

PAL Tax Fraud

Tue 6/19/2012 10:01 AM

From:

To: Jeff Frazier

Hey Jeff,

<http://lsr-cpa.com/>

This link is the now website with the address and phone number to the CPA firm where Steven Rotroff was a partner for over 8 years that did the PAL taxes and _____ taxes.

Steven Rotroff told me he now works for the SCC Securities Exchange Commission as an auditor, according to him, it's a non-profit organization. Hmmmmmm...

His personal cell # is 321-578-0050

Email: srotroff@embarqmail.com

When I confronted Steve about the 1099 I received from Dwayne and _____ not being a sub-contractor, he agreed and said he never really researched it and went by what Dwayne was telling him. When I told Steve what the IRS told me, he said, "I guess we are all in trouble". He also said "Typically the IRS would never pick up on PAL and it would be unusual for them to do unless someone complained". I wrote this stuff down when I was talking to him. Steve told me there was a three year statute of limitation that PAL could be penalized on, so it won't go back all the years he's been doing it. This came up because I was concerned about _____ who worked the camp for 7 years and 1099's were filed the whole time.

Steve was going to call Dwayne immediately. I suspect what Steve told him was to be proactive and contact the IRS and set up something with them so he doesn't get in trouble. In my opinion I think the whole scheme was the both of them putting their heads together to think of a way so Dwayne/PAL didn't have to pay payroll taxes, unemployment, workman's compensation, etc...all the things that go along with having employees.

I do think you should also ask Dwayne for the names of all the deputies that are being paid by PAL to work his camp as counselors. I would be curious to know how he pays the deputies that are in charge of the Explorers, the Cadets and Rifle squad an any other deputy who works with PAL year round.

According to Vanessa Talley with Greene, Dycus & Company (new CPA firm) that is now handling PAL taxes, she told me the 1099's for last year were filed in January of this year by Steve Rotroff and her firm would not be processing those. Well, this make now sense on how a partial filing can be made by one CPA and the rest filed by a new firm later this year as PAL filed an extension. This makes no sense, wouldn't that somehow affect the entire 990 or the whole tax return in some way? I don't get it.

The two IRS people I spoke to was:

Cory ID# 1000843127

Kocevar ID# 1000270513

Both told me 1099's are not legal for minors or people who were camp counselors and if they were sub-contractors they would have to have personal liability insurance and be required to pay FICA and all the other required elements to be self-employed which you know.