



U.S. Department of Justice

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PRESS RELEASE
UTAH TAX RETURN PREPARERS
SENTENCED FOR TAX FRAUD

*Defendants Aided and Assisted in the Preparation of False Tax Returns at
Mercer Consulting Group in Bountiful, Utah*

SALT LAKE CITY-- Lynne K. Mercer was sentenced in federal court in Salt Lake City Monday afternoon in connection with preparing false federal income tax returns for clients at his tax return preparation business, Mercer Consulting Group, the U.S. Justice Department, the U.S. Attorney's Office in Utah, and Internal Revenue Service (IRS) announced today.

U.S. District Judge David Sam sentenced Lynne Mercer to 18 months imprisonment to be followed by 12 months of supervised release. He also ordered him to pay a \$4,000 fine.

In a related case, Lance Mercer, who also worked at Mercer Consulting Group, was sentenced by U.S. District Judge Paul Cassell on January 10, 2007. Lance Mercer was sentenced to five months' imprisonment, five months' home detention, and 12 months of supervised release. Judge Cassell also ordered Lance Mercer to pay \$11,378 in restitution to the United States.

"As we enter the 2006 income tax return filing season, this case should serve as a reminder to tax return preparers of their legal duty to accurately and honestly prepare their clients' tax returns. While the vast majority of tax preparers do their work accurately and honestly, we will vigorously pursue and prosecute those who wilfully falsify information on tax returns," U.S. Attorney Brett L. Tolman said today.

On March 22, 2006, Lynne K. Mercer and Lance W. Mercer were indicted in separate indictments charging them with multiple counts of aiding and assisting in the

preparation and presentation of false tax returns at Mercer Consulting Group. According to the court papers filed in the case, Lynne Mercer operated Mercer Consulting Group, a tax return preparation business based in Bountiful, Utah, where Lance Mercer, Lynne Mercer's son, was employed as a tax return preparer. The indictments allege that the Mercers used various fraudulent methods to reduce their clients' tax liabilities such as creating and falsifying itemized and business deductions, deducting personal and non-deductible expenses, and deducting the same expense more than once on the same tax return.

In a statement of facts provided to the court, Lynne Mercer and Lance Mercer admitted that they each prepared a federal income tax return that they knew claimed false amounts of income and expenses. Both defendants acknowledged in their plea agreements that as tax return preparers, they had an obligation not to knowingly prepare false tax returns. In their plea agreements, Lynne Mercer admitted that the tax loss from his conduct exceeds \$200,000, and Lance Mercer admitted that the tax loss from his conduct was between \$12,500 and \$30,000.

"We take filing fraudulent tax returns seriously. The sentencing of Lynne Mercer and his son for doing so should send a clear message: If you are in the business of preparing returns and you prepare false returns, you will be prosecuted," said J. Wesley Eddy, IRS Special Agent in Charge.

The case was prosecuted by Trial Attorney Christopher S. Strauss of the United States Department of Justice, Tax Division. Special agents of the Internal Revenue Service investigated and assisted in the prosecution of the case.

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