

# Tax Resolution Times



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### **Question:**

Which superhero pays no tax?

### **Answer:**

Spiderman.. All his income is net.

## **Tax Preparer's 6,000 False Returns Go Up in Smoke!**

In order to hide evidence from the IRS two fires were intentionally set at Rush Tax Service locations, one in 2017 and one in 2019. The fires destroyed client files, financial records, and computer hardware.

Between 2013 and 2017, the owner of Rush Tax Service, Andrivia Wells, prepared more than 6,000 tax returns that falsely claimed more than \$3 million in refunds. During this time Rush Tax Service received over 1.2 million dollars in fees from clients. The fees were taken directly from the clients' tax refunds and in most cases the clients were unaware of how much they were being charged.

Wells prepared income tax returns for clients that claimed false filing statuses, false American Opportunity and education credits, and false fuel tax credits, among others, in order to inflate refunds. Wells also falsified her own income tax returns by underreporting the fees she earned from the business for tax years 2014, 2015, 2016, and 2017. In 2018 she failed to file a tax return with the IRS.

Wells pleaded guilty to aiding and assisting in the filing of false tax returns and filing a false tax return She was sentenced to 70 months in prison and ordered to pay \$3,373,595 in restitution.

## **Liquor Store Owner Could Use a Drink Right About Now**

A Florida liquor store owner, Ajay Kumar, was sentenced to prison for tax evasion for failing to report the store's cash sales. For tax years 2015 to 2018, Kumar only reported credit card sales on his tax returns and underreported the liquor store's gross receipts by approximately \$1,718,945. For those same tax years he failed to pay approximately \$481,304.68 in federal income taxes.

Kumar was sentenced to 18 months in prison, fined \$7,500 and ordered to pay \$481,304.68 in restitution.

## ***Lottery Winner's Luck Runs Out***

Mustafa Shalash pleaded guilty to one count of filing a false tax return in connection to lottery winnings in 2015. Shalash won a million dollars in the Ohio state lottery and that year declared \$1,069,100 in winnings, along with \$1,069,100 in gambling losses. To hide the money he wired \$690,000 to bank accounts he owned abroad, including \$440,000 to an account in Jordan.

IRS investigators discovered that Shalash regularly flew to Jordan with cashier's checks in amounts ranging from \$10,000 to \$25,000 that he deposited in personal bank accounts without filing the required Form 105, Report of International Transportation of Currency or Monetary Instruments. On his tax returns he also failed to report that he had foreign bank accounts.

Shalash caused a tax loss to the IRS of \$255,967. He faces a maximum sentence of three years in prison, a fine of up to \$100,000 and restitution.

## ***Nonprofit Founder Hoping 4 Change in Legal Troubles***

Barry Isaacs founded the Cincinnati nonprofit Hope 4 Change when he was 24. Eleven years later he has been sentenced to four years in prison for failing to pay payroll taxes and embezzlement.

Hope 4 Change provides housing and care for adults with developmental disabilities, and at one time had over 180 employees. Between 2013 and 2014 Isaacs failed to pay \$360,000 in payroll taxes that he withheld from employees. He wrote checks to himself and family members and spent the money on personal expenses including massages, clothes, cars, rent, air travel and hotels.

Isaacs was ordered to pay the \$360,000 to the IRS as well as \$216,000 to OTR Capital, LLC. The restitution to OTR Capital is connected to a separate fraud case prosecutors say was instigated by Isaacs' ex-wife, Teela Gilbert. Isaacs pleaded guilty in that case to wire fraud and identity theft.

Isaacs was indicted in 2019 but fled the state. The US Marshalls fugitive task force found him living in a hotel in Houston under a false name.

## **Thank you!**

This month I would like to thank **Dani Madere for her referral of Niney Ta Nothin' Cleaning Services LLC.**

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!

## ***Tax Cheat Hides Millions of Dollars and Applies for Food Stamps***

Robert Lund was sentenced to prison on a tax evasion case that goes back to 1997, when he was audited by the IRS and it was determined he owed more than 2.7 million dollars in taxes plus penalties.

