



Department of Justice

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District of Delaware**

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 11, 2011
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TAX PREPARER AND FORMER IRS REVENUE AGENT CONVICTED OF FRAUDULENT TAX PREPARATION

Charles M. Oberly, III, United States Attorney for the District of Delaware, announced today that Ronald A. Bright, of Wilmington, Delaware, pleaded guilty today to one count of assisting in the preparation of a fraudulent tax return. Bright now faces up to three years in prison and a fine of up to \$100,000. A sentencing date has not yet been set.

Ronald Bright served as a Revenue Agent for the Internal Revenue Service (IRS) for approximately 18 years until he was terminated in 2001. In that capacity, Bright was responsible for detailed knowledge of the federal tax code, the proper preparation of tax returns, and the rules for claiming deductions and credits on a federal return.

In December 2002, Bright applied for an Electronic Filing Identification Number (EFIN), and operated a tax preparation business in Wilmington, Delaware called "Bright's Accounting and Tax Service" since the 2003 tax filing season. In 2007 and 2008, Bright filed approximately 600 tax returns each year.

Bright had his clients fill out a tax preparation questionnaire on which the clients could report income and potentially deductible expenses. In some cases, Bright also met in person with the client to discuss tax matters. Bright prepared the Form 1040 (individual income tax return) and related forms and filed them electronically on the clients' behalf.

The Government investigation revealed that Bright routinely falsely included various types of deductions and credits on his clients' returns including (1) Education Credits; (2) Individual Retirement Account (IRA) deductions; (3) charitable donations; (4) unreimbursed employee business expense deductions; and (5) Earned Income Tax Credits. He also falsely represented that married taxpayers were single or separate heads of household to inflate the standard deductions available.

United States Attorney Charles M. Oberly, III praised the work of the Internal Revenue Service stating, "The thorough and careful investigation of these fraudulently prepared tax returns led to the conviction of Mr. Bright, who used his skills and knowledge of the tax code to defraud the

Government by falsely inflating his clients' tax refunds. By holding Bright accountable for his actions, this investigation has stopped Bright from causing taxpayers additional losses.”

Special Agent in Charge Eric Hylton said, “While most return preparers are honest and provide excellent service, a few unscrupulous tax return preparers file false and fraudulent returns to defraud the government and their clients. Taxpayers should choose carefully when hiring a tax return preparer.”

This case was prosecuted by Assistant United States Attorneys Ilana H. Eisenstein and Edward J. McAndrew, who may be contacted for further information.

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