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PINOLE RETURN PREPARER PLEADS GUILTY TO PREPARING FALSE TAX RETURN

Prepared Return Containing False Charitable Deductions

SAN FRANCISCO – United States Attorney Joseph P. Russoniello and Special Agent in Charge, IRS Criminal Investigation, Scott O'Briant announced that Charles Edward Pullen pleaded guilty to one count of willfully preparing a false U.S. Individual Income Tax Return, Form 1040. This guilty plea is the result of an investigation by the Internal Revenue Service Criminal Investigation.

Mr. Pullen of Pinole, California, was indicted by a federal Grand Jury on January 10, 2008. He was charged with 25 counts of willfully preparing false U.S. Individual Income Tax Returns, for taxpayers which contained materially false items reported on the taxpayers' Schedule A, in violation of Title 26 U.S.C. § 7206(2). According to the indictment, the total amount of false items claimed on these 25 tax returns for the 2001, 2002, and 2003 tax years exceeded \$302,000.

On July 23, 2008, Mr. Pullen admitted that he aided and assisted in preparing the to aiding and assisting in preparing a false return for the 2003 tax year. At the hearing, Mr. Pullen admitted to including of false charitable deductions on this individual's income tax return with an inflated purchase price of \$36,682. Mr. Pullen claimed a false deduction for this property in the amount of \$19,980 and also included a \$7,712 cash contribution and \$15,700 business expense, which were also false. The amount of the false claims nearly equaled this individual's 2003 salary, and according to statements during the hearing, Mr. Pullen included charitable deductions on each of the returns listed in the indictment that nearly equaled each person's income for that year.

The sentencing of Mr. Pullen is scheduled for November 5, 2008 before Judge Charles Breyer in San Francisco. The maximum statutory penalty for each count of aiding and assisting in the preparation of a false tax return in violation of 26 U.S.C. § 7206(2) is three years imprisonment and a fine of \$250,000. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Thomas M. Newman is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kathy Tat. The prosecution is the result of an investigation by the Internal Revenue Service Criminal Investigation.

Further Information:

Case #:08-19-CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Joshua Eaton at (415) 436-6958 or by email at Josh.Eaton@usdoj.gov.

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