



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
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TEANECK TAX PREPARER INDICTED FOR PREPARING FRAUDULENT TAX RETURNS AND FAILING TO REPORT INCOME

Newark, N.J. –The owner of 123 Taxes, a tax preparation business located in Teaneck, N.J., has been indicted by a federal grand jury on 21 counts of preparing fraudulent tax returns for clients and three counts of filing false tax returns for himself.

Sixto Rodriguez, a resident of Teaneck, N.J., was arrested this morning in Kissimmee, Florida by special agents of IRS-Criminal Investigation. His initial appearance is scheduled for later today before Magistrate Judge Karla R. Spaulding.

“As this year’s filing season has come to an end, the allegations in the indictment against Mr. Rodriguez should serve as a reminder on how important it is when choosing a tax preparer”, stated Jonathan D. Larsen, Acting Special Agent in Charge, IRS-Criminal Investigation, Newark Field Office. “While most return preparers provide excellent service to their clients, a few dishonest tax preparers file false and fraudulent returns to defraud the government, the taxpaying public and their own clients.”

According to the indictment:

Sixto Rodriguez owned and operated 123 Taxes out of his residence. For the tax years 2008 through 2011, Rodriguez met with clients at his residence in order to prepare their individual tax returns. It is alleged that Rodriguez prepared at least 80 fraudulent tax returns for clients by fabricating and inflating Schedule A itemized deductions such as unreimbursed employee business expenses and charitable contributions as well as fabricating education expenses in order to obtain educational credits on the their

returns. In other instances, Rodriguez, fabricated and inflated Schedule C business expenses and losses and Schedule E expenses relating to rental real estate losses. By falsifying this information, Rodriguez was able to obtain tax refunds for his clients greater than those they were lawfully entitled to receive, resulting in a tax loss to the government of approximately \$234,768.

It is also alleged in the indictment that Rodriguez failed to properly report all of the income he earned preparing tax returns during the years 2007 through 2009. More specifically, for the tax years 2007 and 2008, Rodriguez reported \$0 taxable income and for 2009 he reported approximately \$4,558. As alleged in the indictment, Rodriguez's corrected taxable income is approximately \$80,807, \$96,650 and \$113,984 respectively during the years 2007, 2008 and 2009.

If convicted, each count of the indictment carries a statutory maximum prison sentence of three years and a statutory maximum fine equal to the greatest of: (1) \$250,000; (2) twice the gross amount of any pecuniary gain derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense.

The charges and allegations contained in the indictment are merely accusations, and the defendant is considered innocent unless and until proven guilty.

The investigation was conducted by IRS-Criminal Investigation, Newark Field Office, under the direction of Acting Special Agent in Charge Jonathan D. Larsen and The U.S. Attorney's Office, under the direction of U.S. Attorney Paul J. Fishman.

The government is represented by Assistant U.S. Attorney Lorraine Gerson.

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