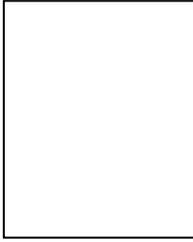


# Taxpayer Times-Gazette

“Live Happier, Healthier, Wealthier, and Less Taxier...”  
Courtesy of : M F. Seth ( IRS Enrolled Agent)



*WARNING: Don't even think of responding to an IRS notice without my suggestions . Call me at 408-807-0454*

October, 2021  
Corona CA

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## Amusing Tax Convictions

It's been an interesting year for tax convictions, and while the IRS' "dirty dozen" schemes has been in full effect, we've seen a LOT of preparers literally stripped of their rights to handle any tax returns. The latest? Lennette Roberts and her company, Real Counseling Solution Inc., and its dba, RR Tax and Accounting. The federal court of the Northern District of Illinois has "permanently enjoined" Roberts as a result of her preparation of false tax returns in four different categories: (1) false itemized deductions; (2) fabricated losses for non-existent businesses; (3) false or inflated earned income tax credits; and (4) false head-of-household filing statuses. At this time, it is unknown if Roberts will face any further legal or punitive actions, but the Justice Department's Tax Division and the IRS are slated to conduct a full post-judgement audit.

In a rather unusual case, a Lilburn, Georgia man, Marquet Maddox, has been convicted of a veritable laundry list of offenses for his actions between 2016 and 2018. A federal jury in Athens convicted Maddox of filing fraudulent tax returns in the name of several trusts. Maddox filed at least 30 false returns for 11 different trusts, intentionally misrepresenting that the trusts had earned interest income and that federal income taxes had been withheld and paid to the IRS ... and requested refunds for these same trust totaling \$165 million! Maddox actually collected \$5 million of the refunds, which he then used to purchase a home and personal items. It is unknown when Maddox will be sentenced, but he faces a maximum penalty of 20 years in prison on the wire fraud counts, five years on the false claims counts, and 10 years on the theft of government funds count, as well as supervised release, restitution, monetary penalties and forfeiture. Chances are, we're not going to see him too soon!

Proving that the IRS never forgets, a Michigan man, Chandra Yarlagadda, was sentenced to 30 months in prison for filing false returns. The man admitted to falsifying Schedules C attached to his 2009, 2010, and 2011 tax returns by overstating expenses within his business by nearly \$14 million. This falsification allowed him to not pay nearly 2.3 million in taxes, but now, more than a decade later, Yarlagadda will face restitution to the IRS in the amount of \$3,285,303. The tax man NEVER forgets...



"On the plus side, by the time you read all the side effects, you'll be done with the medication."

### Got Tax Debt?

Call  
408-807-0454 (Greater Inland Empire and  
Orange County)  
Website: [SethAssociatesEA.com](http://SethAssociatesEA.com)

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# Starting Them Young

## Word of the Month...

Studies have shown your income and wealth are directly related to the size and depth of your vocabulary. Here is this month's word, so you can impress your friends (and maybe even fatten your wallet!)...

Gerrymandering (verb) manipulate the boundaries of (an electoral constituency) so as to favor one party or class. To achieve (a result) by manipulating the boundaries of an electoral constituency.

## Fun Food Fact

Honey never goes bad. Bacteria and microorganisms that spoil food need moisture to survive and honey contains very little water. To make sure it doesn't get spoiled though, you need to store it sealed and in a dry place.

## Consumer Tip

Don't be afraid to look for similar items online, even if you'll be buying them locally. Many times, corporate retailers with local stores offer a coupon or code to buy online and pick up locally, usually that code at least pays for the sales tax.

## A Stupid Joke

What's the most terrifying word in nuclear physics?

*"Oops!"*

## Quotes To Live By...

"I married for love but the obvious side benefit of having someone around to find my glasses cannot be ignored.

*-Cameron Esposito*

"Before you marry a person you should first make them use a computer with slow Internet to see who they really are."

*-Will Ferrell*

"When a marriage works, nothing on Earth can take its place."

*-Helen Gahagan Douglas*

We've all got a dirty little secret – the passwords we use. While more and more companies rely on software like Lastpass or Okta, most of us, as individuals, have terrible passwords.

Look, it's easy to understand why, passwords are used to access a huge chunk of our lives. Social media, email, banking, our company access, and scores of apps that are used in everyday life. But there's an even bigger problem: kids. Especially younger children, who, due to virtual schooling and online games suddenly have far more passwords than many of us did even as younger adults. The challenge, of course, is how to teach younger children about passwords and the most effective way to protect and use them.

Studies have shown that children aged 7-12 are most likely to have simple passwords and reuse them repeatedly.

Obviously, that's a problem, because a child's account that can be hacked is a potential threat to their families' accounts. In the end, it's our responsibility to teach our kids how to properly use and maintain their passwords.

So, how do you do that? There are literally hundreds, if not thousands, of "right" ways to do it, but when those adults don't follow the same best practices, either, there's sure to be a problem.

Here's a few hints:

- Don't use easily found names and dates (birthday, nickname, etc...)
- Change your passwords at least every 90 days
- Don't reuse or share passwords or access numbers
- Carefully consider the data you allow to be saved in accounts, such as credit cards, debit information, direct deposit information, and so on.
- NEVER assume an email or a link is a safe one if you don't know recognize the address or the sender. Consider all messages fraudulent until you can verify them.
- Question any DM in social media or an online forum

## A Heartfelt Message To My Special Clients and Friends...

I want to share a little secret with you. I don't spend my time cold calling or pestering people for business. Instead, I focus 110% of my efforts on giving such outstanding service that people naturally think of me when a friend, neighbor or family member needs a caring and competent tax professional.

