



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Missouri Tax Preparation Business Owner Indicted for Tax Evasion

The owner of a St. Louis, Missouri, tax return preparation business was arrested today after a federal grand jury sitting in St. Louis returned an indictment on February 18 charging two counts of tax evasion, announced Acting Assistant Attorney General Caroline D. Ciruolo of the Justice Department's Tax Division.

According to the indictment, from 2005 to 2011, Semere Tsehaye, 38, was the owner and operator of at least 20 Instant Tax Service (ITS) franchise locations operating in and around East Saint Louis, Illinois; Kansas City, Kansas; Kansas City and Saint Louis, Missouri. ITS was a brand name of ITS Financial LLC, a nationwide tax preparation business headquartered in Dayton, Ohio. Tsehaye owned and operated his ITS franchise locations using two entities named A&S Tax Service LLC (A&S) and ERI Enterprises, LLC (ERI).

During the years 2010 and 2011, Tsehaye generated fraudulent financial summaries that understated the gross receipts generated by A&S and ERI and provided them to his tax return preparer. Tsehaye's tax return preparer used these financial summaries to prepare Tsehaye's individual income tax returns, which Tsehaye then filed with the Internal Revenue Service (IRS). These tax returns were false in that they underreported A&S and ERI's gross receipts by a total of approximately \$506,000 in 2010 and \$1.03 million in 2011.

If convicted, Tsehaye faces a statutory maximum sentence of five years in prison and a \$250,000 fine on each count of tax evasion.

An indictment merely alleges that crimes have been committed. Defendants are presumed innocent until proven guilty beyond a reasonable doubt.

Acting Assistant Attorney Ciruolo commended 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, who are prosecuting the case. Acting Assistant Attorney Ciruolo also thanked the U.S. Attorney's Office for the Eastern District of Missouri for their assistance.

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