

# Tax Resolution Today

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



Tax Attorney, Venar Ayar

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Father O'Malley answers the phone:  
"Hello, is this Father O'Malley?"  
"It is!"  
"This is the IRS. Can you help us?"  
"I can!"  
"Is Ted Houlihan a member of your congregation?"  
"He is!"  
"Did he donate \$10,000 to the church?"  
"He will!"



## Business Partners' \$16M "Under the Table" Scheme Faces Sentencing

The co-owner of J&J Drywall, Jesus Jose Mendez, pleaded guilty to defrauding the IRS of more than two million dollars.

From 2013 to 2017, Mendez and his business partner, Jamie Zambrano, used check cashing businesses to cash more than 600 business checks totaling more than 16 million dollars. While under surveillance, Mendez and Zambrano cashed checks in Rhode Island and then took backpacks full of cash to construction sites, where they paid day laborers in cash.

During that time the business partners deposited four million dollars into their business bank accounts, often in amounts less than \$10,000, to not attract any attention to themselves. They had a small number of employees on legitimate payroll, but the rest were paid under the table, eliminating the need to pay employment taxes.

The IRS estimated the federal tax loss at \$2,821,463 and the Massachusetts Department of Labor calculated the loss of unemployment contributions at \$62,730. Mendez is awaiting sentencing and Zambrano is on the run.



## Tree Trimmer Tries to Prune Taxes

The owner of Bert's Tree Service in Connecticut, Robert Porzio, was charged with tax evasion for failing to report more than \$900,000 in income on his tax returns from 2012 to 2016.



Porzio deposited numerous business checks into his personal bank accounts, transferred thousands of dollars into a personal investment account, and hid the payments from his bookkeeper.

He was sentenced to 12 months and one day in prison, fined \$25,000, and ordered to pay restitution to the IRS in the amount of \$331,388, plus interest and penalties.

## Payroll Manager Finds Multiple Ways to Bankroll Himself

Matthew Hernandez, the manager of a San Diego technology company, was found guilty of embezzling more than \$350,000.

Hernandez was responsible for the company's payroll and accounts payable, and had authority to sign checks. Between 2010 and 2017 he stole money from the company hundreds of times in multiple ways.

His scheming involved: making online payments from the firm's business checking account to pay off his personal credit cards, using the company credit card to make personal purchases, issuing company checks directly into his bank account, and paying himself multiple times during a single pay period.

Some of the personal items he purchased with company funds included a home gym, a \$3500 hot tub, a TAG Heuer racing watch, and tickets to the Coachella music festival.

Hernandez was sentenced to 24 months in prison and ordered to pay \$356,664.46 in restitution.



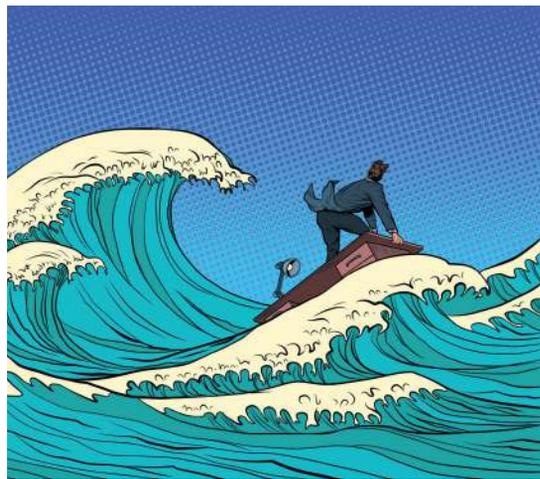
## Water District Manager Drowning in a Tsunami of His Own Making

Dennis Falaschi, the general manager of the Panoche Water District in central California, was indicted for conspiracy, theft of government property, and filing false tax returns.

In 1992, Falaschi discovered that an abandoned drain turnout on the Delta-Mendota Canal that had been sealed years earlier was leaking water. He instructed an employee to install a new gate inside the standpipe so that the site could be opened and closed on demand. While his superiors thought the old turnout was sealed and not functioning, Falaschi proceeded to sell 25 million dollars' worth of federally owned water over a period of 23 years. A drought in 2015 caused water levels to recede and the site was discovered.

Falaschi used the proceeds from the illegal water sales to pay himself and his co-conspirators exorbitant salaries, fringe benefits and personal expense reimbursements. From 2015 to 2017 he failed to report to the IRS the more than \$900,000 in income he received from private water sales.

If convicted, Falaschi faces a maximum of 23 years in prison and fines up to \$750,000.



## Thank you for the Kind Words...

### W.L. – Client

"Mr. Ayar could have made a lot of money on me, instead he gave me helpful information and saved me thousands of dollars. I recommend him to anyone in need of his services."

