



Tax Resolution Times



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"The only difference between death and taxes is that death doesn't get worse every time congress meets."

-Will Rogers

Personal Injury Attorney Adds Insult to Injury by Pocketing \$400k of Clients Money

A Kentucky lawyer, Andrew Clooney, and his wife, Christel Clooney, pleaded guilty to wire fraud and failure to pay taxes.

Clooney was a personal injury attorney through the Clooney Law Office, and his wife was the office manager. From 2016 to 2018 the Clooneys used funds that belonged to their clients for personal use.

Clooney settled cases for a dozen clients worth more than \$400,000, but when the payments came in he failed to tell his clients, and he and his wife pocketed the money. Alex White, an attorney for many of Clooney's victims, stated that, "Clooney targeted people with poor English skills so their complaints wouldn't be believed, or chalked up to a misunderstanding."

The Clooneys also failed to file a tax return in 2016 despite earning approximately \$426,098 in income and owing approximately \$106,140 in federal income taxes.

The Clooneys each face a maximum sentence of 21 years in prison, as well as restitution.

Sin City Tax Preparer Guilty as Sin!

Maria Mendoza, a Las Vegas tax preparer, was sentenced to three years in prison for filing more than 700 fraudulent tax returns and causing the IRS a loss of 1.2 million dollars.

Mendoza used false and inflated deductions and credits on her clients' tax returns, in addition to using her clients' personal identifying information to obtain a larger refund on her own returns. She claimed more than three million dollars in refunds. She also diverted more than \$500,000 from her clients' refunds into her own bank accounts from 2013 to 2017. While on pretrial release she was arrested with a stolen passport, drivers licenses and credit cards, along with forged copies of checks.

Parts Manager Manages a Scam Through eBay

The parts manager for a multi-state business, John Cox, was sentenced to 36 months in prison for wire fraud, filing a false tax return and failing to file a tax return.

From 2018 to 2020 Cox ordered parts and products that the business did not need, using his employer's funds, in order to sell them on eBay. The parts included HVAC units and LED light display kits.

Cox arranged payments for the stolen parts via PayPal and failed to disclose to potential buyers that the products were stolen, which is a violation of eBay's user agreement.

He sold approximately 400 stolen items on eBay, costing his employer \$431,557.61.

Cox failed to report any of the income from the stolen goods on his 2018 tax return, and did not file returns for 2019 and 2020.

The tax loss to the IRS was \$106,690.

Car Salesman Can't Avoid Jail the Way he Avoided Taxes

Jonathan Wichman was sentenced to 24 months in prison for evading income taxes for seven years, despite making more than 2.3 million dollars in wages during that time.

Beginning in 2014 Whitman stopped filing tax returns, despite receiving multiple notices from the IRS. In 2019, he filed returns for 2014 through 2018, but did not make any payments.

In October of 2018, Wichman accessed his employer's online payroll system and changed his withholdings so that no federal income taxes or employment taxes were withheld from his 2019 and 2020 wages. He also did not file tax returns for those two years.

During the trial, Wichman claimed that he didn't have the money to pay his past due taxes, but it was revealed that between 2018 and 2021 Wichman made cash transactions at several casinos and banks totaling more than a million dollars. From 2014 to 2022 he spent more than \$513,000 on luxury cars, a travel trailer and a Florida vacation.

Wichman evaded \$276,244 in income taxes owed to the IRS and the state of Arkansas. In addition to the prison sentence, he was ordered to pay \$448,592 in restitution, which included penalties and interest.

Thank you!

Christopher Smith, SOHONA.com

This month I would like to thank Christopher Smith at SOHONA for his many referrals! I appreciate when professionals like you trust your hard-earned clients with us here at Alpha Omega Accounting!

Thanks to YOU, the word is spreading. 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!

Know someone, perhaps a client, or a friend, we should meet? Join our good friends like Christopher who graciously referred me to their friends, clients, and relatives! Pass this newsletter on to them and tell them to mention you when they call us!

