

# Taxing Times

JUNE 2021

Read about taxpayers with IRS problems and learn helpful tips on how to end them.



LAW OFFICE OF GERALD R. NOWOTNY, PLLC



LAW OFFICE OF GERALD R. NOWOTNY, PLLC



**GERALD NOWOTNY, Attorney**  
Law Office of Gerald R. Nowotny, PLLC

P: (860) 468-1342

E: GRN@GRNOWOTNYLAW.COM

WWW.GRNOWOTNYLAW.COM

"You deserve to keep more of your hard earned money."

## IN THIS ISSUE:

**PG. 1** Biden to Increase Tax Audits; May Target Businesses

**PG. 1** Louisiana Men Charged in Tax Conspiracy

**PG. 2** Illinois Resident Charged with Tax Fraud

**PG. 2** Indiana Couple Ordered to Pay \$1 Million Following Tax Conviction

**PG. 3** Prison Time for Owner of Liquor Store

**PG. 4** Software Company Owner Faces up to Five Years

## BIDEN TO INCREASE TAX AUDITS; MAY TARGET SMALL BUSINESSES-

*The president's plan to scrutinize the tax returns of the wealthy may also target small businesses.*

President Joe Biden announced a plan to increase the Internal Revenue Service's funding by \$80 billion over the next decade.

The additional funding would be invested in staffing and technology for enforcement and tax collection, which would bring in an estimated \$700 billion over the next 10 years.

While this plan has been billed as one focused on increasing tax compliance among the nation's wealthiest taxpay-

ers, some financial experts fear the increased audits and scrutiny will likely affect small-business owners.

Financial experts interviewed by CNBC, said they expect the IRS will focus on cash businesses, such as restaurants and service-based companies. Small-business owners who individually earn more than \$400,000 may also face audits.

## LOUISIANA MEN CHARGED IN TAX CONSPIRACY

Three Louisiana residents were charged with conspiracy to defraud the IRS. One man, Matthew Reck, was also charged with making a false statement to federal agents, and the two other men, Dawn Farrell Ruiz and David Farrell, were charged with aiding in the preparation of false returns.

According to court records, Reck and Ruiz allegedly conspired to defraud the IRS by underreporting their individual compensation *CONTINUED ON NEXT PAGE*

LAW OFFICE OF GERALD R. NOWOTNY, PLLC

WE ARE THE RESCUE SQUAD FOR TROUBLED TAXPAYERS.



and causing to be filed false individual tax returns. Reck and Ruiz also allegedly caused to be filed false corporate tax returns for Reck's construction businesses.

The three men allegedly paid some workers "off the books" and did not report this to the IRS.

## ILLINOIS RESIDENT CHARGED WITH TAX FRAUD

An Illinois man was charged with 21 counts of tax fraud for allegedly failing to report and pay federal employment taxes and personal income taxes.

According to court records, Jay Fisher, of Charleston, Illinois, was responsible for the business of Financial Logic Inc., and, as such, was obligated to file a Form 941 and remit employment taxes for his employees. Employment taxes are comprised of federal income tax, Social Security, and Medicare taxes.

Between 2015 and 2018, Fisher allegedly failed to pay more than \$300,000 in employment taxes and allegedly failed to file and pay his individual income taxes

If convicted, Fisher faces up to five years in prison and up to \$100,000 in fines.

# LICENSED

## to Represent Taxpayers Before the IRS

Call (860) 468-1342

## INDIANA COUPLE ORDERED TO PAY \$1 MILLION FOLLOWING TAX CONVICTION

*The Justice Department alleged that the couple failed to report more than \$2 million in receipts.*

An Indiana couple who owned a lawn care and snow removal business were ordered to pay more than \$1 million after pleading guilty to conspiracy to defraud the United States.

Michael Closson, 52, and Laquita Closson, 49, of Goshen, Indiana, were ordered to pay in restitution \$662,027 to the IRS; \$298,300.75 to the Indiana Department of Revenue; and \$64,732.39 to Medicaid. In addition to the restitution, Michael Closson was sentenced to prison and Laquita Closson was sentenced to home detention.

During tax years 2012 through 2016, the Clossons intentionally concealed their income from the IRS by filing false joint income tax returns that underreported their actual income. The Clossons failed to report more than \$2 million in gross receipts, which resulted in their evasion

of more than \$600,000 in federal income taxes and almost \$300,000 in state income taxes. The Clossons also submitted false Medicaid application forms that allowed them to unlawfully receive nearly \$65,000 worth of Medicaid benefits. The Clossons own two homes, a timeshare, more than \$10,000 worth of luxury handbags, and four vehicles, including a Lamborghini and a Cadillac Escalade.

