



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
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IRS-CRIMINAL INVESTIGATION OFFERS TIPS THIS FILING SEASON

Springfield, New Jersey – Internal Revenue Service –Criminal Investigation Special Agent in Charge of the Newark Field Office, Jonathan D. Larsen, would like to offer some advice to New Jersey taxpayers when selecting a return preparer this filing season.

“You should be very careful when choosing a return preparer. You should be as careful as you would in choosing a doctor or lawyer. While the vast majority of return preparers are honest and provide a valuable service to their clients, there are some dishonest return preparers who file false returns to defraud the government, the tax-paying public and their own clients.”

Knowingly falsifying documents filed with the IRS is a crime. Dishonest return preparers use a variety of methods to cheat the government. It is your responsibility to know what is on your income tax return. You are ultimately responsible for what gets filed with the tax authorities.

Return preparer fraud involves the preparation and filing of false income tax returns by preparers who claim inflated personal or business expenses, false deductions, unallowable credits or excessive exemptions on returns prepared for their clients. However, when the IRS detects a fraudulent return, the taxpayer – not the return preparer – must pay the additional taxes and interest and may be subject to penalties.

During this tax filing season, don't panic and make a rush decision on who you decide to use to prepare your returns. Most return preparers are professional, honest and

provide excellent service to their clients. Special Agent in Charge Larsen offers the following helpful hints when choosing a return preparer:

- Be cautious of return preparers who claim they can obtain larger refunds than other preparers.
- Avoid preparers who base their fee on a percentage of the refund.
- Never sign a blank tax return.
- Use a reputable tax professional who signs their tax return and provides you with a copy. In addition, make sure the preparer includes their Preparer Tax Identification Number (PTIN) as required by law.
- Consider whether the individual or firm will be around to answer questions about the preparation of the tax return months, or even years, after the return has been filed.
- Check the preparer's credentials. Only attorneys, certified public accountants (CPAs) and enrolled agents can represent taxpayers before the IRS in all matters, including audits, collection and appeals. Other return preparers may only represent taxpayers for audits of returns they actually prepared.
- Find out if the preparer is affiliated with a professional organization that provides its members with continuing education and resources and holds them to a code of ethics.
- Ask friends and family members whether they know anyone who has used the tax professional and whether they were satisfied with the service they received.

Here are recent statistics on return preparer fraud from IRS-Criminal Investigation.

	FY 2015	FY 2014	FY 2013
Investigations Initiated	266	305	309
Prosecution Recommendations	238	261	281
Indictments/Informations	224	230	233
Sentenced	204	183	186
Incarceration Rate*	80.4%	86.3%	78.0%
Average Months to Serve	27	28	27

*Incarceration includes confinement to federal prison, halfway house, home detention, or some combination thereof.

Data Source: Criminal Investigation Management Information System

Here are some recent return preparer investigations conducted by the Newark Field Office for IRS-Criminal Investigation.

ATLANTIC COUNTY, NEW JERSEY, TAX PREPARER CONVICTED OF TAX FRAUD

An Atlantic County, New Jersey, tax preparer was convicted of tax fraud for including fraudulent credits and deductions on federal tax returns for his clients in an effort to gain repeat business for himself. Tinh Van Vo, 59, of Egg Harbor Township, New Jersey, was convicted of 10 counts of aiding and assisting in the preparation of false federal income tax returns following a two-week trial before U.S. District Judge Robert B. Kugler in Camden federal court. The jury deliberated two hours before returning the guilty verdicts. Vo prepared and filed fraudulent U.S. Individual Income Tax Returns through his business, TVO Services in Atlantic City, New Jersey. The returns attached schedules for fictitious educational credits, charitable contributions, and job expenses the taxpayers were not entitled to take – all to generate fraudulently inflated refunds.

NEW JERSEY COUPLE SENTENCED FOR ROLES IN TAX FRAUD

A Union County, New Jersey certified public accountant who ran a tax return preparation business with his wife was sentenced to four years in prison for his role in a multi-year tax fraud scheme, in which he filed hundreds of false tax returns with the IRS to generate fraudulently inflated refunds for clients, some of which he took for himself. Following a two-week trial before U.S. District Judge Anne E. Thompson in June 2015, Courtney Johnson, 45, of Union Township, New Jersey, was convicted of six counts of aiding and assisting in the preparation of false federal income tax returns. Johnson's wife, Carol Johnson, 45, who ran the business with him, previously pleaded guilty to misprision of a felony and was sentenced Nov. 5, 2015, to three years of probation. The Johnsons operated tax preparation businesses in South Orange and Jersey City, New Jersey. Courtney Johnson prepared and filed federal individual income tax returns that were materially false and fraudulent. The returns attached schedules for fictitious businesses that the taxpayers did not own or operate, inflated charitable contributions, fabricated itemized deductions – all to generate fraudulently inflated refunds.

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