### Brain Teaser...

Your parents have six sons including you and each son has one sister. How many people are in the family?

*(See page 4 for the answer.)*

### Consumer Tip

Don't buy things you don't need – even if they are on sale! Buying in bulk might make sense in some instances, but plenty of “must haves” people purchase end up simply gathering dust on shelves.

### Digital Life Hack Tip

As much as we love Facebook and other social medias, perhaps the biggest concerns today center around the security of your social media accounts. Here's HUGE hint: Make sure you log out of your account every single time.

Even if you're on your phone, close it out when you're offline.

## Check Your Insurance

Many, many times, we forget to focus on quality instead of price. Certainly, advertisers steer our train of thought at times, but the reality is, if something is cheap, its price point is often embraced. Look at fast food menus: from a healthy perspective, it's garbage, so the “spin” the marketers put on it? “Sure! But it's CHEAP!”

Let me tell you this – the one place you DON'T want to go cheap is your car or life insurance. I have a client who treated herself to a new car this year as a result of some financial successes she had in her business. With less than 3300 miles on it, she was struck by another car that failed to yield the right of way.

Her car is totaled and she'll need a good deal of surgery to fix a broken wrist, but the kicker? She had the right insurance policy, and even though the other motorist who was at-fault might not have great coverage, my client's underinsured motorist policy is going to make sure she is not coming out-of-pocket for a dime.

There's a time and place for everything – the dollar menu, inexpensive car insurance, and, yes, a very in-depth full coverage policy. Don't get caught short!

### Here's A Free, Valuable Resource...

Now you can find the latest, helpful and important tax saving and financial growth tips at  
[SethAssociatesEA.com](http://SethAssociatesEA.com)

## Frequent Flyers Miles?

It's easy to sign up for and use airline frequent flyer miles, but whether you will save money on travel depends, in part, on how much you travel. Many credit card companies have the option of airline miles, too, so it pays to research how – and where – you spend money to get the most in terms of miles or cash back.

A good rule of thumb is if you are expecting to make some major trips (or lots of small trips) in the next 18 months, frequent flyer miles might be the ticket to free air fare. But if you are not going to travel regularly, the miles might not do much good. Those miles (or points) usually expire over time.

You can also add up more points by using credit cards associated with the program. For example, American Airlines has two cards associated with their program and, with a substantial purchase on the card, you can get thousands of points. You can also get points for dining and shopping. Most programs offer a shopping portal to stores such as Target. If you are planning to buy something from Target, use the airline shopping portal and you get points. Since the relative value of points is literally pennies, you've got to do some basic math to see where the smartest value lies for YOU.

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## Thanks For Thinking of Me!

Did you know I can help you or any of your friends or family save time and money on their taxes? Thanks for keeping me in mind with your referrals...and spreading the word about my services.

### Brain Teaser Answer:

*Nine—two parents, six sons, and one daughter.*

### Time Hack

Take a few minutes today and set up reminders on your phone and tablets to track your screen time. You'd be amazed at how many "five minute" social media checks you do each day, and how quickly that adds up to lost time at work and with the family.

Remember, the goal is always to make:

- An extra day each week**
- An extra week each month**
- An extra month each year**
- Or just more time everyday!**

**THANK YOU** for reading my *Taxpayer Times-Gazette*.

I wanted to produce a newsletter that has great content and is fun and valuable to you. Your constructive feedback is always welcome.

**AND...** whether you're thinking of investing, need bookkeeping or payroll assistance, have an IRS problem, or just have tax questions, I'd love to hear from you...

**M F SETH>**  
**408-807-0454**

**[mfseth@sethassociatesEA.com](mailto:mfseth@sethassociatesEA.com)**

The information contained in this letter is intended for informational purposes only. It should not substitute as legal, accounting, investment, medical or other professional services advice. Always seek a competent professional for answers to your specific questions.

## Real Estate Corner...

The storyline of the past decade or so has featured Millennial hipsters in trendy city spots, working out of coffee shops or mobile workspaces, eating in hip restaurants and generally enjoying city life. That picture is apparently changing. Priced out of big cities, many Millennials are instead moving to the suburbs. Or exurbs, a Census term describing areas beyond the suburbs. Suburbs and exurbs offer a lower cost of living (and lower taxes) coupled with the ability to still work and play in the city. And Millennials are clustering in places where they have a doable commute and/or a local corporate branch. That's how a place like Apex, N.C., wound up being ranked the fastest-growing suburb in the country, according to the Wall Street Journal. And, after several years of urban growth, Apex and suburbs like it account for 14 of the 15 fastest-growing U.S. cities with populations over 50,000, according to U.S. Census Bureau statistics.

The influx of families has created challenges with overcrowded schools and traffic congestion. Apex, for example, has grown 54 percent since 2010 with another 11,000 houses planned or under construction.

Good weather, low taxes, and an abundance of jobs means the Sunbelt has become the place to be. Meanwhile, according to Census estimates, the average growth in America's big cities has slowed by 40 percent.

In the end, it looks like another generation has discovered the 'burbs. Get Free money-saving tips at my web s

