



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758
Stephen Moore, IRS CI (313) 234-2410

April 9, 2008

EVENT: Sentenced

Defendant: Deloris Jones

DETROIT GRANDMOTHER SENTENCED FOR PREPARING FALSE TAX RETURNS

Deloris Jones, 58 year-old Detroit grandmother was sentenced to three years probation after pleading guilty to preparing a false tax return, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by IRS Special Agent in Charge Maurice Aouate.

According to court records, during 2001 through 2003, Lorenzo Hardy of Detroit, owner of Lorenzo Hardy Financial Services, employed Deloris Jones to prepare tax returns for his clients. The scheme involved legitimate wage earners turning over their W-2s to Hardy and Jones, who would then prepare fraudulent tax returns by inflating Schedule "A" deductions, including charitable gifts, state and local taxes, personal property taxes and job expenses. Between Hardy and Jones, over 70 fraudulent returns were prepared causing a tax loss of over \$80,000.

According to court records, in January 2008, Hardy was sentenced to five years probation with his first six months to be served in a Community Treatment Center, after pleading guilty to aiding in the preparation of false and fraudulent tax returns. He is also reimbursing the Internal Revenue Service for the tax loss that his scheme created.

United States Attorney Stephen J. Murphy said, "A tax preparer exercises a great deal of power over his taxpayer customers, because they are relying heavily on the preparer's expertise and honesty. In this case, the tax preparer acted more like a coach on how to cheat Uncle Sam. All citizens must remember that they are ultimately responsible for their tax returns, no matter who prepares them. If their returns are false, taxpayers may be not only liable for back taxes, but also subject to fines, penalties, and like this case, serious criminal prosecution."

Special Agent in Charge Aouate said, "At the IRS, protecting taxpayer money is a matter we take extremely serious. No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them. CI will continue to aggressively pursue those who file or promote the filing of false tax returns."

Murphy commended the special agents from the IRS Criminal Investigation Division. The case was prosecuted by Assistant U.S. Attorney Terence R. Haugabook.