



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
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Oxnard Return Preparer Arrested for Tax Fraud

Los Angeles – The owner and operator of an Oxnard tax preparation business, Lozano & Associates – Ayuda, was arrested this morning for conspiring to defraud the Internal Revenue Service.

Rodrigo Paul Lozano, 58, who also goes by “El Profe,” was charged in an indictment returned by a federal grand jury on Friday. The single count indictment charges Lozano with conspiracy to defraud the United States with respect to claims.

The indictment alleges that beginning on an unknown date and continuing until at least June 2012, Lozano conspired to defraud the United States by preparing and filing fraudulent income tax returns with the IRS containing false claims for income tax refunds.

According to the indictment, Lozano would instruct his employees to use fraudulent identification documents to prepare fraudulent federal income tax returns. The false returns were submitted to the IRS claiming fraudulent refunds under a program that permits qualified individuals to seek refunds based upon dependent children.

Lozano directed that the payment of refunds from fraudulent income tax returns be mailed to his residence, his business locations, or electronically deposited into a bank account in the name of his nominee. Lozano would direct his nominee to withdraw proceeds of income tax refunds in the form of cash and cashier’s checks, oftentimes in amounts that Lozano believed would not trigger currency transaction reporting requirements for financial institutions, and pay such proceeds to Lozano. Lozano would use some of the fraudulent tax proceeds to pay co-conspirators.

According to the indictment, working at the direction of Lozano, a co-conspirator opened a bank account in Oxnard for the purpose of receiving electronic deposits of fraudulent income tax refunds to be paid for fraudulent income tax returns prepared under Lozano’s direction. Between January 2011 and March 2011, Lozano caused approximately 218 electronic income tax refunds totaling more than \$600,000 to be deposited to this account. Lozano obtained a portion of the funds through withdrawals, transfers and cashier checks.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until proven guilty in court.

Lozano is expected to appear in federal court this afternoon for his initial appearance.

If convicted of the charges contained in the indictment, Lozano faces a statutory maximum sentence of 10 years in federal prison and fines totaling \$250,000.

The investigation of Lozano is being conducted by IRS Criminal Investigation in conjunction with the United States Attorney's Office for the Central District of California.

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