"Honest and law-abiding taxpayers are fed up with the likes of those who use deceit and fraud to line their pockets with other people's money as well as skirt their tax obligations," an IRS agent said in a prepared statement.

LAW OFFICE OF GERALD R. NOWOTNY, PLLC

WE ARE THE RESCUE SQUAD  
FOR TROUBLED TAXPAYERS.



ABOUT THE  
**OFFER IN  
COMPROMISE**

**Did you know it's possible to settle your debt with the Internal Revenue Service for less than the IRS says you owe?**

If you owe a substantial amount in back taxes to the government, you may be eligible to participate in the Offer in Compromise program. This program allows you to make an offer to the IRS that could settle your tax debt for significantly less than you owe.

**Call to learn more about this program.**

(860) 468-1342

ABOUT THE  
**INSTALLMENT  
AGREEMENT**

**Are you earning a good living but just unable to pay your back taxes?**

**The Installment Agreement may be the option.**

The Installment Agreement allows taxpayers to pay their tax debt over time by making manageable payments. The Installment Agreement can put you back in control of your financial future.

**Call to learn more about this program.**

(860) 468-1342

**PRISON TIME FOR OWNER OF LIQUOR STORE**

*He underreported his business income by \$1 million.*

The former owner of a liquor store and other businesses in Illinois has been sentenced to 24 months in prison for filing corporate tax returns that underreported the businesses' earnings.

Yousef Abdallah, 69, formerly of Peoria, Illinois, pleaded guilty to filing a false corporate tax return for the 2014 tax year.

As part of his plea, Abdallah agreed to pay \$176,196 in restitution to the IRS for the tax years 2013, 2014, and 2015, for which he had approximately \$1 million in unreported gross sales.

According to court documents, Abdallah came to the attention of the IRS when he listed his business, Danville Wine & Spirits, Inc., doing business as Danville Liquors, for sale on the internet. His asking price was \$425,000, based on touted sales of \$1.56 million per year.

However, Abdallah admitted that he did not report all his sales on the income tax return.

LAW OFFICE OF GERALD R. NOWOTNY, PLLC

**WE ARE THE RESCUE SQUAD FOR TROUBLED TAXPAYERS.**



## SOFTWARE COMPANY OWNER FACES UP TO FIVE YEARS

The owner of a Michigan software company faces up to five years in prison after pleading guilty to tax evasion.

According to court records, Douglas Arvin Horning, 55, of Cadillac, Michigan, has not filed an individual tax return since 2008 or a corporate tax return since 2006.

Horning concealed income by routing it through a second company, even after that company was dissolved by the state of Michigan.

Horning owes the IRS \$977,983, covering corporate and individual taxes for tax years 2012 through 2016.



LAW OFFICE OF GERALD R. NOWOTNY, PLLC

*Our dedication to the principles of professionalism & responsiveness has resulted in our guarantee to:*

1. Explore alternative solutions to client tax problems.
2. Select the solution we believe is in our client's best interest.
3. Explain our decision to clients, and
4. Aggressively pursue the solution decided upon.

*We further guarantee to:*

1. Return client calls in a timely fashion.
2. Respond to IRS notices in a timely fashion.
3. Treat every client with respect, and
4. Work every case like it was our own.

Member of:  
**American Society of  
Tax Problem Solvers**

A NON-PROFIT PROFESSIONAL ASSOCIATION (ASTPS)

P: (860) 468-1342 | Cell: (860) 490-9689 | E: Grn@grnowotnylaw.com  
220 Albany Turnpike #1039 | Canton, CT 06019  
www.Grnowotnylaw.com

 **Schedule a FREE CONSULTATION**

## CALL TODAY FOR A CONSULTATION

Constantly thinking about how much money you owe the Internal Revenue Service? Always worried that you'll never be able to get out from under this crushing debt? Wondering what effect this debt will have on your future and the future of your family? You're not the only one. Every day, I work with clients to solve tax problems they believe are unsolvable. I'm a member of the American Society of Tax Problem Solvers, and I am part of the rescue squad for troubled taxpayers.

*If you're ready to be rescued, call me today to schedule a consultation.*

(860) 468-1342

LAW OFFICE OF GERALD R. NOWOTNY, PLLC

**WE ARE THE RESCUE SQUAD  
FOR TROUBLED TAXPAYERS.**

