

NEWS

United States Department of Justice
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Newark Tax Preparer Indicted in Scheme to Defraud the IRS

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NEWARK – A federal grand jury yesterday indicted a Newark man on seventeen counts of knowingly preparing fraudulent tax returns in order to defraud the Internal Revenue Service of owed taxes, U.S. Attorney Paul J. Fishman announced.

Carlo St. Jean, 38, the owner of a travel agency in Newark, allegedly prepared tax returns for clients in which he fabricated and inflated deductions for taxpayers, allowing taxpayers to obtain refunds to which they were not entitled. According to the Indictment, St. Jean was the sole owner of Grand Travel Inc. Discount Timeshare in Newark, New Jersey, where he met with clients to prepare their tax returns for a fee. From 2004 through 2006, St. Jean prepared tax returns for other people that included false deductions for medical expenses, gifts to charity, and job and other miscellaneous expenses in order to obtain larger refunds for his clients.

Counts One through Seventeen of the Indictment specifically allege that St. Jean aided and assisted in the presentation of fraudulent tax returns for seven separate clients for tax years 2004, 2005, and 2006. The tax loss resulting from St. Jean's alleged conduct is approximately \$272,174.

“While most return preparers are honest and provide excellent service, a few dishonest tax preparers file false and fraudulent returns to defraud the government” stated William P. Offord, Special Agent in Charge of IRS-Criminal Investigation, Newark Field Office. “Taxpayers should understand that if they decide to use the services of a return preparer, the taxpayer is ultimately responsible for all of the information on the return. If the return is filed using incorrect information, the taxpayer will be responsible for paying the additional taxes and penalties.”

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.

The investigation by the Internal Revenue Service Criminal Investigation and U.S. Attorney's Office is continuing.

Despite indictment, the defendant is presumed innocent unless proven guilty beyond a reasonable doubt.

Fishman credited Special Agents of the IRS-CI, under the direction of Special Agent In Charge William P. Offord.

The Government is represented by Assistant U.S. Attorney Zahid N. Quraishi, of the U.S. Attorney's Government Fraud Unit.

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