

Lighthouse



Ledger

Owner of Smart Grass Not So Smart — Gets Caught Hiding \$9 Million From IRS

Craig Voyton, the owner of an artificial turf company in California, pleaded guilty for failing to report nearly nine million dollars in income.

Between 2016 and 2020, Voyton’s company, Smart Grass, grossed more than 1.5 million dollars a year, and Voyton attempted to hide all of it from the IRS.

Voyton admitted to providing customers, including a local school, with IRS Form W-9 with false tax identification numbers, so payments made to the company could not be tracked to him.

During this time he made more than \$63,000 in transfers to the Coinbase cryptocurrency exchange from his business bank account and used more than \$500,000 in company funds to buy property in Nevada and Mexico.

Voyton did not report \$8,926,333 in income, which resulted in a loss of \$946,479 to the IRS. He has agreed to pay back all the taxes he owes, plus interest and an additional 75% fraud penalty before he is sentenced.

Embezzling a Million Doesn’t Make You a Millionaire

The controller for a well-known construction and real estate company in Ohio pleaded guilty to embezzling one million dollars from the business.

Between 2016 and 2020, Michael Harman, a CPA, used the company credit card and bank accounts to pay for more than one million dollars in personal expenses, including \$90,000 for child support and \$12,000 for moving expenses.

Harman failed to report any of the stolen funds on his tax returns. He faces up to five years in prison and has agreed to pay 1.08 million dollars to the company and \$227,638 to the IRS.

Visit us online: AlphaOmega-Acct.biz

INSIDE THIS ISSUE

Owner of Smart Grass Not So Smart Gets Caught Hiding \$9 Million from IRS.....Page 1

Embezzling a Million Doesn’t Make You a Millionaire.....Page 1

This Tax Evader’s Rolex Comes in Handy While He Counts Down His Time in Prison.....Page 2

Bookkeeper Seeds Her Bank Account with Company Funds.....Page 2

Non-Profit Manager Profits Herself with Company Funds.....Page 3

Bank VP Needs More Than a Fig Leaf to Cover Up His Crimes.....Page 3

A Hair Raising Tax.....Page 4

A Tax Testimonial.....Page 4

IRS Question Answered.....Page 4

Trivia Contest.....Page 4

Question

Ever wonder how Form 1040 got its name?

Answer

For every \$50 you earn, you get \$10, they get \$40.

This Tax Evader's Rolex Comes In Handy While He Counts Down His Time in Prison

Christopher Harrison, the majority owner of a human resources and insurance company in North Carolina, was sentenced to 18 months in prison for failing to report more than 25 million dollars in income.

Harrison became CFO and majority owner of EbenConcepts in 2012, with an annual salary of \$300,000. Almost immediately, with the help of the company controller, he began purchasing personal items that were classified as business expenses, mostly under travel and office. Purchases included an \$85,000 Tiffany bracelet, a \$145,000 Rolex watch, and a \$100,000 Cartier diamond necklace. In total he spent 2.2 million dollars in jewelry over a four-year

period. All the jewelry was uninsured to avoid detection, and per court records, his wife has refused to return any of it. The company also paid \$300,000 for a pool at Harrison's home.

As the expenses were being investigated, Harrison filed for chapter 11 bankruptcy, claiming he didn't realize he owed millions to the IRS for his personal purchases.

The same month he converted 3.46 million American Express Platinum Card points for his personal use.

In addition to the prison sentence, Harrison was ordered to pay 4.6 million dollars in restitution to the IRS.

Chuck Norris doesn't need to fill out his tax form—he just sends in a blank sheet of paper and the IRS accepts it.

BOOKKEEPER SEEDS HER BANK ACCOUNT WITH COMPANY FUNDS

For more than 20 years Melissa Pezzolo was employed as the office manager and bookkeeper for a nursery and landscaping business in Connecticut, where she was responsible for managing the company's books and invoices, paying bills, and handling the company's payroll and employment taxes.

In 2010, Pezzolo stopped withholding taxes from her paycheck and stopped issuing herself a W-2. In 2014, she stopped filing the company's employment tax returns and paying over any taxes withheld from employees' paychecks. She provided employees with W-2s but failed to provide them to the IRS.

Pezzolo also admitted to stealing more than \$400,000 from her employer by giving herself unauthorized raises and by paying for personal expenses using the company's corporate credit card and bank account.

She was sentenced to 13 months in prison and was ordered to pay \$1,329,314 in restitution to the IRS, which reflects \$1,170,992 in unpaid payroll taxes, and \$158,322 in unpaid personal income taxes for 2014 through 2018.

