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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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# **PHOENIX TAX PREPARER PLEADS GUILTY TO PREPARING FALSE TAX RETURN**

**PHOENIX, ARIZONA** -- The United States Attorney's Office for the District of Arizona announced that on August 27, 2003, SALLY GARGIA, (D.O.B. 2/19/52), of Phoenix, Arizona, pled guilty in federal district court in Phoenix, Arizona, to Preparation of a False Tax Return, a violation of Title 26 of the United States Code, Section 7206(2).

GARCIA had been charged with 18 counts of violating Title 26, United States Code, Section 7206(2), and entered a plea of guilty to Count 1 of the indictment. According to the indictment filed on April 2, 2003, GARCIA assisted 12 different clients in the preparation of 18 different false and fraudulent federal income tax returns spanning a three year period from 1997 through 1999. GARCIA operated through her tax preparation business located in Phoenix, Arizona. GARCIA prepared the returns and, according to the indictment, either inflated or fabricated Schedule A and Schedule C deductions and expenses, claimed false or fraudulent credits, and also manipulated the filing status of clients.

Several of the charges involved creating business losses by reporting nonexistent Schedule C income and then claiming non-deductible expenses which exceeded the income resulting in Schedule C losses,

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frequently resulting in a tax refund or reduction in taxes owed. According to the indictment GARCIA also knew and believed that the clients were not entitled to the refund amounts claimed.

A conviction for a violation of Title 26, United States Code, Section 7206(2) carries a maximum penalty of three years incarceration, a \$100,000 fine, or both.

Sentencing is set before Judge Roslyn O. Silver on November 10, 2003.

The investigation in this case was conducted by special agents of the Phoenix Field Office of the IRS Criminal Investigation.

The prosecution is being handled by Daniel R. Drake, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-03-333-PHX-ROS  
RELEASE NUMBER: 2003-152

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