

Tax Resolution Times



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“The tax collector must love poor people. He’s creating so many of them.”

-Bill Vaughn

Check Cashing Business Owner Hides Millions from IRS and Faces 10 Years in Prison!

John Drago, the owner of six check cashing businesses in Long Island, pleaded guilty to payroll tax evasion and illegally structuring financial transactions.

Financial institutions are required to file a Currency Transaction Report (CTR) for each transaction of \$10,000 or more, this includes when multiple checks totaling \$10,000 or more are cashed in a single day. From 2010 to 2013 Drago instructed his employees to cash multiple checks in excess of \$10,000 per day for certain customers without filing the CTR. He also instructed employees to tell customers who wanted to cash individual checks of \$10,000 or more to return with multiple checks in smaller amounts.

As a result of Drago’s scheme, more than 9.5 million dollars in check cashing transactions were concealed from the IRS.

Between 2012 and 2013 Drago also paid overtime wages and commissions to his employees in cash, and did not report them to the IRS.

As part of his plea Drago agreed to forfeit his check cashing licenses and is barred from applying for new licenses. He faces up to 10 years in prison, agreed to forfeit \$253,000 and to pay restitution to the IRS in the amount of \$593,000.

IRS Crime Investigators Moving to the Digital Age with Billboards

IRS Criminal Investigations (IRS-CI), in partnership with New York State Crime Stoppers, has launched its first ever digital billboard campaign with the hope of catching tax evaders. The billboard, which is part of a 12-week public service campaign, is off the Kensington Expressway in Buffalo, New York. It includes a hotline that people can use to report possible financial crimes.

IRS-CI conducts investigations involving tax, bankruptcy, corporate and healthcare fraud, employment tax, financial institution fraud, gaming, identity theft, money laundering and public corruption. They have a 90% federal conviction rate.

Employee Steals from Church and Has to Answer to Higher Power and The IRS

The former head of construction and land management at the Catholic Diocese of St. Augustine in Florida was sentenced to 33 months in prison for tax and wire fraud charges.

Charles Jon David was responsible for selling land owned by the church, and in 2013 sold a property to two individuals for well under market value. After the purchase was made David was paid \$229,500 by the buyers, who later sold the property for a substantial profit.

On another occasion David arranged for the sale of another church property for \$150,000, while already having another buyer lined up to buy the property from the first buyer for \$250,000. Both transactions happened on the same day and David made \$44,000 from this sale.

David failed to report any of this income on his tax returns. In addition to the 33 month prison sentence he was ordered to pay \$273,000 to the Catholic Diocese and \$111,000 in restitution to the IRS.

Thief & Tax Evader Takes From Needy Kids and Gives to Himself

Saurabh Chawla, a Colorado businessman, was found guilty of trafficking in stolen goods and tax evasion. From 2009 to 2019 Chawla purchased more than 3.5 million dollars in goods he knew were stolen, from various individuals, and resold the items on eBay.

Chawla purchased and resold 3,000 Apple iPods from a New Mexico public school employee who oversaw a program to provide the iPods to underprivileged Native American children. Over the course of seven years he paid the school employee, Kristy Stock, \$800,000. Chawla also purchased 1.5 million dollars in stolen goods from a FedEx employee who figured out how to steal the items without getting caught. Chawla resold these goods for more than three million dollars.

The stolen goods were sent to a relative of Chawla's, who was paid \$60,000 a year to handle storage and shipping. Chawla also helped the relative evade taxes on the income.

Chawla was sentenced to 66 months in prison, ordered to pay \$713,619 to the IRS and forced to forfeit his Tesla and \$2,308,062.61 from accounts held in his name and the sale of property in Colorado.

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 **Jordan Dube for the referral of Debris Free Team, LLC.**

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.

Cisco Employee Did it His Way To the Tune of Millions

A former Cisco employee, Prithvirag Bhikha, is headed to prison for tax and wire fraud. In 2013 Bhikha was assigned to lead a new Cisco venture called “Project New York” which entailed hiring third party vendors to negotiate savings with manufacturers Cisco worked with.

