



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **New York Attorney Pleads Guilty in Manhattan Federal Court to Preparing Fraudulent Tax Returns for Clients**

An attorney who operated a tax preparation business in the Bronx, New York, pleaded guilty today in Manhattan federal court to charges related to his participation in filing fraudulent tax returns and falsely claiming more than \$6 million in bogus deductions, announced Principal Deputy Assistant Attorney General Caroline D. Ciralo, head of the Justice Department's Tax Division, and U.S. Attorney Preet Bharara for the Southern District of New York.

William Doonan, 69, of Bronx, New York, pleaded guilty today before U.S. Magistrate Judge Andrew J. Peck to one count of aiding and assisting in the preparation of a false tax return, and one count of obstructing and impeding the due administration of the internal revenue laws.

"William Doonan used his law practice to prepare thousands of false tax returns each year with phony deductions, costing the U.S. treasury more than \$1.5 million," said Principal Deputy Assistant Attorney General Ciralo. "His conviction sends a clear message – we will fully prosecute crooked tax preparers – whether they be lawyers and tax professionals or temporary storefront operators."

"William Doonan used his law degree and tax preparation business to fleece the IRS of millions of dollars in fraudulent tax deductions," said U.S. Attorney Bharara. "As he admitted today, Doonan claimed numerous false deductions for thousands of clients, defrauding the IRS and unlawfully depriving the public of tax revenue."

According to the allegations contained in the Information filed in the Southern District of New York and statements made during the plea proceeding:

Since at least 2009, Doonan has been in the business of preparing federal tax returns for clients in exchange for fees. Doonan, a New York licensed attorney since 1982, carried out his tax preparation business in the Bronx using the firm name "William Doonan, Esq." Doonan prepared and filed more than 3,000 federal tax returns with the Internal Revenue Service (IRS) each year and regularly prepared and filed client returns that were false and fraudulent. For example, on some of his clients' returns, Doonan added false medical and dental expenses, state and local taxes, home mortgage interest, gifts to charity, job expenses and certain miscellaneous deductions. Doonan also attached Schedules C to his clients' returns that

reported "Consulting" businesses that the relevant clients did not own, operate, and materially participate in, and business losses that the relevant clients did not incur. Between tax year 2009 through tax year 2012, Doonan included in excess of \$6 million in these fabricated and inflated items on his clients' federal tax returns.

Sentencing is scheduled for Feb. 10, 2017 before U.S. District Judge Vernon S. Broderick. Doonan faces a statutory maximum sentence of three years in prison on the aiding and assisting in the preparation of a false return count and three years in prison on the obstruction of the internal revenue laws count, as well as a period of supervised release and monetary penalties.

Principal Deputy Assistant Attorney General Ciralo and U.S. Attorney Bharara commended agents of IRS-Criminal Investigation, who conducted the investigation. This case is being prosecuted by the U.S. Attorney's Office for the Southern District of New York's Complex Frauds and Cybercrime Unit. Special Assistant U.S. Attorney Jorge Almonte of the Tax Division is in charge of the prosecution.

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