



Department of Justice

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GUILTY VERDICT IN TAX FRAUD TRIAL

Jury Finds Tax Preparer Guilty of Filing Fraudulent Tax Returns Claiming Over \$460,000 In False Tax Credits

ATLANTA, GA - After a six-day trial, a federal jury late yesterday returned guilty verdicts against ONESSIMUS M. GOVEREH, also known as "Tony Govereh," 28, of Stone Mountain, Georgia, on charges of willfully filing false personal income tax returns with the Internal Revenue Service.

"As we begin a new tax filing season, tax preparers should beware that, along with our criminal investigative partners in the IRS, we will quickly and effectively prosecute those tax professionals who choose to violate the tax laws for their personal profit," said United States Attorney David E. Nahmias. "The defendant in this case began filing fraudulent returns in early 2007. He was arrested in February, 2007, indicted in April, 2007, and has now been tried and convicted less than a year after he initiated his criminal scheme to defraud the IRS and to steal from U.S. taxpayers. His next stop will be a federal prison."

Acting IRS Criminal Investigation Special Agent in Charge Jeannine Hammett said, "The Telephone Excise Tax Refund was made available on 2006 income tax returns to return taxpayer money from excise taxes paid on long-distance telephone bills. It was not designed as a source of income for corrupt tax return preparers. Willfully filing a false claim with the IRS is the same as stealing, and there are serious consequences."

According to United States Attorney Nahmias and the evidence presented at trial: GOVEREH, operating under the name "Kingdom Tax Service" and with his principal place of business in Norcross, Georgia, registered with the IRS as an electronic return originator in late 2006. GOVEREH represented in written advertising as well as by word of mouth that he could obtain maximum refunds from the IRS with a very short turnaround. During January and February, 2007, GOVEREH filed a total of 107 personal income tax returns with the IRS. Among other false credits and expenses, each return falsely claimed a Telephone Excise Tax Refund ("TETR") credit of several thousand dollars, when in fact the standard TETR credit available was limited to \$30-\$60, depending upon the taxpayer's exemption level.

The TETR credit is a one-time tax credit solely available for the 2006 tax year. Designed to refund telephone excise taxes (statutorily limited to 3% of billed services) paid for long distance and bundled telephone services between February 2003 and August 2006, the TETR credit is also refundable, meaning that, after negating taxes owed, any excess credit is refunded to the taxpayer.

The 107 personal income tax returns GOVEREH filed in January and February of 2007 included more than \$460,000 in false TETR credits, fraudulently inflating the refunds claimed on these returns to more than \$750,000. GOVEREH extracted between \$500-\$800 per return in preparer fees and also forced his taxpayer clientele to split the fraudulent refunds paid by the IRS with him.

GOVEREH was indicted for willfully filing false income tax returns in April, 2007. The jury convicted him on 14 counts of making false claims to the IRS.

GOVEREH could receive a maximum sentence of 70 years in prison on the counts of conviction and a maximum fine of \$250,000 per count. Sentencing is scheduled for March 28, 2008 before United States District Judge Julie E. Carnes.

This case was investigated by Special Agents of the Internal Revenue Service-Criminal Investigation.

Assistant United States Attorney Paul Monnin is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.