

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
402 East State Street, Room 430  
Trenton, New Jersey 08608

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***Christopher J. Christie, U.S. Attorney***

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***More Information?*** Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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peti0108.rel  
FOR IMMEDIATE RELEASE  
Jan. 8, 2007

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Tax Preparer Sentenced to 36 Months in Prison for Preparing and  
Submitting False U.S. Individual Income Tax Returns

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(More)

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TRENTON – A former co-owner/operator of a Cape May County tax service was sentenced today to 36 months in prison for preparing and filing materially fraudulent and false U.S. Individual Income Tax Returns, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Mary L. Cooper also ordered John J. Petitti, 63, formerly of Cape May Courthouse, to pay restitution in the amount of \$222,532.

According to the one-count Information to which Petitti pleaded guilty, from 1999 until January 2004, Petitti prepared at least 30 individual income tax returns that contained fraudulently claimed itemized deductions and home business expenses.

Petitti entered his plea in U.S. District Court in Trenton before Judge Cooper on Aug 22, 2006. At his plea hearing, Petitti acknowledged that, during the time period covered in the Information, he was a co-owner/operator of C&J Tax Specialists in Lower Township. Petitti admitted that on April 15, 2002, he prepared a 2001 U.S. Individual Income Tax Return, Form 1040, for an individual identified as “B.R.,” which falsely stated that B.R. was entitled to income tax deductions totaling approximately \$14,644 for expenses including maintenance of rental properties, medical expenses, charitable contributions and business expenses.

Petitti admitted that B.R. was not entitled to those income tax deductions and that he falsely and fraudulently claimed the deductions on B.R.’s 2001 individual income tax return, which caused B.R. to underpay taxes due. Based on Petitti’s false representations on B.R.’s income tax return, B.R. paid taxes totaling \$11,536 for calendar year 2001, when, in fact, B.R. should have paid taxes totaling \$26,200.

In determining the actual sentence, Judge Cooper consulted 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.

Christie credited Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge Patricia J. Haynes, for investigation of the case.

The Government is represented by Assistant U.S. Attorney Eugenia A.P. Cowles, of the U.S. Attorney’s Criminal Division in Trenton.

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Defense Attorney: David E. Schafer, Esq. Asst. Federal Public Defender