



# PRESS RELEASE

Internal Revenue Service - Criminal Investigation  
Los Angeles Field Office  
*Jose A. Gonzalez, Special Agent in Charge*

Date: October 21, 2013

Contact: Special Agent Linda Lowery, Public Information Officer  
IRS – Criminal Investigation  
300 North Los Angeles Street, Room 5016  
Los Angeles, CA 90012  
Email: linda.lowery@ci.irs.gov  
CI Release #: LAFO-2013-07

## **Former Burbank Income Tax Preparer Sentenced to 37 Months in Federal Prison for Defrauding the IRS of Over \$7 Million in False Tax Refunds**

LOS ANGELES – A self-employed income tax return preparer was sentenced this morning by United States District Judge Philip S. Gutierrez to 37 months imprisonment after pleading guilty to charges that he prepared and filed with the Internal Revenue Service false tax returns on behalf of clients.

Peter Chavez, 44, -- former operator of Tax Care 4 Less and later known as Tax Care For Less, in Burbank -- was further ordered by Judge Gutierrez to pay a fine of \$50,000, and barred from preparing tax returns during his period of supervised release.

In support of the sentence, Judge Gutierrez found that the defendant defrauded the IRS and his clients, involving his unwitting clients in the scheme which resulted in them facing unwelcome IRS tax audits and having to pay back the tax refunds they thought they legitimately received.

In May, Chavez pleaded guilty to two counts of aiding and assisting in the preparation of fraudulent tax returns. The two counts to which Chavez pleaded guilty relate to the 2000 and 2001 federal income tax returns filed on behalf of clients which included false deductions and credits, reducing the taxpayers' liability by \$1,890 and \$1,703, respectively.

According to documents filed with the court, Chavez admitted that between 1999 and 2002, he prepared, or supervised the preparation of thousands of federal income tax returns for clients of his business Tax Care 4 Less, which he filed by electronic means with the IRS. In preparing these tax returns, Chavez claimed false or fraudulent itemized deductions--including false mortgage interest expenses, inflated state, local and personal property tax deductions, inflated deductions for charitable contributions

and miscellaneous deductions, and false educational credits--resulting in a reduced tax liability for Chavez' client-taxpayers and inflated tax refunds. As a result of the fraudulently filed tax returns, refunds were generated causing a tax loss to the government of \$7.38 million.

Since 2003, Chavez has not worked regularly. He moved to Mexico for a time, and chose not to work because he was afraid he would be found and prosecuted for this case. Chavez remained a fugitive until his arrest on March 5, 2013 in Hemet, California. Chavez has remained in federal custody since his arrest.

The investigation and prosecution of Chavez was conducted by IRS Criminal Investigation's Los Angeles Field Office, in conjunction with the United States Attorney's Office for the Central District of California.

###

United States Attorney's Office contact:

Assistant United States Attorneys

Sandra R. Brown  
(213) 894-6607

Robert F. Conte  
(213) 894-5810