



PRESS RELEASE

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SCOTTSDALE MAN CHARGED WITH TAX REFUND SCHEME

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona, announced that a federal grand jury at Phoenix, Arizona, returned a seven count indictment against James Neil Feichtinger, 62, of Scottsdale, Arizona, on February 13, 2002.

The indictment alleges that Feichtinger used two different methods to fraudulently obtain federal income tax refunds to which he was not entitled. In one method, Feichtinger, posing as "Franz" Feichtinger, submitted tax returns and "W-2," federal income tax withholding forms for 1995, 1996 and 1997, falsely claiming for each year that he was entitled to a refund of taxes. In the other method, Feichtinger subscribed in his own name and submitted tax returns and W-2 forms for 1992, 1993, 1994 and 1995, also falsely claiming that he was entitled to refunds for each year. In both cases, Feichtinger submitted bogus W-2 forms that claimed several thousands of dollars of taxes had been withheld by his employer and paid over to the IRS, when in fact the employers listed on the forms were companies that Feichtinger created for the purpose of, among others, submitting false tax return information. Feichtinger's actions managed to cause a loss of over \$130,000 in tax refunds or credits.

(MORE)

The federal indictment charges Feichtinger with violating Title 18 of the United States Code, Section 287 for submitting false claims in the name of Franz Feichtinger and with violating Title 26 of the United States Code, Section.7206(1) for making and subscribing to a false tax return.

A conviction for submitting false claims carries a maximum penalty of five year(s), a \$250,000 fine or both, and a violation for making and subscribing to false returns carries a maximum penalty of three years, a fine of \$100,000 or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Criminal Investigation Division of the Internal Revenue Service.

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