



NEWS RELEASE

Internal Revenue Service – Criminal Investigation

Cincinnati Field Office – Cleveland, Ohio POD

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FOR IMMEDIATE RELEASE

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LOCAL INCOME TAX RETURN PREPARER SENTENCED

Cleveland, Ohio

James K. Staples, of Cleveland, Ohio was sentenced to serve five months of incarceration, 1 year of supervised release, of which the first seven months will be in home confinement with electronic monitoring, and a \$4,000 fine for preparing false and fraudulent federal income tax returns with the Internal Revenue Service (IRS). Staples previously plead guilty to the aforementioned charge on April 1, 2009.

William J. Edwards, United States Attorney for the Northern District of Ohio and Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Cincinnati Field Office announced the sentence handed down today by United States District Judge Lesley Wells.

According to court documents, between January 2003, and April 2006, Staples operated a sole proprietorship tax preparation business under the name J. Staples Agency Tax Service. During the 2002 through 2005 income tax years, Staples prepared approximately 76 false and fraudulent federal income tax returns for 27 clients that contained one or more false entries relating to the clients' income, deductions, credits and filing status.



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Specifically, Staples prepared false and fraudulent federal income tax returns which included one or more of the following false entries: education tax credits based on purported educational expenses which the clients had not incurred; Schedule A itemized deductions which the clients had not incurred or paid; falsely stated filing status; deductions based on expenditures or costs the clients had not incurred; Schedule C losses from purported business activity which the clients did not own or conduct; and Schedule E losses from rental properties purportedly owned by the clients which did not own any rental properties.

As a result of the false and fraudulent income tax returns prepared by the Staples, false federal income tax refund claims totaling approximately \$119,975.00 were filed with the IRS.

“Refunds are issued to taxpayers who are entitled to them,” said Jose A. Gonzalez, Special Agent in Charge, IRS, Criminal Investigation “Criminal Investigation will continue to work to aggressively investigate and prosecute those who prepare false tax returns to claim improper refunds.”

This case was prosecuted by Assistant United States Attorney Robert W. Kern, of the Cleveland U.S. Attorney’s Office, following an investigation by the Cleveland Office of the Internal Revenue Service, Criminal Investigation Division.

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