

NEWS

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Browns Mills Tax Preparer Admits Defrauding the IRS Through the Preparation of False Tax Returns

(More)

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TRENTON – A Browns Mills tax preparer pleaded guilty today in connection with his scheme to defraud the Internal Revenue Service of income tax revenues owed from his clients, U.S. Attorney Paul Fishman announced.

Joseph Callahan, of Browns Mills, pleaded guilty before U.S. District Judge Joel A. Pisano to a four-count Information that charges him with fraud in the preparation of tax returns. Judge Pisano released the defendant on a \$50,000 bond pending sentencing, which is scheduled for March 16.

At his plea hearing, Callahan stated that from at least 2003 through 2007, he owned and operated a tax preparation business named A-1 Business Solutions which was located in Browns Mills. The investigation revealed that for the tax years 2003 through 2006, Callahan operated a scheme to defraud the Internal Revenue Service of income tax revenues owed in connection with more than a dozen taxpayers.

In most cases, the reduction of Callahan's clients' tax liability resulted in the clients receiving inflated tax refunds to which they were not entitled. In fact, Callahan prepared and caused to be filed approximately 55 returns for 17 clients for tax years 2003, 2004, 2005 and 2006 that contained false and fraudulent information and resulted in a total tax loss of approximately \$118,982.

Each count of aiding and assisting in the preparation of false tax returns carries a maximum penalty of 3 years in prison and a fine of \$100,000 or twice the aggregate loss to the victim or gain to the defendant.

In determining an actual sentence, Judge Pisano will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents of the IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Jennifer Davenport of the U.S. Attorney's Office Criminal Division in Trenton.

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Defense Attorney: Lisa Van Hoeck, Esq. Assistant Federal Public Defender