



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Newark Field Office
Special Agent in Charge Jonathan D. Larsen

Date: July 19, 2016

Contact: Special Agent Robert Glantz
Public Information Officer
IRS – Criminal Investigation
4 Paragon Way, Suite 2
Freehold, New Jersey 07728
Office: (732) 761-3381
robert.glantz@ci.irs.gov
CI Release #: NEWFO-2016-12

ESSEX COUNTY TAX PREPARER PLEADS GUILTY TO PREPARING FRAUDULENT TAX RETURNS

Newark, N.J. – An employee of an Irvington, N.J. based tax preparation business pleaded guilty today to preparing fraudulent tax returns.

Darlene Covington, 32, entered her plea in Newark federal court before U. S. District Judge Katharine S. Hayden. Covington pleaded guilty to a one count superseding information that charges her with aiding and assisting in the preparation of false tax returns. Sentencing is scheduled for October 25, 2016.

“IRS-Criminal Investigation stands ready to investigate anyone who would put a taxpayer at risk for a quick profit,” stated Jonathan D. Larsen, Special Agent in Charge, IRS-Criminal Investigation, Newark Field Office. “Ms. Covington’s plea today shows that protecting taxpayer money is a matter IRS-Criminal Investigation takes extremely seriously.”

According to court documents and statements made in court:

Covington was employed as a tax preparer at a tax preparation business, KCJ Financial Corp., located in Irvington, N.J. In her role as a tax preparer, Covington obtained personal identification information, such as names and social security numbers, for 24 people. Covington used this personal identification information without the knowledge, consent or permission of these individuals to prepare fraudulent tax returns. Covington prepared these fraudulent tax returns so that an uncharged co-conspirator would receive the refunds. Covington then used the filed false income tax returns to secure Refund Anticipation Loans from various banks. Covington received a fee of \$235 for

each Refund Anticipation Loan. The fraudulent tax returns resulted in a tax loss to the government of approximately \$106,732.

The count of aiding and assisting in the preparation of false tax returns carries a statutory maximum prison sentence of three years and a statutory maximum fine equal to the greatest of: (1) \$250,000; (2) twice the gross amount of any pecuniary gain derived from the offense; or (3) twice the gross amount of any pecuniary loss sustained by any victims of the offense.

The investigation was conducted by IRS-Criminal Investigation, Newark Field Office, under the direction of 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.

####

Gregory E. Tomczak, Esq. – Montclair, NJ