### C.M. – Prospective Client

"I know I am in good hands from the receptionist to the attorney. Everyone is helpful and reassuring. What I appreciated most was the honesty of the attorney reviewing my situation!"



## Tax Problems

# RESOLVED

Client was issued a delinquency notice and balance from the state of Michigan for over \$15,000. Ayar Law successfully negotiated an offer in compromise of only a \$100.



**Taxed coming and going.** The Roman Emperor Vespasian imposed a tax on the buyers of urine from public urinals (used for tanning and laundering).

## Ask Venar

# Q&A



**Q:** "I owe the IRS \$55,000 plus penalties and interest in back taxes, but I think I can handle this myself. Is there any reason why I shouldn't deal with the IRS on my own?"

**A:** One of the worst things you can do is talk to the IRS directly without proper representation. You would not go to court without a lawyer, would you? We do not recommend facing the IRS alone either as you will get crushed. When it comes to the IRS, you are guilty until proven innocent. The IRS is not on your side and their primary goal is to aggressively collect by whatever means possible when they think you have their money.

However, one of the collection alternatives available to you is the Offer in Compromise Program. An Offer in Compromise ("OIC") is a formal binding agreement between you and the IRS that permanently settles your tax liability for less than the full amount owed. Many times, for a lot less than what is owed. It is a formulaic driven process where the IRS looks at your current financial situation to determine what you can afford to pay.



**In New York, uncut bagels are tax exempt.** But if they are altered in any way, such as sliced or spread with cream cheese, they are taxed.

## I'd Like to Hear From You!

If your client has a problem with the IRS and you have questions about how you can help them - remember that you can call me anytime, no-charge. My direct line is **248-350-4000**.



*Venar Ayar presents...*



## Webinars & Events of Interest

Go to MyCPE at <https://ayarlaw.com/mycpe> to view a range of Venar Ayar’s presentations on important tax resolution topics.

<p><b>AYAR LAW</b> Tax problems – resolved</p> <p>Venar Ayar, JD   1 Credit   \$10</p> <p><b>Financial Based Resolutions: Installment Agreements &amp; Currently Not Collectible</b></p> <p>Jun 14, 02:00 PM EDT</p> <p>ACCT/TK   A/P   CRP   CPA (US)   LA</p> <p>REGISTER   4.6 ★★★★★ (186)</p>	<p><b>AYAR LAW</b> Tax problems – resolved</p> <p>Venar Ayar, JD   1 Credit   \$10</p> <p><b>IRS Penalties, Abatements, and Reasonable Cause</b></p> <p>Jun 23, 10:00 AM EDT</p> <p>ACCT/TK   A/P   CRP   CPA (US)   LA</p> <p>REGISTER   4.6 ★★★★★ (137)</p>	<p><b>AYAR LAW</b> Tax problems – resolved</p> <p>Venar Ayar, JD   1 Credit   \$10</p> <p><b>The Structure and Organization of the IRS</b></p> <p>Jun 21, 10:00 AM EDT</p> <p>ACCT/TK   A/P   CRP   CPA (US)   LA</p> <p>REGISTER   4.6 ★★★★★ (122)</p>
<p><b>AYAR LAW</b> Tax problems – resolved</p> <p>Venar Ayar, JD   1 Credit   \$10</p> <p><b>Dealing with Revenue Officers and Payroll Tax Collections</b></p> <p>Jun 24, 01:00 PM EDT</p> <p>ACCT/TK   A/P   CRP   CPA (US)   FA   MDCI</p> <p>REGISTER   4.5 ★★★★★ (165)</p>	<p><b>AYAR LAW</b> Tax problems – resolved</p> <p>Venar Ayar, JD   1 Credit   \$10</p> <p><b>IRS Penalties, Abatements, and Reasonable Cause</b></p> <p>Jul 20, 02:00 PM EDT</p> <p>ACCT/TK   A/P   CRP   CPA (US)   FA</p> <p>REGISTER   4.6 ★★★★★ (132)</p>	<p><b>AYAR LAW</b> Tax problems – resolved</p> <p>Venar Ayar, JD   1 Credit   \$10</p> <p><b>The Structure and Organization of the IRS</b></p> <p>Jun 22, 10:00 AM EDT</p> <p>ACCT/TK   A/P   CRP   CPA (US)   FA</p> <p>REGISTER   4.6 ★★★★★ (122)</p>

In June, Venar Ayar will be presenting a keynote address at the MICPA’s Tax Professionals & the IRS: Successfully Working Together Conference. His talk is entitled: The Pressure’s On – Working with the Post-Covid IRS. For information and to register, go to <https://micpa.org/cpe/store/course-detail?ProductId=128114>.

