



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

Date: April 26, 2017

Contact: *CI-HQ-COMMUNICATIONSEUCATION@ci.irs.gov
IRS – Criminal Investigation

CI Release #: CI-2017-04-26-A

Tax Preparation Business Owner Sentenced to 10 Years in Prison *Caused the IRS to Pay More Than \$9 Million in False Refunds*

A Pollock Pines, California woman who owned a tax return preparation business was sentenced to serve 120 months in prison today for conspiring to file more than 250 false refund claims, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and Acting U.S. Attorney Phillip A. Talbert for the Eastern District of California.

According to documents filed with the court, Teresa Marty, 57, was the owner of Advanced Financial Services (AFS), a Placerville, California tax return preparation business. Marty conspired with her office manager, Pamela Harris and Rebecca Bandera-Marty to file fraudulent federal tax returns claiming more than \$60 million in refunds. Marty and Harris recruited clients by falsely representing that the clients could legally receive large refunds by filing tax returns using Internal Revenue Service (IRS) Forms 1099-OID. AFS prepared false Forms 1099-OID that reported the clients' debts as income and the same amount as income tax withheld, resulting in significant claims for refund to which the clients were not entitled. The scheme included clients from 26 states and caused the IRS to pay out over 40 tax refunds, totaling more than \$9 million. The IRS listed the use of false Forms 1099-OID on its website as one of the "dirty dozen" tax schemes for the years 2009 through 2014.

Marty, Harris and Bandera-Marty were indicted in June 2013 along with two clients, Charles and Victoria Tingler. Thereafter, Marty and the Tingles, with the help of Harris, filed fraudulent multi-million dollar liens against government officials, including three IRS employees involved in the collection of taxes the Tingles owed the IRS as a result of the scheme. Marty filed \$84 million liens against the then Acting U.S. Attorney for the Eastern District of California and a former Department of Justice Tax Division attorney involved in filing suit to permanently enjoin Marty and AFS from preparing tax returns. The liens filed with the California Secretary of State unlawfully disclosed personal identification information of the government employees. Harris and Marty also hired a

collection agency to enforce a \$500,000 false lien that Charles Tingler filed against an IRS revenue officer.

“Today’s sentence sends a strong message: preparers like Teresa Marty who file fraudulent returns will be actively investigated and prosecuted, and face jail and significant penalties,” said Acting Deputy Assistant Attorney General Goldberg. “And efforts by such individuals to intimidate and harass the federal attorneys and agents working these cases will be thwarted and in fact result in the imposition of a higher sentence.”

In addition to the term of prison imposed, Marty was ordered to serve two years of supervised release and to pay restitution to the IRS in the amount of \$9,500,492.83.

Clients of AFS have been prosecuted in Arizona, Colorado, Florida, Georgia, Missouri, Oregon and Washington for filing false claims for refund that Marty and AFS prepared.

Acting Deputy Assistant Attorney General Goldberg and Acting U.S. Attorney Talbert commended special agents of IRS-Criminal Investigation and Treasury Inspector General for Tax Administration (TIGTA), who conducted the investigation, and Trial Attorneys Erin S. Mellen and Andrea A. Kafka of the Tax Division and Assistant U.S. Attorney Matthew D. Segal, who prosecuted the case.

###