



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Chief Richard Weber

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IRS – Criminal Investigation

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Ohio-Based Tax Return Preparation Business Executive Pleads Guilty to Obstructing the IRS

A Liberty Township, Ohio, resident pleaded guilty to one count of obstructing and impeding the Internal Revenue Code, announced Acting Deputy Assistant Attorney General Bruce M. Salad of the Justice Department's Tax Division.

According to court documents, Kyle Wade, 44, was the former vice-president of franchising for Instant Tax Service (ITS), a tax preparation business that claimed to have over 1,100 franchise locations throughout the United States in 2009. Wade formerly owned multiple ITS franchises.

From Jan. 1, 2004 through Nov. 1, 2012, Wade and another individual executed a scheme to obstruct the Internal Revenue Service (IRS), wherein numerous ITS franchises filed false federal income tax returns without the permission of their taxpayer clients and without receiving a valid W-2 form from each client. The false returns included false and inflated sole proprietorship Schedule C income in an attempt to increase the Earned Income Tax Credit refund. Wade and another individual also created and presented false documents with the IRS, such as phony W-2 forms that were created by ITS employees using tax preparation software and various other false IRS forms containing forged signatures.

At his sentencing on a date to be determined later, Wade faces a statutory maximum sentence of three years in prison and a fine of \$250,000.

The Tax Division commended the efforts of special agents of IRS – Criminal Investigation, who investigated the case and Senior Litigation Counsel Corey Smith and Trial Attorney Mark McDonald of the Tax Division, and Assistant U.S. Attorney Jessica Knight of the Southern District of Ohio, who are prosecuting the case.

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