

Presents

Tax Resolution Times



Inside this Issue:

Reality Star Steals SBA PPP
Funds and Is in A Truckload of
Trouble!...Page 1
She Left Her Employer Out in the
Cold...Page 1
Thank You! Page. 1
IRS Offices to Reopen Page. 1
The Long and Short of it – -This
Attorney is Going to Jail...Page 2
The IRS Returns, But This Tax
Preparer Taketh...Page 2
IRS Question Answered Page 2

Reality Star Steals SBA PPP Funds and Is in A Truckload of Trouble!

Maurice Fayne, one of the stars of VH1's "Love & Hip Hop: Atlanta" has been arrested and charged with federal bank fraud for misusing funds from the SBA's Covid-19 Paycheck Protection Program (PPP).

Fayne runs a corporation called Flame Trucking and his PPP loan application claimed that he had 107 employees and an average monthly payroll of \$1,490,200. He applied for a loan in the amount of \$3,725,500 and received one for \$2,045,800. Georgia state records show that Flame Trucking was established in April 2019, but investigators believe Fayne had no employees at the time of his PPP application. In support of his claim, Fayne produced bank statements from Arvest Bank dated from October to December 2019, but Arvest Bank told investigators that the Flame Trucking account was closed in September 2019.

Fayne used more than 1.5 million dollars of the loan for personal expenses, including purchasing a Rolex, a diamond bracelet and a 5.73 carat diamond ring, which he claimed were investments that would go up in value because he was wearing them. He also paid \$40,000 in child support and leased a Rolls Royce Wraith.

On May 11, less than a month after Fayne submitted his PPP application, federal agents searched his home and found \$80,000 in cash, including \$9,400 that Fayne had in his pockets. Agents also seized \$503,000 from three bank accounts Fayne either owned or controlled.

She Left Her Employer Out in the Cold

Kerry Snow Yeager pleaded guilty to tax evasion, wire fraud and identity theft after embezzling \$316,231 from her employer. Snow Yeager's deceit began in 2015 and ended in 2017 when the owner of the company discovered the fraud.

Snow Yeager stole the money through unauthorized ATM withdrawals, unauthorized use of a company debit card and cashing and depositing checks written on the company's account with a forged signature of the owner. Snow Yeager failed to pay taxes on the embezzled money for 2015, 2016 and 2017. After a relative paid \$100,000 of her debt, Snow Yeager was ordered to pay \$216,231 in restitution and \$26,509 to the IRS. She was sentenced to 25 months in prison and three years of supervised release.

"When all
is lost ask the IRS. They'll
find something."

- Douglas Horton

Thank you!

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!

IRS Offices to Reopen:

The IRS is slowly re-opening after many offices were closed due to COVID19. Tax professionals expect a backlog that will take time for the IRS to work through. Its best to get you offer in compromise or other payment plan in now to get in line. Do not delay. Most other deadlines for the IRS were not extended. If you think you have a pending deadline, please call immediately for help.

[To learn more or to schedule a free consultation: www.gahanianlaw.com](http://www.gahanianlaw.com) 904-872-8559

The Long and Short of It – This Attorney is Going to Jail

New Jersey attorney Douglas M. Long pleaded guilty to evading more than \$250,000 in federal taxes on income generated from his law firm. Long, managing partner of Long & Marmero LLP, had primary control over the firm's finances and supervised the firm's bookkeeper. He used the company's bank accounts to pay for school tuition payments for his children, utilities and service fees for his homes, student loan payments for himself and his wife and other personal expenses.

Long had the firm's bookkeeper classify those payments as law firm business expenses to avoid his tax obligations. In addition, he declared that his personal tax returns for tax years 2012 through 2015 were true and accurate when they were not.

During that time Long concealed over \$800,000 in personal income and evaded payment of over \$250,000 in taxes owed to the IRS, including \$368,000 in income and \$120,000 in taxes for tax year 2014.

This was not Long's first encounter with the law. In 2016 he was reprimanded by the state's Office of Attorney Ethics for not supervising a bookkeeper who used almost \$200,000 in client deposits that should have been held in trust, for firm expenses including overdraft fees and paying back personal loans.

Long's current tax evasion charge carries a maximum sentence of five years in prison and a potential fine of \$250,000, or twice the gross gain or loss from the offense. In addition to the guilty plea, Long agreed to pay restitution to the IRS.

The IRS Returns, But This Tax Preparer Taketh

Michigan tax preparer, Mark Alan Patterson has been charged with wire fraud. Patterson worked for Shuster Tax Service as a tax return preparer from 2015 until February 2020, when the fraud was discovered.

He is accused of stealing a portion of his clients' tax refunds by directing portions of refunds into accounts that he controlled. Patterson hid his crime by giving his clients unfiled versions of returns that showed they were owed a smaller refund amount than what they were actually due.

Jennifer Shuster Semer, the owner of Shuster Tax service, discovered the fraud and alerted law enforcement. In a review of returns filed by Patterson, Shuster discovered approximately 120 client tax returns dating back to 2015 that had refunds electronically diverted into accounts controlled by Patterson. Semer calculated an approximate loss to her clients of over \$400,000.

Patterson faces up to 20 years in federal prison.

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.

Call 904-872-8559

Your IRS Questions Answered Here...

Question: I do not have the funds to pay what I owe for my 2018 income tax return. I also was late in filing the return. Not only is the IRS demanding the tax I owe, but they have slapped on these huge amounts for penalties and interest. I had extenuating circumstances that caused all of this. This isn't fair...what can I do?

Answer: We can request the removal (abatement) of penalties 2 ways: 1) "First Time" Penalty Abatement and 2) a Reasonable Cause Argument. The IRS writes off billions of dollars in penalties each and every year, but you must know how to do it correctly. A First Time Penalty Abatement (FTP) can be requested if you have a "clean" compliance record, meaning you have not incurred a Failure to File or Failure to Pay penalty for the 3 years preceding the year you are requesting relief for. FTP is generally granted in most cases, regardless of what the underlying reason is, if you are eligible.

If you do not qualify under FTP, there are 9 main "Reasonable Cause" arguments to get your penalties removed. They are: 1) Death, Serious Illness, 2) Fire, Casualty or Natural Disaster 3) Unable to Obtain Records (common issue with couples going through a divorce) 4) Mistake was made by the taxpayer or tax preparer, 5) Erroneous Advice or Reliance on a tax preparer 6) Written/Oral Advice from the IRS 7) Ignorance of Tax Laws 8) Reasonable Cause/Ordinary Business Care and Prudence 9) Undue Economic Hardship.

Your Tax Resolution Specialist will guide through what documentation is needed to submit a formal legal request in writing. For instance, let's say you were going through a divorce and your ex-spouse withheld records from you needed to file a complete and accurate income tax return and you filed your return late because of this. You could request abatement of these penalties using one of the above reasonable cause arguments, specifically #3 above.

Gahanian Law, PA will guide you through resolving your problems with the IRS. Call to set up an appointment. 904-872-8559.