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**SACRAMENTO TAX PREPARER SENTENCED TO TWENTY-ONE
MONTHS IN PRISON FOR FALSE TAX RETURN SCHEME**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that BRENT DANIEL SHAW, 39, of Sacramento, California, was sentenced today by Chief U.S. District Court Judge David F. Levi to twenty-one months in prison in connection with his participation in a scheme involving the filing of false returns with both the California Franchise Tax Board and the Internal Revenue Service (IRS). On June 14, 2004, 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. Parole has been abolished in the federal criminal system, and SHAW will be required by law to serve at least 85% of the prison time imposed.

This case was investigated by the IRS - Criminal Investigation, 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 return SHAW actually received from the IRS and the FTB. In so doing, SHAW was able to improperly 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.

"The stiff sentence meted out today should serve as a stern reminder of the consequences

of attempting to bilk the state and federal agencies entrusted with collecting tax revenue,” stated United States Attorney Scott.

According to IRS Criminal Investigation Special Agent in Charge Roger L. Wirth: "Most tax professionals follow the laws. Unfortunately there are those relatively few that don't, and they can cost the taxpaying public dearly."

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