



December 3, 2010

Tax Snippets

Former New York Official Evaded Taxes

Andrew Stein, a former New York City and Manhattan official recently pleaded guilty to evading taxes and lying to the IRS. Stein, 66 was once the New York City council and Manhattan borough President and a State Assembly member. He pleaded guilty in a Manhattan court to one count of tax evasion for income of more than \$1 million in 2008. In addition, Stein also pleaded guilty to lying to the IRS about a shell company, Wind Rivers LLC which he controlled.

Wind Rivers LLC was also the company that Stein and his financial manager, Kenneth Starr used to siphon funds from Starr's clients that included well-known celebrities and philanthropists to pay for a luxurious lifestyle.

Furthermore, Starr himself pleaded guilty to money laundering and wire fraud in a \$50 million scheme in September. Sentencing for him will be carried out early next year.

Stein told the judge he was remorseful over what he had done. He

admitted he was wrong and said he was stupid not to have paid the taxes and accepted full responsibility for his actions. Sentencing will be meted out in March. Under a plea arrangement, Stein faces up to one year in prison. If not for this arrangement, previous felony charges would have warranted a sentence of more than three years.

IRS Scam lands Montgomery Co. Woman in Trouble

Ora Mae Adamson of Montgomery County pleaded guilty to Magistrate court judge Charles S. Coody to one count each of tax fraud and identity theft in a \$600,000 IRS scam. Court documents show that Adamson and other coconspirators fraudulently obtained the Social Security numbers of several individuals and filed false tax returns under their names. The tax returns included claims for first time home buyers and fuel tax credits. The incident took place between March and September 2009.

From this scam, Adamson and her coconspirators claimed \$621,738 from 158 false claims which were deposited into several bank accounts controlled by them.

Adamson faces a maximum of 25 years in prison, 3 years of supervised release, restitution and a maximum of \$500,000 fine or twice the loss resulting from her offences according to a news release from the Justice Department.