

Tax Professionals

Compliance Overview

Eulonda Lea

Supervisory Special Agent

Refund and Cyber Crimes

IRS Criminal Investigation

Internal Revenue Service Criminal Investigation Mission

Criminal Investigation serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.

Areas of Responsibility

- Return Preparer Program
- Questionable Refund Program
- Identity Theft
- Cyber Crimes

Return Preparer Program

- Preparation and filing of false income tax returns by unscrupulous preparers who:
 - Inflate personal or business expenses
 - Create false deductions
 - Excessive exemptions
- Preparers' clients may or may not have knowledge of the false expenses, deductions, exemptions and/or credits shown on their tax returns.

Investigative Approach

- Scheme Development
- Taxpayers and Informants
- Collaboration with other IRS Business Units

Scheme Development

- Scheme Development Centers
 - Staffed with highly trained investigative analysts responsible for identifying emerging and ongoing schemes.
- A number of tools used to identify scheme activity and patterns.

Collaboration - IRS Business Units

- Return Preparer Office
- SBSE
- W&I
- LBI

Service-wide Return Preparer Strategy

Vision: The IRS Service-wide organizations working collaboratively along with preparers to improve our system of voluntary compliance.

Mission: To develop a Service-wide preparer strategy which encourages coordination between business units while ensuring overall compliance with the tax laws.

Criminal Violations

- Title 26 USC Section 7206(2)
- 18 USC 286 – Conspiracy to File False Claims (Tax-related)
- 18 USC 287 – Filing False Claims (Tax-related)
- 18 USC 641 - Theft of Government Funds
- 18 USC 510 – Treasury Check Charge
- 18 USC 1029 – Access Device Fraud
- 18 USC 1708 – Mail Theft
- 18 USC 1028 – Identity Theft

Warning Signs of Potential Fraud

- Income insufficient to cover claimed expenses
- Claiming false dependents
- Inflated itemized deductions – New tax law likely to impact this fraud area
- Claiming tax credits based on false income/expenses
- False business expenses created to offset income

Oversight of Other Threats

- Data Breaches
- EFINS/PTINS
- False/fraudulent ITINs
- False 1099s

Information Security

Evolving Threats

- Data Compromises/Computer Thefts
- Compromised Tax Professionals
 - Records used to generate ID theft claims mirroring actual taxpayer returns.
 - In September 2016, fifteen (15) tax professionals (CPAs, enrolled agents, etc.) were reported compromises.
- Compromised EFINs/PTINs

Protect

- Limit access to data and information
- Strong passwords and logins
- Patch operating systems and applications
- Install/activate software and hardware firewalls on business networks
- Secure wireless access point and networks
- Set up web and email filters

Education & Outreach

- Knock and Talk Visit Program
 - Special agents partner with revenue agents
 - Educational visits with return preparers
 - Identified by scoring system
- Field Office special agent visits
- Media Publicity/YouTube Videos
- Success measures

Return Preparer Fraud Investigative Results

Return Preparer Program Statistics

Item	FY 2014	FY2015	FY2016	FY2017
Investigations Initiated	305	266	252	302
Prosecution Recommendations	261	238	174	193
Convictions	193	210	216	164
Conviction Rate	96%	96.8%	98.6%	95.9%
Sentenced	183	204	202	190
Avg. Months to Serve	28	27	22	26

Electronic Filing Identification Number

Item	FY 2014	FY2015	FY2016	FY2017
EFINs	394	329	358	412
Suspended/Revoked				



Former tax preparer filed false income tax returns, authorities say

By Ricardo Torres-Cortez (contact)
Wednesday, April 11, 2018 | 6:30 p.m.

A Las Vegas woman slated to go to trial this summer on charges of filing false federal income tax returns is facing up to 45 years in prison, according to the U.S. attorney for Nevada.

Martha Williams, 40, a former tax preparer at Across the Board Management Co., was charged today with 15 counts of aiding and assisting in the preparation and filing of false federal income tax returns, officials said.

The crimes, which cost the government \$146,542, were allegedly perpetrated from 2011 to 2013, officials said.

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CRIME

He's accused of committing income tax fraud in Modesto without his clients' knowledge



BY ROSALIO AHUMADA
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April 12, 2018 04:59 PM
Updated April 12, 2018 04:59 PM



Authorities this week arrested a man accused of preparing fraudulent income tax returns at a Modesto accounting firm without his clients' knowledge or consent, the U.S. Attorney's Office in Sacramento announced Thursday.





