

AL MALONE'S *Tax Resolution Letter*

"Read About Taxpayers with IRS Problems & Find Out How to Solve Them"



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Bookkeeper Gives Oscar Worthy Performance to Cover Up Embezzlement

Anndrea Jacobs, the office manager and bookkeeper for a medical practice in Portland, Oregon was sentenced to four years in prison for filing false tax returns, falsely impersonating an IRS employee, identity theft, wire fraud and bank fraud.

From 2011 to 2015 Jacobs stole money from the medical practice by writing business checks to herself to pay for personal expenses. In order to cover her tracks she prepared and maintained false financial records, overstating expenses and estimated tax payments. She also opened a business bank account in the owner's name, without his knowledge, gave the owner false property tax statements with total due balances of zero, and convinced the owner to give her limited power of attorney so she could handle the practice's IRS tax collection action.

In a bold attempt to conceal her embezzlement activity, Jacobs created a fictitious identity as an IRS Taxpayer Advocate named Linda Gibson, set up a phone number and voicemail for the fictitious identity, and then 'helped' the business owner with his IRS issues while pretending to be Linda Gibson.

In addition to the four-year prison sentence, Jacobs has been ordered to pay 1.2 million dollars in restitution.

Bar Owner Steals Payroll Tax And Funds Strip Club...

The owner of Moonshiner's Patio Bar and Grill, Rafael Salas, was sentenced to 18 months in prison for failing to pay the government the taxes he withheld from his employees' paychecks. From 2014 to 2016 Salas had approximately 20 employees during each tax period and failed to file the company's quarterly tax returns.

Salas used the funds to pay his personal expenses, including \$36,000 on his home, \$11,000 for a boat and trailer and approximately \$10,000 at a local strip club.

*"A person
doesn't know
how much he
has to be
thankful for
until he has to
pay taxes on it."*

Author Unknown

This Magnificent Seven is Going to Jail

Joseph Octave, owner of Kapital Financial Services in North Carolina, pleaded guilty to preparing and filing false tax returns. Six of Octave's employees also pleaded guilty to the same crime.

From 2014 to 2019 Octave and his employees falsified clients' tax returns by claiming false deductions, earned income tax credits, business losses, and education credits that the clients were not eligible for in order to increase refunds to be paid by the IRS.

Octave trained his employees to file false tax returns and gave them cheat sheets and scripts for dealing with clients. He instructed employees to discuss nothing beyond the refund amount with clients.

As the owner, Octave received the largest share of the \$700,000 earned by the company in tax preparation fees and faces up to eight years in prison. His employees face a maximum of five years in prison each.

The Fruits of His Labor Earned Him an Indictment

Daniel Fruits has been charged with fraud by a federal grand jury after stealing more than 14 million dollars from his employer.

In 2015 an investor founded Secure Transit, a trucking company in Indiana, and hired Fruits to run the business. During the next four years the owner of the company invested 14 million dollars in his company, based on information presented by Fruits. Fruits lied about the company's financial health, who its customers were, and what the money invested was being used for. He sent the owner fictitious customer sales contracts and falsified financial statements that inflated company profits. Simultaneously, Fruits asked the owner for multiple investments, in the millions of dollars, for the purchase of trucks and other business purchases that were never made.

Fruits spent the majority of the money on personal expenses, including \$880,000 on a horse farm and a personal residence, \$560,000 on an RV and trailer, \$111,000 on a Corvette, \$90,000 on three Rolex watches, \$55,000 on a horse, \$33,000 on a horse trailer, \$23,000 on payments for two Ferraris, and \$30,000 for two escorts. He faces up to 25 years in prison.

Thank you!

This month I would like to thank **Brandon McKinnon** for his referral.

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!

Soccer Star Misses the Goal **Ruled Offside by the IRS**

A former Seattle college soccer star, Dion Earl, pleaded guilty to making false statements on a tax return. Earl used false documents to lie about his income, his mortgage deductions and the amount of money withheld by employers so he could claim tax refunds of more than 1.6 million dollars.

On his 2012 Form 1040 tax return Earl claimed that he made 1.6 million dollars working for eight different car dealerships, which withheld more than \$660,000 in taxes. He claimed that his wife was employed by Total Soccer and Tennis Camps which paid her \$240,000 and withheld \$51,000 in taxes, and he stated that he made \$520,000 in mortgage interest payments on four different properties. All these claims were false, but Earl managed to get a federal tax refund of \$414,160.

Even after the IRS began an audit in 2013 Earl continued to make false claims on his tax returns. In all he claimed he was due 1.6 million dollars in refunds from the IRS, and was ultimately paid \$1,093,534.

As part of the plea deal Earl agreed to pay \$600,000 in restitution. Prosecutors are recommending he serve a one-year prison sentence, which will be added to 15 years he is already serving for sexual assault.

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.

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

Oh, The Games People Play...Restaurant Owners Cook Up Scheme Receiving \$1.7 Million on Phony PPP Applications

A restaurant owner and his son have been charged for their participation in a scheme to obtain more than 1.7 million dollars by filing fraudulent loan applications through Payroll Protection Program.

Izzat Freitekh and his son Tarik submitted fraudulent PPP applications on behalf of three companies: La Shish Kabob restaurant, Aroma Packaging Systems and Green Apple Catering, all in Charlotte, North Carolina.

In the case of Green Apple, the Freitekhs claimed that the company paid employees 4.8 million dollars in 2019, despite evidence that the company did not exist until March 2020.

The older Freitekh also lied to IRS agents and claimed that a company called Kyber Capital submitted the fake applications.

Of the 1.7 million dollars paid out to the Freitekhs, 1.3 million has been recovered by law enforcement. Both men face up to 30 years in prison and a million-dollar fine.

Did You Know?

Pittsburgh has a 5% amusement tax. It is added to the admission price charged for attending any amusement in the city. This includes any form of entertainment such as concerts, movies, night clubs, conventions and sporting events.

Inspirational Quotes From Unusual Sources...

“How lucky I am to have something that makes saying goodbye so hard.”

- Pooh Bear

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.

maloneattorney.com
817-953-3112

Enter Our Trivia Contest for a Chance to Win a \$250 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 \$250 reduction on any IRS 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 817-953-3112

This month's question is...

According to Hallmark, how many Valentine's cards do Americans buy every year?

- | | |
|----------------|----------------|
| a) 90 million | c) 145 million |
| b) 205 million | d) 50 million |

Call today at 817-953-3112

Question: *I've been getting letters from the IRS saying I owe back taxes for 2017 - 2019. This is taking over my personal life and I don't know where to start. What should I do?*

Answer: Owing money to the IRS or State can be intimidating and throw your life out of balance but ignoring these notices will only make things worse. It's important to take immediate action. The IRS has over 148 types of penalties they can assess, and the worst part is they can also charge interest on the original penalties. Penalties can be a high percentage of the total amount owed to the IRS.

The IRS has 10 years to collect from the date you filed your return and they won't go away. Not only can they freeze your bank account and take the money, but they can garnish your wages and legally take as much as 90% of your net paycheck, without a court order!

You need a professional expert to help you deal with the IRS. You can't do this on your own. You will get run over by the IRS. As a matter of fact, going or talking to the IRS without expert representation could be the worst thing you can do. The taxpayer Bill of Rights allows you to be represented by a Tax Resolution Specialist who can negotiate a resolution with the IRS in your best interest.

We at **Law Offices of Al Malone** 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 at 817-953-3112 for a FREE confidential consultation.**