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BALTIMORE MAN PLEADS GUILTY TO PREPARING FALSE TAX RETURNS

BALTIMORE, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that today James E. Jones, age 48, of Baltimore, Maryland pleaded guilty before U.S. District Judge Andre M. Davis to the preparation of false tax returns.

According to the statement of facts presented today to the court as part of his guilty plea, Jones, who has a bachelor of science degree in accounting, operated a tax preparer business under the name Biz-Tech Consulting Services with about 150 clients located throughout the Baltimore, Washington and Northern Virginia region. Jones would meet with the clients in their homes and after obtaining the relevant information would produce a completed tax return, using a laptop computer and a printer, which would then be signed by the taxpayer and himself. Jones would also provide the client with an envelope addressed to the Internal Revenue Service Center, in order for the client to file the return.

Investigation by IRS agents revealed that Jones filed 130 IRS power of attorney forms falsely representing that he was a certified public accountant. In addition, an analysis of 39 returns from 14 taxpayers who used Jones as a tax preparer revealed that Jones consistently included false or

inflated deductions to reduce or eliminate a tax liability and to generate or increase a tax refund. These included false deductions for personal property taxes, charitable deductions, and employee business expenses, as well as inflated deductions and losses from non-existent businesses, for a total tax loss of \$134,223.

This case was investigated by the Internal Revenue Service - Criminal Investigation Division and was prosecuted by Assistant United States Attorney Stephen M. Schenning.