



U.S. Department of Justice

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PRESS RELEASE

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District Man Sentenced to Jail And Ordered To Pay \$161,000 in Restitution in Tax Fraud Conspiracy

WASHINGTON - Vincent Phillips, 51, of Washington, D.C., has been sentenced to jail time and a six-month period of home detention on federal charges stemming from the creation and submission of false income tax returns through his business, Nubian Tax Express.

The sentencing was announced by U.S. Attorney Ronald C. Machen Jr., Jeannine A. Hammett, Acting Special Agent in Charge, Washington, D.C. Field Office, Internal Revenue Service-Criminal Investigation, Deputy Chief Financial Officer Stephen M. Cordi, of the District of Columbia Office of Tax and Revenue, and Robert M. Geary, Special Agent in Charge of the Washington Field Division of the Treasury Inspector General for Tax Administration.

Phillips pled guilty in September 2010, in the U.S. District Court for the District of Columbia, to charges of conspiracy and aiding and assisting in the preparation of a fraudulent tax return. He was sentenced on August 10, 2011 by the Honorable Emmet G. Sullivan. The judge followed up with an order setting more details concerning the sentence on August 15, 2011.

Judge Sullivan ordered Philips to serve two years of probation. During that time, Philips is to spend 52 three-day weekends in jail and 24 days in a halfway house or other community confinement. He also is to spend six months in home detention, perform 500 hours of community service, and pay \$161,483 in restitution along with an additional \$4,000 fine within 30 days.

According to information submitted to the court by Assistant U.S. Attorney Sherri L. Schornstein, from January 1, 2005, through January 22, 2009, Phillips and others conspired to impede and impair the lawful functions of the IRS in the collection of taxes and to defraud the IRS in the approximate amount of \$161,483 by filing false income tax returns, Forms 1040.

The tax returns falsely claimed credits to which various Nubian clients were not entitled, thereby generating fraudulent income tax refunds.

Phillips and employees working for him would meet with taxpayers who wanted to have their U.S. Individual Income Tax Return, Form 1040, prepared at Nubian's offices in Washington, D.C. or Capitol Heights, Md. Phillips and his employees would obtain from each taxpayer his or her identifying information and information concerning income and expenses. In some instances, a copy of a tax return reflecting truthful information was provided to the client.

All client income tax returns prepared at the Capitol Heights office would be sent to the Nubian office in the District of Columbia, where they and the tax returns prepared at the D.C. Office were reviewed by Phillips. Unbeknownst to some of the Nubian taxpayer/clients, Phillips would alter or would direct others to alter, the clients' income tax returns, including by fraudulently claiming a non-existent Schedule C business.

Some of the Nubian clients were TANF recipients and were not required to file U.S. Individual Income Tax Returns, because they did not meet the minimum income levels (TANF is a U.S. federal government assistance program that provides cash to indigent families with dependent children). The Form 1040, U.S. Individual Income Tax Returns, were filed electronically. Phillips used another name on the electronically transmitted income tax returns. The federal tax refunds were issued directly to Nubian and deposited into a bank account controlled by Phillips. He issued checks to the individual taxpayers for their supposed federal income tax refunds. Unbeknownst to the taxpayers, Phillips was keeping a larger part of the money than the Nubian clients were aware he had obtained from the IRS as a result of the fraudulently filed income tax returns, which claimed fraudulent income tax refunds.

In announcing the sentence, U.S. Attorney Machen, Acting Special Agent in Charge Hammett, Deputy Chief Financial Officer Cordi and Special Agent in Charge Geary commended the work of Special Agent Scott Riha and Michael Helgesen, IRS-Criminal Investigation; Special Agent Joseph Ratliff, Treasury Inspector General for Tax Administration, and the late Special Agent Joseph Sadler of the D.C. Office of Tax and Revenue.

They also acknowledged the efforts of the U.S. Attorney's Office, including Paralegal Carolyn Cody and Assistant U.S. Attorney Sherri L. Schornstein, who prosecuted the case.