NON-PROFIT MANAGER PROFITS HERSELF WITH COMPANY FUNDS

Rowena Scott was convicted of wire fraud, credit card fraud, filing false tax returns and failing to file tax returns in connection with the non-profit where she worked.

From 2010 to 2014, Scott was the president of the board of directors and the manager of Park Southern Neighborhood Corporation, an organization that owned and operated an apartment complex in Washington DC that provided safe and affordable housing for underhoused and underprivileged residents.

Scott collected a salary of \$60,000 a year and embezzled \$125,000. She also used another \$30,000 in funds from the organization for personal, unauthorized purchases. She lived in the building rent free and used the common rooms free of charge to operate a ministry. Between February and May of 2014 Scott deposited at least 50 checks made out to herself from the organization into her personal bank account, made more than 60 cash withdrawals from bank tellers and more than 100 ATM visits. She claimed that she used the cash from the ATM withdrawals to pay homeless people to evict residents.

The indictment included 46 credit card charges from businesses such as Nordstrom Rack, Shoe Parlor, Modern Wigs and almost \$2000 at the Chesapeake Beach Resort & Spa, which Scott claimed she and at least one other person went, "to get away from the negativity and to regroup."

Scott also failed to report any of her income – both her salary and the stolen funds, on her tax returns. She faces up to 20 years in prison and restitution to the non-profit and to the IRS.

BANK VP NEEDS MORE THAN A FIG LEAF TO COVER UP HIS CRIMES

John Figg, a senior vice-president of United Bank of Michigan, was found guilty of tax evasion and embezzling \$870,000 from the bank.

From 2014 to 2021, Figg used his ability to access bank records to steal money in a variety of ways. First, he identified customers who did not scrutinize their accounts, and directly took money from those accounts. He took out loans in customers' names without their consent and used the money for personal use. He also funneled fees collected by the bank for loan closing costs into his personal bank account.

Figg didn't report any of the stolen money on his tax returns.

He was sentenced to 41 months in prison, followed by 36 months of supervised release, and ordered to pay \$870,000 in restitution to United Bank of Michigan and \$146,300 to the IRS. Prior to his sentencing the 56-year-old Figg had already paid \$600,000 in restitution by emptying out his retirement accounts.

A HAIR RAISING TAX

In 1795 Great Britain created the Duty on Hair Powder Act. Anyone wishing to use hair powder had to get a certificate from a stamp office and pay an annual fee of one guinea (the equivalent of 100 pounds today).

The tax was used to fund government programs, and was repealed in 1869.

A Tax Testimonial

“Here is another suggestion to check out. Cyndi Finkenbinder. Alphaomega-acct.biz, She is very affordable, very personable and very knowledgeable. Greeley We are very thankful we found her.”
– Anne K. via NextDoor.com

YOUR IRS QUESTIONS ANSWERED HERE...

Question: I’ve heard that the IRS will take a reduced monthly payment amount to settle my tax debt in full. Is that true?

Answer: This is what is referred to as a monthly Installment Agreement Payment Plan. The IRS has several debt settlement options but it’s important to act before they garnish your paycheck and/or levy your bank account.

There are several types of Installment Agreements. One of them, is called the “Partial Pay Installment Agreement” (PPIA) where it’s possible to settle your outstanding balance owed the IRS for less. It’s based on your monthly disposable income and how much time remains on the 10-year collection statute expiration date. The IRS can only collect on a debt for 10 years, so the older your IRS tax debt is, the more likely you may be able to a PPIA to settle it. The IRS does not “advertise” this option for obvious reasons. There are strict eligibility requirements that must be met, so the first step is to call us to see if you qualify.

We know how to navigate the IRS maze and know the “ins and outs” of the law as that is what we do every day. As a matter of fact, once we’re retained, you’ll never have to meet or speak with the IRS. We take care of all of that because we know that the worst thing you can do is represent yourself. That’s like going to court without a lawyer. The IRS does not have your best interests at heart.

We at Alpha Omega Accounting 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.

ENTER OUR TRIVIA CONTEST FOR A CHANCE TO WIN A \$25 GIFT CARD!

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 \$10 Gift Card. Your prize is also transferrable, so use it for yourself, or give it to a family member or friend. Take your best guess then call our office: 970-344-7298.

THIS MONTH’S QUESTION IS....

What is the highest grossing musical of all time?

- A. Cats B. Lion King C. Wicked D. Hello Dolly