report all the sales from the machines. They said that the company that provided the machines gave them receipts with whatever amount they wanted to report to the IRS. The potential buyer was an IRS criminal investigation special agent working undercover.

The case ultimately included four others, employees and owners of Global Vending, the company that provided the machines to the business, along with false receipts, in exchange for 25% of the true profit.

The Hellenbrands used the money skimmed from the machines for cars, vacations, \$40,000 on landscaping and to pay some employees in cash.

They were found guilty of a tax loss of \$268,852.04 for the years 2010 to 2017 and were each sentenced to six months in prison.

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 **Antonia Latour** for her referral of **Toni Poppins Cleaning & Housekeeping Services**.

A great way to have your company or yourself recognized here is to leave us a Facebook review @RedemptionLLC. 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.

New York City Council Member Loses Job for Cheating on Taxes!

Former New York City Council Member, Chaim Deutsch, was sentenced to three months in prison for filing a false tax return in connection with outside income he received while serving on the city council.

In addition to his job as a council member, Deutsch was the owner of Chasa Management, a real estate management company. From 2013 to 2015 he filed false individual and corporate tax returns that decreased his tax liability by claiming fictitious business and personal deductions. He deducted rental payments for an apartment he maintained in Brooklyn in order to obtain residency for his council position, utilities, and routine expenses such as food and clothing.

As a result of the false deductions, Deutsch received a refund of \$1,937 in 2013, \$262 in 2014 and \$7,511 in 2015. During that time period he claimed \$157,000 in false business expenses on Chasa Management's returns and \$111,000 in false expenses on his individual tax returns. These exaggerated expenses helped Deutsch evade \$82,076 in taxes.

In addition to the three month prison term, Deutsch will serve one year of supervised release, pay a fine in the amount of \$,5500, and pay restitution to the IRS in the amount of \$107,007.05. He also lost his council seat as a result of violating his oath of office by defrauding the federal government.

Antique Dealer Illegally Selling Walrus Tusks Pays Fine in Six-Figures and Marine Mammal Parts

An Alaskan antique dealer, Walter Earl, was found guilty of tax evasion and trafficking in illegal walrus ivory.

Earl, the owner of The Antique Gallery, was caught selling illegal walrus skulls and ivory tusks to undercover agents, a crime that led to the discovery of his tax evasion.

Earl didn't file any tax returns from 2013 to 2017, in spite of the fact that his business generated \$679,245 in revenue during that time. To avoid having accurate records of his business income he dealt primarily in cash, kept very few receipts, had accounts at several banks, and ordered his employees not to report their income.

Earl was ordered to serve six months of home confinement and to pay \$185,000 in fines and \$216,054 in restitution to the IRS. He also had to forfeit 50 walrus tusks and other illegal marine mammal parts to the United States.

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 **Gulf South Battery Doctors, LLC** located at 13503 Highway 44, Gonzales, LA. They specialize in batteries for all your needs. They stock batteries for Automobiles, Golf Carts, Boats, Motorcycles/ATV's, 18 Wheelers, mobility scooters, home alarms, gates, generators, key fobs and much more. They also sell battery chargers, jump starters, terminals and wiring, and battery accessories. Since they specialize in batteries, they can help trouble shoot any issues you may be experiencing.

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

Did You Know?

Illinois has a 5% tax on candy. However, Candy that has flour as an ingredient, is considered ordinary food and not charged the tax. Kit Kat bars, no tax. M&M's, yes tax.

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 email my office at asst@RedemptionLLC.org with the correct answer will win a free prize. Take your best guess and email us at asst@RedemptionLLC.org.

This month's question is....

The first Labor Day was celebrated in New York City with a picnic, concert, speeches, and a parade with 10,000 participants. What year was the first Labor Day celebrated?

- a) 1965 c) 1882
b) 1942 d) 1820

Email today at asst@RedemptionLLC.org

Thank you for the Kind Words...

"Redemption, LLC has been a blessing to our small family-owned business by taking on the payroll from set-up through execution. They have made the process easy and worry free. They go above and beyond and are very pro-active in providing what I need, sometimes, before I know I need it."

-Patti Kittrell

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
www.redemptionllc.org
225-235-1949

Your IRS Questions Answered Here...

Question: *I owe \$74,367 for several years of back taxes 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 qualify?*

Answer: An Offer in Compromise is the IRS' tax resolution debt settlement program. It's a program for taxpayers who owe the IRS more money than they can ever afford to pay. 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 and eligibility requirements.

The IRS considers your income, assets, expenses, ability to pay, and whether paying the full amount, even over time, 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 wouldn't receive any money otherwise.

Your odds for acceptance increase significantly when you have an experienced tax resolution specialist negotiating with the IRS on your behalf. If you do qualify, we get to work immediately by implementing a customized resolution plan that fits your unique circumstances.

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.