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TAX PREPARER GUILTY IN SEVERAL FRAUDULENT SCHEMES, INCLUDING IDENTITY THEFT, THAT LED TO MILLIONS IN LOSSES

A Chino Hills man who operated several tax preparation businesses pleaded guilty to a series of federal charges related to a wide-ranging scheme in which he defrauded clients and the Internal Revenue Service, as well as victims who had their identities stolen.

Abdul Wahid, 56, the owner of Global Accounting and Tax Service in Los Angeles, pleaded guilty today before United States District Judge George Wu. Wahid pleaded guilty to three counts of mail fraud, one count of theft of government property, one count of aggravated identity theft and five counts of attempted tax evasion.

As part of his scheme to defraud clients of his tax return preparation business, Wahid formed companies with names like Internal Recovery Systems, Inc. (IRS), along with other DBAs – FTB, EDD and BOE – that were all acronyms for government taxing agencies. After Wahid prepared personal and business tax returns that usually showed thousands of dollars of taxes due, Wahid instructed clients to write checks for the amounts due payable to the appropriate taxing authority or to Wahid personally. But instead of submitting the checks to the appropriate taxing agency, Wahid deposited the checks into bank accounts he controlled, for example, his "IRS" account.

Wahid also failed to file his personal federal income tax returns for the years 2002 through 2006. By not filing his tax returns, Wahid attempted to evade the payment of nearly \$1 million in federal income taxes.

Another aspect of Wahid's criminal conduct involved the theft of a tax refund check that was based on a false tax return he filed with the Internal Revenue Service. That tax return was filed under the name of a person whose identity Wahid had stolen.

William J. Marandola, Special Agent in Charge of the Department of Treasury's Inspector General for Tax Administration (TIGTA), stated: "Instead of properly processing tax payments entrusted to him, Wahid diverted the remittances for his own use – in part, by misusing the name 'IRS' – which resulted in the charges filed against him. TIGTA is tasked with protecting the integrity of federal tax administration and will thoroughly investigate the improper use of IRS names and symbols and any tax preparer who steals federal tax remittances." Catherine D. Tucker, acting Special Agent in Charge of IRS - Criminal Investigation in Los Angeles stated: "While most return preparers provide excellent service to their clients, a few unscrupulous tax preparers file false and fraudulent returns to defraud the government, the tax-paying public and their own clients. The investigation of Abdul Wahid