

# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Immediate Release***

**NEWS RELEASE SUMMARY** - February 9, 2007

United States Attorney Carol C. Lam announced that German Castillo, a self-employed tax preparer doing business as “Hispanic Professional Services,” was sentenced today in federal court in San Diego following his plea of guilty to a felony count of tax evasion, and a felony count of aiding or advising a false income tax return. United States District Judge John A. Houston sentenced Castillo to serve five months in custody, followed by five months of house arrest, a three-year term of supervised release following his release from prison, a \$3,000 fine, and a \$200 penalty assessment, and ordered that Castillo not work as a tax preparer during the period of his supervised release. Judge Houston also ordered that Castillo cooperate with the Internal Revenue Service (IRS) in the payment of all taxes, penalties and interest determined to be due and owing.

According to court records, Castillo admitted in his guilty plea that for the 1999 and 2000 tax years he intentionally failed to report to the Internal Revenue Service approximately \$142,779 in income received by him from his tax preparation business, and that he thereby attempted to evade approximately \$51,245 in

taxes due and owing to the United States. Castillo also admitted that, in preparing tax returns for seven other individuals, he knowing and willfully falsified and exaggerated the deductions claimed on the returns in an attempt to defeat a total of approximately \$18,152 in additional taxes due and owing to the United States.

United States Attorney Lam said, "Not content to cheat on his own taxes, Castillo earned a living helping others cheat as well. His self-proclaimed 'professional services' turned out to be something far less impressive."

"IRS-Criminal Investigation will continue to aggressively investigate tax return preparers who knowingly prepare false tax returns that claim deductions that their clients are not entitled to. These dishonest preparers undermine the integrity of our tax system and must be held accountable," said Kenneth J. Hines, Special Agent in Charge, IRS Criminal Investigation, San Diego Field Office.

Judge Houston ordered Castillo to self-surrender on April 30, 2007.

**DEFENDANT**

**Criminal Case No. 06-CR-1874-JAH**

German Castillo

**SUMMARY OF CHARGES**

Title 26, United States Code, Section 7201 - Tax Evasion

Maximum penalties: 5 years in prison; a \$100,000 fine; and 3 years of supervised release.

Title 26, United States Code, Section 7206(2) - Aiding or Advising False Income Tax Return

Maximum penalties: 3 years in prison; \$100,000 fine; and 1 year of supervised release.

**PARTICIPATING AGENCY**

Internal Revenue Service, Criminal Investigation