

Taxing Times

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Read about taxpayers with IRS problems and learn helpful tips on how to end them.



ENCOMPASS
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"Encompassing all of your tax needs"

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CFO IN WASHINGTON STATE SENTENCED FOR INCOME TAX EVASION

He was also ordered to pay more than \$400,000 in restitution.

The chief financial officer of a company in Washington state was sentenced to one year and one day in prison after pleading guilty to four counts of income tax evasion.

William Keith Jones, 59, of Spokane, Washington, was the CFO of Fasteners Inc.

According to court records, Jones abused his position and his specialized

accounting knowledge to divert company funds to pay for a variety of personal expenses, including the purchase of a Harley-Davidson motorcycle, remodeling work at his residence and college tuition for his children.

Jones misused the company's internal accounting software to code his payment of personal expenses with company funds in a manner that avoided detection by his employer and the IRS.

LAWYER INDICTED FOR NOT PAYING TAXES

A former Illinois lawyer allegedly withheld more than \$137,000 in payroll taxes from his employees' paychecks but failed to remit the money to the IRS.

Adam Tracy, 43, of Wheaton, Illinois, is charged with one count of willful failure to pay taxes to the IRS.

According to court records, Tracy operated Securities Compliance Group, a law and consulting practice that also did

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business as “Clearing Link LLC,” “Wabash Capital Advisors Ltd.,” “Guanwei Recycling Corporation,” and “The Tracy Firm. Ltd.” From 2014 to 2018, Tracy’s company withheld \$137,403.76 in payroll taxes from paychecks but willfully failed to pay the money to the IRS, the government alleges.

DOJ: MAN ACCESSED RESTRICTED IRS SYSTEM

A Florida man was indicted on multiple counts of wire fraud and aggravated identity theft for illegally accessing an IRS system.

Keith Joseph, 37, of Miami, Florida, allegedly accessed the IRS’s eAuthentication online taxpayer system from March 2015 to March 2017. Joseph allegedly obtained personal identifying information of taxpayers without their knowledge to gain access to the IRS online taxpayer system.

Once he had access, Joseph unlawfully obtained income tax transcripts and fraudulently filed tax returns using the taxpayers’ personal identifying information. The total amount claimed by the fraudulent returns in the scheme was at least \$152,948.

If convicted, Joseph faces up to 20 years in prison and a fine of up to \$250,000.

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FORMER SOCCER STAR COPS TO MASSIVE FRAUD

He attempted to claiming more than \$1.6 million in fraudulent tax refunds.

A former Seattle college soccer star, currently serving time for sexual assault in Arizona and on a second sexual assault case in Washington state, pleaded guilty to his role in a massive tax fraud.

During his tax fraud scheme, Doin L. Earl, 48, purchased the Seattle Impact FC, a professional indoor soccer club. According to court records, Earl used false documents to lie about his income, the amount of tax dollars withheld by employers, and his mortgage deductions so that he could attempt to claim more than \$1.6 million in fraudulent tax refunds. The IRS paid him more than \$1 million based on those claims.

In the 1990s, Earl was a soccer star at Seattle Pacific University. Between 2008 and 2014, Earl also worked in car sales in Washington state and Arizona and owned Dion Earl’s Total Soccer & Tennis Camps and the Seattle Impact FC. In pleading guilty, Earl admitted

that he used his association with car dealers, his soccer camp and his soccer team to commit tax fraud.

Earl specifically acknowledged that on his 2012 tax return, he claimed that he made \$1.6 million working for eight different car dealers, which withheld more than \$660,000 of his wages for taxes and that his wife was employed by Dion Earl’s Total Soccer & Tennis Camps, which paid her \$240,000 and withheld \$51,000 in taxes.

He also claimed that he made \$520,000 in mortgage interest payments on four different properties.

Earl admitted that, in fact, all these claims were false.

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ABOUT THE
**OFFER IN
COMPROMISE**

Did you know it's possible to settle your debt with the Internal Revenue Service for less than the IRS says you owe?

If you owe a substantial amount in back taxes to the government, you may be eligible to participate in the Offer in Compromise program. This program allows you to make an offer to the IRS that could settle your tax debt for significantly less than you owe.

Call to learn more about this program.

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ABOUT THE
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AGREEMENT**

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The Installment Agreement allows taxpayers to pay their tax debt over time by making manageable payments. The Installment Agreement can put you back in control of your financial future.

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**MAN USED
WITHHELD
TAXES FOR
PERSONAL
EXPENSES**

The expenses included a boat and a strip club.

A South Carolina man was sentenced to a year and a half in federal prison after pleading guilty to failing to pay to the government taxes he withheld from his employees' paychecks.

According to court records, Rafael Salas Jr., 52, of Columbia, South Carolina, spent the funds for personal expenses and entertainment, including on a boat and at a strip club.

From January 2014 through August 2016, Salas owned and operated Moonshiner's Patio Bar and Grill in Lexington, South Carolina, and employed approximately 20 people during each tax period. While failing to file Moonshiner's quarterly tax returns and failing to fully pay the company's employment taxes, Salas withheld taxes from his employees' wages.

Salas used the withholdings to pay personal expenses, including \$36,000 for his personal dwelling, \$11,000 for a boat and trailer, and expenses of roughly \$10,000 at a local strip club.

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LOUISIANA MAN FACES THREE YEARS FOR FALSE RETURNS

The owner of a Louisiana tax preparation business pleaded guilty to four counts of tax fraud.

Henry J. Timothy, 69, of Westwego, Louisiana, admitted to filing fraudulent tax returns on behalf of himself and his wife for the tax years of 2013, 2014, 2015 and 2016.

Timothy purposefully omitted approximately \$320,000 in gross receipts for those years. The omission of this income resulted in an additional tax liability of \$88,593.

At his upcoming sentencing, Timothy faces up to three years in prison and a fine of up to \$100,000.



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3. Explain our decision to clients, and
4. Aggressively pursue the solution decided upon.

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