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FOUR BAY AREA TAX RETURN PREPARERS CHARGED WITH PREPARING FALSE TAX RETURNS

SAN FRANCISCO – United States Attorney Joseph P. Russoniello and Special Agent in Charge, IRS Criminal Investigation, Scott O’Briant, announced the federal grand jury indictments of four fraudulent tax return preparers in the Northern District of California. With the tax deadline for filing tax returns approaching, IRS officials today issued a warning to citizens, especially those in the business of preparing fraudulent tax returns, and those trusting their returns to tax return preparers, that federal tax authorities continue to dedicate resources to prosecuting those who assist others in preparing fraudulent tax returns.

The indictments charge the following individuals:

On January 10, 2008, Charles Edward Pullen of Pinole, California was charged with 25 counts of willfully preparing false U.S. Individual Income Tax Returns, Forms 1040, for taxpayers which contained materially false items reported on the taxpayers’ Schedule A . The total amount of false items claimed on these 25 tax returns for the 2001, 2002, and 2003 tax years is \$302,372.

On January 16, 2008, Lydia Hernandez of Salinas, California was indicted on three counts of tax evasion and 39 counts of willfully preparing false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, for taxpayers for the years 2002, 2003 and 2004. Ms. Hernandez inflated and fabricated deductions, which caused the income claimed on each return to be false. The total amount of unreported taxable income on these 39 tax returns is \$1,163,425.

On January 17, 2008, Robert Thomas Doyle, a former resident of Oakland, California, was charged with 34 counts of filing false claims against the United States by preparing U.S. Individual Income Tax Returns, Forms 1040, claiming false refunds. The false refunds were for the tax years 2000, 2001, 2002, 2003 and 2004, which total \$87,891.

Also on January 17, 2008, Fatai Onevai, a former resident of Pittsburg, California was indicted on 37 counts of preparing false and fraudulent U.S. Individual Income Tax Returns, Forms 1040 for taxpayers which contained materially false items reported on the taxpayer’s Schedule A and Schedule C-EZ. Mr. Onevai also made false claims related to filing status and exemptions. The total amount of false items claimed on the 37 tax returns is \$1,349,039.

U.S. Attorney Joseph Russoniello and Scott O’Briant, Special Agent in Charge IRS-Criminal Investigation, remind taxpayers that they are responsible for the accuracy of all entries made on their tax returns, which include related schedules, forms and supporting documentation. This remains true whether the return is prepared by the taxpayer or by a return preparer. The IRS Criminal Investigation suggests the following

helpful hints for choosing a Return Preparer to ensure you don't hire an Abusive Return Preparer:

- Be cautious of tax preparers who claim they can obtain larger refunds than other preparers.
- Avoid preparers who base their fee on a percentage of the amount of the refund.
- Use a reputable tax professional who signs your tax return and provides you with a copy for your records.
- Review your return before you sign it and ask questions on entries you don't understand.
- No matter who prepares your tax return, you, the taxpayer, are ultimately responsible for all of the information on your tax return. Therefore, never sign a blank tax form.
- Find out the person's credentials. Only attorneys, certified public accountants (CPAs) and enrolled agents can represent taxpayers before the IRS in all matters including audits, collection and appeals. Other return preparers may only represent taxpayers for audits of returns they actually prepared.
- Find out if the preparer is affiliated with a professional organization that provides its members with continuing education and resources and holds them to a code of ethics.
- Ask questions. Do you know anyone who has used the tax professional? Were they satisfied with the service they received?
- Further, tax evasion is a serious crime, a felony, punishable by five years imprisonment and a \$250,000 fine.

The maximum statutory penalty for each count of aiding and assisting in the preparation of a false tax return in violation of 26 U.S.C. § 7206(2) is three years imprisonment and a fine of \$100,000. The maximum statutory penalty for tax evasion, in violation of 26 U.S.C. § 7201 is 5 years in prison and a fine of \$250,000. The maximum statutory penalty for each count of false claims in violation of 18 U.S.C. § 287 is five years imprisonment and a fine of \$250,000. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Thomas Newman, Cynthia Stier, Eumi Choi, and Thomas Moore are the Assistant U.S. Attorneys who are prosecuting these cases with the assistance of Kathy Tat and Susan Kreider. These prosecutions are the result of investigations by the Internal Revenue Service Criminal Investigation.

Further Information:

Case #: CR 08-0015 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Joshua Eaton at (415) 436-6958 or by email at Josh.Eaton@usdoj.gov.

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