



# UNITED STATES ATTORNEY'S OFFICE

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Western District of Louisiana*

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For Immediate Release  
July 3, 2008

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## **SHREVEPORT TAX PREPARER PLEADS GUILTY TO TAX FRAUD CHARGE**

*Claiming inflated or non-existent business losses and  
fabricated businesses on her clients' returns*

**Shreveport, Louisiana . . . KAREN B. CARTAGENA** of Bossier City, Louisiana, a 46-year-old former tax preparer for Jackson-Hewitt, pleaded guilty in federal court Monday to one count of Aiding the Preparation of False Returns, United States Attorney Donald W. Washington announced.

CARTAGENA admitted to preparing and filing false individual income tax returns for taxpayers for the years 2004 and 2005, which fraudulently claimed deductions and losses for items that she knew the taxpayers were not entitled to claim.

The investigation by the Internal Revenue Service Criminal Investigation Division revealed that CARTAGENA worked as a seasonal tax preparer for a Jackson-Hewitt branch in Shreveport from 1997 to 2006. She prepared false tax returns by claiming inflated or

non-existent Schedule C business losses and fabricated businesses on the clients' tax returns. Additionally, CARTAGENA charged inflated fees for her services and pocketed the difference. The IRS identified approximately 60 taxpayers who had received refunds based on false tax returns prepared by CARTAGENA, with a resulting tax loss of approximately \$107,933.00.

United States Attorney Donald W. Washington stated: "This defendant is a thief, plain and simple. She executed a scheme to steal funds from the U. S. Treasury by falsifying tax returns. We simply cannot condone such criminal behavior. This office will seek maximum punishment for this defendant and any others who are engaging in illegal tax schemes."

Michael J. De Palma, IRS Special Agent in Charge, stated: "Criminal investigation efforts to deter refund fraud are critical to overall tax compliance. While most return preparers provide excellent service to their clients, a few unscrupulous tax preparers file false and fraudulent returns for the purpose of defrauding the government."

CARTAGENA faces a maximum penalty of three years in prison or a fine of \$100,000.00, or both. She will be sentenced by U. S. District Judge S. Maurice Hicks on September 25, 2008. Sentencing in federal court is determined by the discretion of federal judges and the governing statute. Parole has been abolished in the federal system.

This case was investigated by the Internal Revenue Service - Criminal Investigations, Shreveport Resident Agency, and is being prosecuted by Assistant U.S. Attorney Earl M. Campbell.

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