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FOR IMMEDIATE RELEASE:

TAX RETURN PREPARER SENTENCED TO 3 YEARS

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that ALLEN ESTES, 52, formerly of Bloomington, Indiana, was sentenced to 36 months imprisonment today by U.S. District Judge Sarah E. Barker following his conviction at trial January 31, 2003 for eleven counts of aiding and abetting the filing of a false tax return. This case was the result of several months of investigation by the Internal Revenue Service.

The IRS auditors examined returns for 12 taxpayers whose tax returns for several years during the period of 1995-1999 were prepared by ESTES, a tax return preparer in Bloomington, Indiana,. The IRS discovered numerous instances of fictitious and inflated entries on these tax returns, each time resulting in the taxpayers' liability being reduced. When discovered, the taxpayers had to pay back their tax liability and they had to pay back interest that had accrued since the filing of the false returns. In each instance, the taxpayers had not

told Estes to purposely inflate or falsify entries on their tax returns. ESTES' benefit was charging sizeable fees, ranging from \$200 to \$19,000. Many of the false entries were made on individuals who had small business returns, making it difficult to detect the false entries. ESTES generated significant business by word of mouth and the fact that his clients trusted that he had done a correct job on their tax returns. The loss to the United States was \$158,947 which has been paid back by the taxpayers. The interest they had to pay totaled \$23,720.50 which ESTES must pay back in restitution.

According to Assistant United States Attorney Gayle L. Helart, who prosecuted the case for the government, Judge Barker also imposed 1 years supervised release following ESTES's release from imprisonment. During the period of supervised release, ESTES must pay restitution in the amount of \$23,720.50, and must not open any new lines of credit without the permission of the probation department.

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