



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
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Owner of a Compton Income Tax Preparation Business Agrees to Plead Guilty to a Federal Tax Fraud Charge

Los Angeles – Making his initial appearance in federal court this afternoon, the owner and operator of Anthony Gray Tax Service (“AGTS”), a tax preparation business located in Compton, was arraigned today in a federal tax fraud case.

In conjunction with the arraignment today, Anthony Gray, 36, has agreed to plead guilty to one count of aiding or assisting in the preparation of a false tax return. Gray was ordered to appear before United States District Judge Philip S. Gutierrez on March 17, 2014 to enter his guilty plea.

According to the plea agreement filed in the case, beginning in approximately 2007 and continuing through April 2011, Gray prepared tax returns on behalf of hundreds of paying clients at AGTS. In preparing tax returns for his clients, Gray would sometimes include false information on the clients’ tax returns, including false deductions for charitable contributions, work expenses, dry cleaning expenses, education expenses, and uniform expenses. Gray would include the false information on the tax returns in order to generate larger tax refunds for his clients.

The count to which Gray will plead guilty relates to a fraudulent 2009 tax return he prepared on behalf of a client claiming \$13,294 in fabricated deductions and a \$10,000 fabricated education credit. The client for whom Gray prepared this return had not told him that she had incurred these expenses or asked that they be included on her 2009 tax return. Gray knew that including the false information on the tax return would increase the size of the refund check the client would receive from the IRS.

As a result of the false information that Gray provided on tax returns prepared for clients, the IRS suffered a tax loss of at least \$108,150.

According to the plea agreement, Gray faces a statutory maximum sentence of three years in federal prison and a fine of \$100,000 when sentenced. He may be further ordered to pay restitution of \$108,150 to the Internal Revenue Service.

The investigation of Gray was conducted by IRS Criminal Investigation in Los Angeles in conjunction with the United States Attorney's Office.

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