In 2014, Bhikha asked a vendor hired under Project New York to provide kickbacks in exchange for Cisco business. The vendor agreed and paid out 1.15 million dollars in kickbacks to a company Bhikha had formed in Hong Kong, Lucena Limited.

In 2014 Bhikha transferred ownership of Lucena to his wife and signed up the company as a Project New York vendor. From 2014 to 2017 Cisco paid Lucena 10.06 million dollars for performing price negotiation services. Bhikha went as far as having someone pose as Lucena’s CEO in a 2016 meeting held at Cisco headquarters in Northern California. Bhikha attended the meeting and the imposter presented false information about Lucena in order to keep the account.

Bhikha repatriated more than nine million dollars from foreign accounts held by Lucena and failed to report any of that income to his tax preparers.

He was sentenced to 36 months in prison and was ordered to pay 1.15 million dollars in restitution to Cisco and 2.5 million dollars to the IRS.

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:

Belmont Lumber Co. began with a dream. A dream by my Father-in-Law Mr. Camille Carnaggio and in 1950 he made his dream come true. Sadly, my Father-in-law passed away in 1997 but my son and I are keeping his dream alive. Now my grandchildren are lending hands in their great grandfather’s dream. Belmont Lumber is located at 4185 Kahn Lane, Hester, La. 70743 serving commercial and residential customers. We sell lumber, plywood, insulation, roofing, and much more. Truly a “MOM AND POP STORE” Proudly for 71 years.

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

Serial Tax Evader Goes to Jail For Not Paying Taxes on 20 Million Dollars

A New Jersey businessman, Jason Kronick, has been arrested on four counts of tax evasion.

Kronick evaded paying more than 4.3 million dollars in income taxes from 2008 to 2010, despite having earned approximately 20 million dollars in taxable income during that time period.

Kronick spent approximately 1.5 million dollars to buy 40 rare and expensive watches, 1.9 million dollars for home renovations and \$700,000 on personal credit cards that funded a lavish lifestyle. He transferred more than \$700,000 from his business accounts to various casinos, where he converted the money to chips, gambled, and then redeemed chips for cash. He also cashed approximately \$160,000 in checks at check cashing businesses to hide the income from the IRS.

Kronick faces a maximum sentence of 20 years in prison, a \$250,000 fine and restitution

Did You Know?

If you buy fruit at the supermarket in California, it is not taxed. Fruit purchased from a vending machine, however, costs an extra 33% in taxes.

Thank you for the Kind Words...

“We have been with Redemption Process Development & Bookkeeping Services for a little over a year now and the best decision we could have made. These people are so friendly, knowledgeable, and dependable.”

-Trudy with Belmont Lumber

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.

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

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....

Approximately how many pieces of candy corn are produced each year for Halloween?

- a) 120 million c) 3.6 billion
 b) 9 billion d) 560 million

Email today at asst@RedemptionLLC.org

Your IRS Questions Answered Here...

Question: *The IRS is hounding me and won't leave me alone, so I've finally decided to seek help from a Tax Professional who specializes in IRS problems. I want to start getting my paperwork together for the appointment; what will I need to bring with me?*

Answer: It's very important to have certain documentation with you for the initial interview. Your tax resolution specialist will need this info to protect your income and assets and to determine the best way to move forward to resolve your tax issues. The items to bring include:

- The most recent IRS/State tax notices and collection letters;
- The latest filed income (1040) tax return
- A monthly household cash flow budget by expense category (list all outflows and inflows of money)
- Your most recent paystubs with YTD info verifying income from all sources and all withholdings and payroll deductions;
- If you are self-employed, an independent contractor, or small business owner, prepare a "rough draft" current profit and loss statement. If this is not possible, just bring your Schedule C from your most recently filed 1040;
- A list of any quarterly estimated tax payments made, if any, for the current year

The information above will determine which IRS debt settlement program is best suited for you, including settling with the IRS for a fraction of what you owe, if you qualify.

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