



# PRESS RELEASE

Internal Revenue Service - Criminal Investigation  
Newark Field Office  
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## **ESSEX COUNTY TAX PREPARER SENTENCED FOR PREPARING FRAUDULENT TAX RETURNS FOR CLIENTS**

**Newark, N.J.** –The owner of KCJ Financial Corporation, located in Irvington, N.J., was sentenced today to 18 months in prison for willfully preparing false tax returns for clients.

U.S. District Judge Faith S. Hochberg also ordered Kellar Covington Jr., 62, a resident of Hillside, N.J., to serve one year of supervised release and he is to refrain from employment in the business of tax preparation for a period of ten years.

“Return preparer fraud is like a contagious disease, it affects not only the preparer, but the individuals who have filed false information with the Internal Revenue Service,” stated Jonathan D. Larsen, Acting Special Agent in Charge, IRS-Criminal Investigation, Newark Field Office. “It is our hope that today’s sentence sends the strong message that tampering with the integrity of our nation’s tax system will result in jail time.”

Previously, on February 27, 2014, Covington pleaded guilty to a one count information that charged him with aiding and assisting in the preparation of false tax returns.

According to court documents and statements made in court:

Covington owned and operated KCJ Financial Corporation and assisted in the operation of DFC Tax Pros, Inc., both of which are tax preparation businesses located in Irvington, N.J. Covington met with clients of both KCJ and DFC and obtained information from them for the preparation of their individual income tax returns. Covington admitted that he prepared false tax returns for clients by fabricating and inflating Schedule A itemized

deductions, Schedule C expenses and Schedule E losses such as those for gifts to charity, job expenses and real estate losses. By falsifying this information, Covington was able to obtain tax refunds for his clients greater than those they were lawfully entitled to receive. The total amount of tax the Internal Revenue Service was defrauded as a result of the fraudulent returns prepared by Covington is approximately \$140,259.

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 Sharon Ashe.

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Defense counsel: Robert J. DeGroot, Esq.