



**U.S. Department of Justice**

*United States Attorney  
Eastern District of California*

*501 I Street, Suite 10-100  
Sacramento, California 95814*

*916/554-2700  
Fax 916/554-2900*

For Immediate Release  
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**SACRAMENTO MAN PLEADS GUILTY TO FALSE TAX RETURN SCHEME**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that BRENT DANIEL SHAW, 38, of Sacramento, California, pleaded guilty before Chief U.S. District Court Judge David F. Levi on June 10, 2004, to a scheme involving the filing of false returns with both the California Franchise Tax Board and the Internal Revenue Service. Specifically, SHAW pleaded guilty to one count of mail fraud, one count of aiding and assisting in the presentation of a false income tax return, and one count of forging endorsements on treasury checks. Judgment and sentencing has been set before Judge Levi for September 2, 2004 at 10:00 a.m., where SHAW faces a maximum sentence of eighteen years in prison and up to a \$600,000 fine.

This case was investigated by the Internal Revenue Service - Criminal Investigation Division, the California Franchise Tax Board, the United States Secret Service, and the United States Postal Inspection Service.

According to Assistant U.S. Attorneys James Arguelles and Daniel Linhardt, who are prosecuting the case, during the period of 2000 through 2002 SHAW was in the tax return preparation business. As part of his guilty plea, SHAW admitted that although he would provide his tax return clients with a correct copy of their state and federal income tax returns, he would alter these returns prior to actually sending them in to the California Franchise Tax Board ("FTB") and the IRS. These fraudulently prepared returns, which SHAW submitted to the FTB and the IRS without the knowledge or consent of his clients, included new and bogus deductions to reduce the taxpayers' state and federal tax liability, which in turn caused the FTB and the IRS to issue larger refunds than were actually due and owing.

Upon receipt of these falsely inflated refund checks, which SHAW directed the IRS and FTB to mail directly back to him, SHAW forged his clients' signatures and personally deposited or cashed the refund checks. SHAW then issued new checks to his clients for the amount of the refund they were led to believe they were getting, which again was lower than the amount SHAW actually received from the IRS and the FTB. In so doing, SHAW was able to keep the difference between the refund amount based on the correct tax return his clients thought he was submitting, and the fraudulent and overinflated returns he actually submitted to the FTB and the IRS.

According to United States Attorney McGregor W. Scott, "The United States Attorney's

Office is pleased to have joined with the IRS to target this wide-scale fraud. Our vigorous prosecution efforts should serve as notice to others who would attempt to engage in false tax return schemes.”

A copy of this news release is available at <http://www.usdoj.gov/usao/cae/home>, select Press Releases.

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