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ROCKFORD FEDERAL INCOME TAX PREPARER CHARGED WITH MAKING FALSE CLAIMS FOR REFUNDS

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois and BYRAM TICHENOR, Special Agent-In-Charge of the Chicago Office of the Internal Revenue Service (“IRS”), today made the following announcement:

A federal grand jury in Rockford returned an indictment yesterday charging **JERRY P. JOHNSON**, 56 (DOB: ~~3/24~~/1951), 4136 Virginia Avenue, Rockford, Illinois, with 20 counts of making false claims for federal income tax refunds. The indictment alleges that in 2001 Johnson started a tax preparation business called “Jerry’s Services” and that for the tax years 2003 and 2004 he prepared federal income tax returns for clients in Rockford. According to the indictment, Johnson prepared and caused to be filed with the IRS 20 individual income tax returns for his clients for the years 2003 and 2004 which were false and fraudulent. The tax returns used the wrong filing status of his clients, failed to report all of his clients’ incomes, claimed IRA contributions that had not been made, and claimed false deductions. The indictment charges that the false refunds totaled \$66,469.

According to the indictment, after filing the false returns electronically with the IRS, Johnson provided his clients with a second set of tax returns which did not include the false claims and which claimed lesser amounts of refunds. Johnson, the indictment alleges, directed that the refunds due his clients be deposited into his own bank account. The indictment charges that Johnson then issued checks to his clients for the amounts of the refunds reflected on the second set of tax returns, rather than the amount of refunds claimed in the returns filed with the IRS. The indictment alleges that Johnson kept the remainder of the inflated refunds.

Each count of filing false claims carries a maximum sentence of five years of imprisonment, a fine of up to \$250,000 and restitution. If convicted, Johnson’s actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines. Johnson is scheduled to be arraigned by United States Magistrate Judge P. Michael Mahoney on April 3, 2007, at 11:00 a.m., at the federal courthouse in Rockford.

The case was investigated by the Chicago office of the IRS. The case will be prosecuted in federal court by Assistant United States Attorney JOSEPH C. PEDERSEN.

Members of the public are reminded that an indictment is only a charge and is not evidence of guilt. The defendant is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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