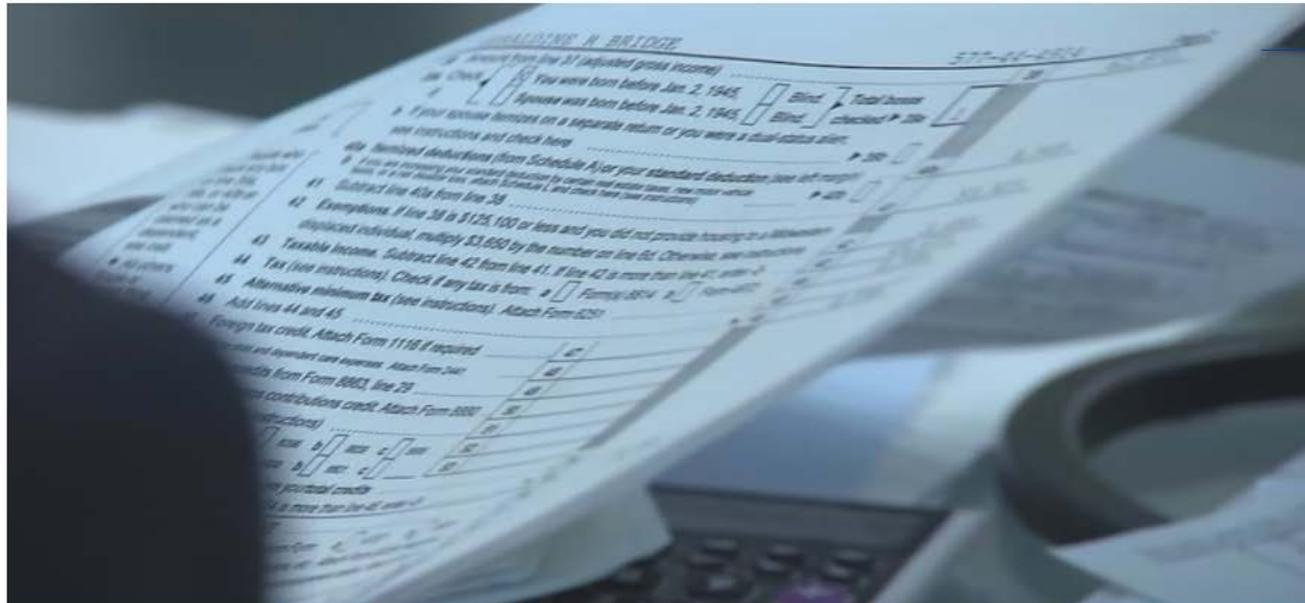
Local News

Dayton tax preparer pleads guilty to filing false income tax returns with the IRS

By: WDTN.com Staff



Updated: Apr 11, 2018 02:06 PM EDT



DAYTON, Ohio (WDTN) - A Dayton man pleads guilty two counts of filing false income tax with the Internal Revenue Service Wednesday.

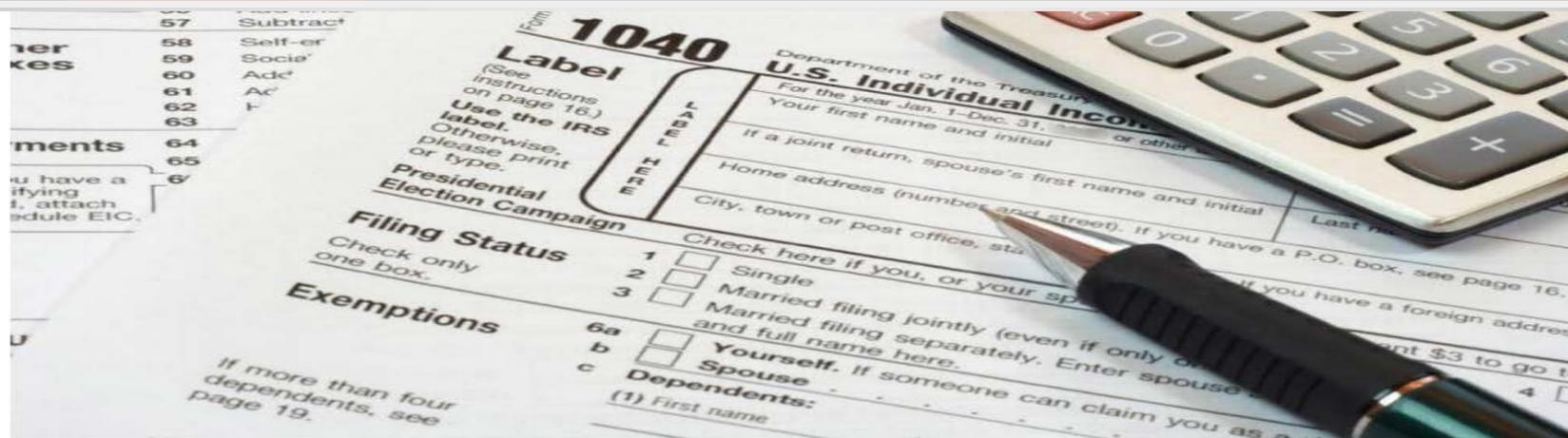
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File photo

LATEST NEWS

In height of tax season, Durham preparer sentenced for filing fraudulent returns

BY ANNE BLYTHE
ablythe@newsobserver.com

April 11, 2018 05:53 PM
Updated April 11, 2018 05:55 PM

DURHAM — A Durham tax preparer who was convicted in January of preparing fraudulent tax forms for her and her clients was sentenced in federal court on Wednesday to 10 years in

Warwick tax preparer indicted by federal grand jury



Yet another Houston tax preparer pleads guilty to false tax returns

By [Keri Blakinger](#) Published 6:31 pm, Monday, July 17, 2017



NEW ORLEANS METRO CRIME AND COURTS NEWS

LaPlace tax preparer admits fraud, owes \$6.9 million to IRS

Comment

Updated on August 4, 2017 at 5:53 PM, Posted on August 4, 2017 at 5:52 PM