Lund appealed the tax assessment and lost. In response, he stopped paying taxes altogether and continued to hide his assets and income by transferring title to his properties to various straw entities and people; hid rental income by signing leases with the names of at least 16 different LLCs, partnerships, and trusts, and even applied for and received food stamps and Medicaid benefits. On his food stamp and Medicaid applications, Lund claimed to be a part-time handyman earning just \$810 a month. He stole approximately \$70,000 in public benefits.

Lund used his untaxed profits to buy 90 acres of land in Oregon, on which he built a 7,000 square foot house with a private landing strip. He purchased a former city hall and post office building, a trailer park with rental units, and two rental houses. In addition to the consulting business he also owned a health food store, a bookstore, and a scuba diving equipment and lessons company.

After ignoring dozens of letters, bills, and summonses for financial records from the IRS, Lund was finally arrested. He was sentenced to 41 months in prison and ordered to pay more than \$1.7 million in restitution to the IRS and \$70,000 to the Oregon Health Authority.

## ***Accountant Steals Two Million Dollars from Abused Children***

Angelia Brown, of Knoxville, Tennessee, was convicted of wire fraud and filing a false tax return after embezzling more than two million dollars from her employer, a nonprofit that works with abused children.

From 2012 through June 2020 Brown, a staff accountant for the organization, forged company checks and deposited them into her personal bank account. She hid her actions by altering the checks after she had deposited them. Brown forged 885 checks, causing a loss to her employer of \$2,064,464.99.

Brown failed to report the embezzled funds as income on her tax returns for tax years 2012 to 2019, resulting in a tax loss to the IRS of \$552,224. She was sentenced to three years in prison and ordered to pay restitution of \$2,616,688.99 to her former employer and 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* is **Duckroost Seafood & Deli**. Duckroost Seafood & Deli is a family-owned small business, located in the heart of St. Amant, that strives to provide quality food and service to our community and neighbors. Great food, great people and a welcoming place to be! Dat's what we do. Visit Duckroost Seafood & Deli at 13277 Highway 431, St. Amant, LA 70774.

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

## Did You Know?

In South Carolina, a couple who goes through a minimum of six hours of premarital counseling with a licensed professional or active member of the clergy, can take a \$50 tax credit once married and filing jointly.

### Thank you for the Kind Words...

We hired Redemption, LLC about 4 years ago to get our finances organized and back on track. We are so glad that we did and haven't looked back. The have gotten our finances organized, recorded properly and on time, and worked with us through a few software transitions. If you are looking to get your accounting/bookkeeping organized don't hesitate to give them a call! – David Roques with Duckroost Seafood & Deli

### 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 our office at [asst@RedemptionLLC.org](mailto:asst@RedemptionLLC.org) with the correct answer will win a free prize. Take your best guess and email us at [asst@RedemptionLLC.org](mailto:asst@RedemptionLLC.org).

This month's question is....

**Mariah Carey's song, All I Want for Christmas, broke the Global Spotify single day record for most streams in one day on Christmas Eve 2020. How many times was the song played?**

- a) 5,985,233 million times                      c) 1,025,529 million times  
 b) 17,223,237 million times                    d) 10,325,100 million times

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

## Your IRS Questions Answered Here...

**Question:** *I'm currently separated from my spouse, who owns his own business, and we are in the process of getting a divorce. I have always filed jointly with my husband and now the IRS is sending me notices stating I owe \$77,000. I have no idea how they are coming up with this amount as my spouse was always responsible for making payments to the IRS.*

**Answer:** You may be able to avoid this liability entirely under the IRS's Innocent Spouse Relief rules. Under federal law if an income tax return is signed by both husband and wife, both spouses are 100% responsible for the taxes owed. However, the law permits special consideration where a spouse cannot be held responsible for actions that are attributable to the other spouse.

If you meet certain criteria you may be able to apply for innocent spouse relief 3 different ways. *One example is, your spouse didn't report all their income; and you were not aware of it and no reason to know about it when you signed the tax return; and it would be unfair to hold you liable for the taxes owed due to your spouse's error.* If you feel you were deceived by your spouse or tricked into signing a return you thought was correct this will help your case too. There are many other ways you may be eligible for relief under the IRS's innocent spouse rules and we can help sort this out and determine the proper path for resolution.

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.  
**consultation.**