



Department of Justice

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OPELIKA MAN PLEADS GUILTY TO TAX FRAUD CHARGES

Montgomery, Alabama - Equanator Cornelius Thomas ("Cornelius"), age 34, of Opelika, pled guilty to one count of an indictment charging him with aiding and abetting the filing of fraudulent federal income tax returns, in violation of Title 26, United States Code, Section 7206(2), U.S. Attorney Leura G. Canary announced today.

Thomas operated a tax preparation business in Auburn, Alabama, under the name CK Tax Service. From January 2008 through April 2008, Thomas personally prepared fraudulent claims for federal income tax refunds. The returns were submitted to the IRS under the name of CK Tax Service. The defendant, through CK Tax Service, obtained from the IRS a number (known as an "EFIN number"), which would allow CK Tax Service to file returns electronically.

Thomas used a computer to prepare numerous returns that falsely claimed refunds that substantially exceeded the actual refund, if any, that the taxpayer was entitled to. The returns were prepared for persons who requested that CK Tax prepare their returns. For these returns, Thomas would manipulate the taxpayer's income by adding a Schedule C that falsely contained business losses or income not actually incurred by the taxpayer, in order to render the taxpayer eligible for the earned income tax credit or to a larger refund than they were entitled. The

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defendant filed the false Schedule C's without the knowledge of the individual taxpayer.

At sentencing, Thomas faces a statutory maximum prison sentence of 3 years in federal prison. Thomas also faces the possibility of an order of restitution, and a fine of up to \$100,000.

The case was investigated by the Internal Revenue Service, Criminal Investigation Division. The case is being prosecuted by Assistant U.S. Attorney Brandon K. Essig.

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