

# AL MALONE'S *Tax Resolution Letter*

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



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## ***New York Restaurant Owner Cooks the Books and Ends Up in Hot Water***

Adel Kellel, the owner of Raffles Bistro, located inside New York City's Lexington Hotel, was sentenced to two years in prison for tax evasion.

From 2012 to 2015 Kellel hid more than 2.1 million dollars in gross receipts from his accountant and the IRS. This represented 43% of the revenue the hotel paid Kellel for services such as room service, banquets and catering. He also diverted a portion of cash income received from Raffles' customers.

Kellel used the diverted income on rent for a high-end Manhattan apartment, college tuition payments for his children, domestic and international travel, shopping at luxury retailers, and for luxury cars including a Mercedes Benz, a Porsche and a Maserati.

By filing false tax returns from 2011 to 2015, Kellel caused a combined tax loss of \$771,195 to the IRS and the New York State Department of Taxation and Finance.

In addition to the prison sentence, Kellel has been ordered to pay restitution in the amount of \$613,478 to the IRS and \$157,717 to New York State.

## ***Second Time Around Won't be Better for This Tax Preparer Who's Heading Back to Jail***

After more than seven years on the run, former tax preparer William Fabiseski has been sentenced to 33 months in prison for filing fraudulent tax returns. Fabiseski was already in prison when he started filing tax returns using the personal identifying information of his fellow inmates. He used false wage and withholding information, and addresses, and kept the proceeds. He was found guilty in 2012 and was on the run until 2019, when he was finally captured.

In addition to the prison sentence, Fabiseski was ordered to pay \$82,129 in restitution to the IRS.

*"When it comes to taxes there are two types of people. There are those that get it done early, also known as psychopaths, and then the rest of us."*

Jimmy Kimmel

## **Tax Evader's Poker Face Does Not Fool the IRS**

Guy Smith, a professional poker player and owner of Centerline Interiors, LLC, pleaded guilty to tax evasion for failing to report business income and poker winnings.

From 2012 to 2016 Smith provided his tax preparer false income and expense statements and failed to report almost \$482,000 in income from Centerline Interiors.

Smith also concealed his gambling income, despite the fact that he had received numerous letters from the IRS notifying him that he was required to report all gambling income.

He participated in poker tournaments throughout the US and the Bahamas and paid no income taxes on more than one million dollars in winnings.

Smith is accused of failing to pay \$821,415 in federal income taxes and faces a maximum prison sentence of five years.

## ***FBI Official Slips Up Gets Caught Taking Bribes***

James Heslep, a former FBI official responsible for construction and services contracts for FBI buildings around the country, pleaded guilty to receiving a bribe and for filing a false tax return.

Heslep oversaw the construction of the Pocatello Data Center project, a 140,000 square foot complex in Idaho that would accommodate data halls and office space for the FBI. During the construction phase Heslep received payments totaling \$120,000 from Robert Bailey, owner of L-1 Construction. Bailey also provided Heslep with first class airfare, hotel accommodations, tickets to a Dallas Cowboys football game and a beach house rental.

In exchange, Heslep arranged for a \$16,000 monthly per diem payment from the FBI to Bailey for L-1 employees who stayed at Bailey's house instead of a hotel. He also convinced his superiors to pay Bailey Washington DC labor rates, rather than lower Idaho rates, and made additional accommodations to benefit L-1 Construction.

Heslep faces up to 15 years in prison and a \$250,000 fine.

## **Thank you!**

This month I would like to thank Deavonte Bell 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!

## ***On a Wing and a Prayer - Catholic Archdiocese Comptroller Bets Against the IRS and Loses***

The comptroller of the Catholic Archdiocese of Steubenville in Ohio was sentenced to one year plus a day in prison for failing to pay taxes withheld from employees, filing false tax returns and embezzling \$299,500.

From 2004 to 2016, David Franklin had payroll taxes withheld from employees of the Diocese and the Office of Social Ministry that he never paid over to the IRS. From 2013 to 2016 he did the same thing at the Mount Calvary Cemetery Association. The entities later had to pay the IRS more than 2.7 million dollars in withheld payroll taxes and the employer portion of employment taxes, and one million dollars in interest and penalties.

Franklin embezzled the nearly \$300,000 by writing fraudulent checks to himself. For four tax years he filed false tax returns causing tax losses of more than \$33,000.

In addition to the prison sentence, Franklin has been ordered to pay 1.3 million dollars in restitution to the Diocese of Steubenville, the Office of Social Ministry, the Mount Calvary Cemetery Association and the IRS, and has been ordered to forfeit the \$299,500 he embezzled.

## ***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 Jesse F. of Flower Mound. Jesse has been a pleasure to work with and we wish him and his family all the best in the future. We are also thrilled with the result we were able to get in his case. We were able to get a \$23,178.17 reduction in IRS penalties and interest. Thank you, Jesse, for giving us the opportunity to serve you and letting us share your story here.

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

## **Attorney Funds Lavish Lifestyle with Clients' Money**

Former attorney Harry Roy Rosen was sentenced to 90 months in prison for stealing over \$796,000 from his clients' insurance settlements and estate funds and for failing to file a tax return.

From 2013 to 2017 Rosen stole from clients of his Philadelphia law firm to sustain a lavish lifestyle that included multiple homes and luxury vehicles.

Rosen routinely lied to his clients about the status of their funds. He forged clients' names on settlement checks to deposit them into his personal bank accounts and forged checks to steal money from a client. He also created false bank statements to convince clients that their funds were in special accounts waiting to be disbursed. Many of his clients never received the funds they were entitled to.

To conceal the crimes and the illicit income, Rosen did not file tax returns, resulting in a tax loss of more than \$260,000.

## Did You Know?

Texas has a sales tax holiday one weekend in August for school supplies, clothing and footwear. Price must not exceed \$ 100 per item (no Gucci backpacks allowed) but there is no limit on how many items can be purchased

## Inspirational Quotes From Unusual Sources...

“Named must your fear be before banish it you can.”

- Yoda

## 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...

**January is National Blood Donor Month.  
How many pints of blood are used in the US and Canada every day?**

- |                 |                 |
|-----------------|-----------------|
| a) 43,000 pints | c) 25,000 pints |
| b) 61,000 pints | d) 91,000 pints |

***Call today at 817-953-3112***

**Question:** *I own a small business and we were forced to close due to the Pandemic and in order to keep afloat, I did not pay our payroll taxes for a few quarters. How much trouble am I in?*

**Answer:** Owing 941 payroll taxes is very different from owing personal income taxes. Not only can the IRS padlock the doors to your business, they can come after you personally, levy your bank accounts, confiscate your receivables and seize your property. Scarier still is that it could turn into a criminal matter. Why? Because the money has already been deducted from your employee's payroll checks; so **it's not your money to begin with!** The IRS will look at it as if you stole their money. Payroll tax delinquency is the IRS' s number one enforcement priority.

You need to get help NOW from an experienced professional who deals with the IRS every day. The IRS and SBA have implemented special programs for business owners who have fallen behind on their payroll tax obligations. We can assess your situation and figure out the best way to protect you and will take over all dealings with the IRS so you don't have to. Don't let them take everything you've worked so hard for; call us today!

We at **Law Offices of Al Malone** are experts in tax resolution and help taxpayers with their IRS Problems every day. **Call us today at 817-953-3112** for a **FREE confidential consultation**. We can put a stop to the IRS' s aggressive enforcement tactics, but you have to take that first step and call us today!