



*Office of the United States Attorney
District of Arizona*

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For Information Contact Public Affairs
SANDY RAYNOR
Telephone: (602) 514-7625
Cell: (602) 525-2681

PHOENIX METRO TAX RETURN PREPARER PLEADS GUILTY TO PREPARING FALSE RETURN

PHOENIX - Huy Phuoc Nguyen, 60, of Phoenix, pleaded guilty today to an Information charging Aiding and Assisting in the Presentation of a False and Fraudulent Individual Income Tax Return. Sentencing is set before U.S. District Judge David G. Campbell on January 26, 2009.

In his guilty plea, Nguyen acknowledged that from 2001 to 2006 he operated Lucky's Immigration and Tax Preparation Service in and around Phoenix. He prepared income tax returns himself and also directed his wife and son in the preparation of returns. In his plea agreement, Nguyen admitted to a tax loss to the Internal Revenue Service of \$90,527 caused by false deductions and expenses in 35 individual income tax returns prepared by him for tax years 2001 to 2005.

Nguyen stated in his plea agreement that he knowingly falsified returns to help taxpayers get larger refunds and/or to lower their tax bills. His plea agreement describes one particular tax return prepared in early 2005 in which Nguyen inflated the amount of business expenses, mortgage interest, and real estate taxes incurred by the taxpayer, even though the taxpayer had provided Nguyen with receipts documenting the true amounts for those items. Nguyen claimed child tax credits, even though Nguyen knew that this was not a proper deduction. Nguyen knew that these false deductions and expenses would result in a lower tax bill for the taxpayer.

A conviction for Aiding and Assisting in the Presentation of a False and Fraudulent Income Tax Return carries a maximum sentence of three years in federal prison, a \$250,000 fine or both. In determining an actual sentence, the judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

The investigation in this case was conducted by Special Agents of the Internal Revenue Service, Criminal Investigation. The prosecution is being handled by Rachel C. Hernandez, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-08-1348-PHX
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