



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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New York Return Preparer Pleads Guilty to Filing Fraudulent Tax Returns

Purchased ID Info of Children from Parents and Sold It to his Clients

A Nassau County, New York return preparer pleaded guilty today to filing fraudulent tax returns, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and Acting U.S. Attorney James P. Kennedy Jr. for the Western District of New York.

According to documents and information presented to the court, from January 2010 through April 2015, David Menzies, 51, of Floral Park, filed fraudulent tax returns for hundreds of clients that claimed fake business income and expenses and false dependents to claim refunds his clients were not entitled to. Menzies solicited, and sometimes purchased, the personal identifying information of minors from their parents, and claimed them as dependents on other clients' returns. Menzies charged his clients \$250 for the use of the phony dependents and often used the same children's information in multiple years. He recruited people to assist him in filing these fraudulent returns and directed them to escort his clients to check cashers, in order to cash their refund checks and collect Menzies' fee, including the money for the false dependents.

In addition, Menzies concealed his identity as the preparer by soliciting other people to apply to the Internal Revenue Service (IRS) for preparer IDs and filing the fraudulent returns using the preparer identification numbers the IRS assigned to these individuals. Menzies admitted that he caused a tax loss of more than \$250,000.

Menzies also acknowledged that he failed to timely file his 2009 through 2015 personal tax returns.

Sentencing is scheduled for July 26 before U.S. District Judge Lawrence J. Vilaro in the Western District of New York. Menzies faces a statutory maximum sentence of three years in prison, a period of supervised release, restitution and monetary penalties.

Acting Deputy Assistant Attorney General Goldberg and Acting U.S. Attorney Kennedy thanked special agents of the IRS–Criminal Investigation, who conducted the investigation, and Assistant U.S. Attorney Marie P. Grisanti and Trial Attorney Jason M. Scheff of the Tax Division, who are prosecuting the case.

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