



*United States Attorney  
Southern District of New York*

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FOR IMMEDIATE RELEASE  
MARCH 14, 2007

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**FORMER ROCKLAND TAX PREPARER PLEADS GUILTY**  
**IN FEDERAL TAX FRAUD CASE**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that DUANE HOWELL, a tax preparer formerly doing business in West Nyack, Rockland County, pleaded guilty today in White Plains federal court to: 1) conspiring to obstruct the Internal Revenue Service ("IRS") and to prepare scores of false and fraudulent income tax returns for individuals and partnerships; and 2) corruptly endeavoring to obstruct the IRS.

During his guilty plea allocution before United States Magistrate Judge GEORGE YANTHIS, HOWELL admitted that he had conspired to falsify expenses on the partnership returns of clients of his tax preparation firm. These fictitious expenses created losses for the partnerships, and those losses flowed through to the returns of the individual clients, thereby fraudulently reducing their tax liability.

HOWELL also admitted that he had conspired to take fraudulent deductions, for contributions to self-employment retirement plans, on the returns of individual clients. Finally, HOWELL admitted submitting false tax returns for himself and his own partnerships.

According to the Indictment, HOWELL generated approximately \$9 million in fraudulent expenses on the partnership returns in question, and approximately \$900,000 in fraudulent deductions for contributions towards self-employment

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retirement plans that were taken on the individual tax returns of his clients.

On the charges to which he pleaded, HOWELL - aged 72, of Princeton, New Jersey - faces a maximum aggregate sentence of eight years in prison and a maximum aggregate fine of \$500,000 or twice the gross gain or loss resulting from the offense. He is scheduled to be sentenced before United States District Judge CHARLES L. BRIEANT on June 19, 2007.

Mr. GARCIA praised the Criminal Investigation Division of the Internal Revenue Service for its efforts during the investigation.

Assistant United States Attorneys ELLIOTT B. JACOBSON and BRENT S. WIBLE are in charge of the prosecution.

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