Thousands of Checks and \$192,000,000 Dollars Later Everyone Gets Caught

The owner of an Oregon construction company, Melesio Gomez-Rivera, was sentenced to 30 months in prison and ordered to pay 29.9 million dollars in restitution to the IRS for his part in a multi-year scheme to avoid payroll and income taxes on the wages of construction workers.

From 2014 to 2017 Gomez-Rivera, the owner of Novatos Construction, worked in conjunction with other construction company owners, and David Katz, the owner of Check Cash Pacific, a check cashing business with multiple locations in Oregon and Washington state, to cash checks with the purpose of evading federal and payroll taxes.

Gomez-Rivera and the other construction company owners cashed thousands of checks totaling approximately 192 million dollars. They used the cash to pay construction workers under the table and filed false personal and business tax returns. Their actions caused a combined employment and individual income tax loss of 68 million dollars.

Gomez-Rivera is the first of six co-conspirators to plead guilty. The others in the case are all awaiting a jury trial that is scheduled to begin in December.

Restaurant Owner Hides Income From IRS “Under The Table”

Rudolph Ferrucci, the owner of a beachfront restaurant, pleaded guilty to hiding income from the IRS and paying his restaurant employees under the table.

Ferrucci owned Sandy’s, a seasonal cash only restaurant and bar in Massachusetts. Between 2016 and 2020 he diverted a portion of sales receipts to pay employees and suppliers, and for personal income for him and his spouse.

He kept two sets of sales records, and provided his accountant with the set that did not include the diverted cash.

Ferrucci underreported his and his spouse’s personal income by 1.2 million dollars, causing the IRS a loss of \$250,000.

In his second set of books Ferrucci kept a handwritten ledger of payments made to his employees under the table. This amounted to more than \$315,000 in cash wages that he did not pay payroll or income taxes on, and \$75,000 he failed to pay over in employment taxes.

In addition to restitution, Ferrucci faces up to 10 years in prison.

Are You My Next Client of the Month?

Every month I will 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 R.K from Nevada. He recently changed jobs and has been traveling extensively. Upon pulling transcripts we realized the IRS had never processed his 2021 return even though it had been completed. We got that processed and the refund is on its way.

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

Did You Know?

The state of Maryland has a Flush Tax, a \$60 annual fee that generates 60-70 million dollars a year to upgrade the state's 66 major treatment plants.

These upgrades have already reduced chemicals in the Chesapeake Bay. A county treasurer was quoted as saying, "You pee, you poo, you pay."

Thank you for the Kind Words...

J. S.
Positive: Professionalism



Cyndi has always gone the extra mile to ensure I am only paying what I should be each year.

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.

Cynthia L. Finkenbinder, CPA
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LLC

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Enter Our Trivia Contest for a Chance to Win a \$50 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 \$50 reduction on any IRS Tax resolution 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 970-344-7298

This month's question is....

What US city hosts the biggest 4th of July Fireworks display

- | | |
|-----------------|------------------|
| a) Philadelphia | c) New York City |
| b) Los Angeles | d) Boston |

>>Answer: C. New York City – Macy's 4th of July Fireworks

Your IRS Questions Answered Here...

Question: *I'm currently separated from my spouse, who owns his own business, and we are in the midst of getting a divorce. I have always filed jointly with my husband and now the IRS is sending me notices stating I owe \$112,000. I have no idea how they are coming up with this amount as my spouse always took care of paying the IRS what was owed.*

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 the underreporting of income or the understatement of tax that are attributable to the other spouse.

If you meet the following criteria, you may be able to apply for Equitable Relief under IRS's innocent spouse rules: *If the amount reported on your joint tax return is correct but wasn't paid with the return you may be eligible.* Or, 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 **Alpha Omega Accounting, LLC** are experts in IRS tax problem resolution and help taxpayers with their IRS Problems every day. **There is a solution to EVERY problem.** Call us today! **970-344-7298** for a FREE confidential consultation.