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January 28, 2011

FORMER BELVIDERE TAX PREPARER ARRESTED ON CHARGES OF FEDERAL TAX FRAUD

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and ROBERT L. DAVILA, Special Agent-In-Charge of the Chicago Field Division of the Treasury Inspector General Tax Administration, today made the following announcement:

MARIO CARRILLO, 42, formerly of Poplar Grove, Illinois, was arrested yesterday morning in Chicago on charges that he prepared fraudulent federal tax returns. The indictment, which was returned by the federal grand jury in Rockford on August 10, 2010, charges Carrillo with eight counts of wire fraud, nine counts of mail fraud, and three counts of submitting false claims to the federal government.

According to the indictment, Carrillo formerly owned and operated "You and Me Tax Service," located at 128 North State Street in Belvidere. The indictment charges that from 2004 through at least March 2009, Carrillo defrauded the United States and his clients by preparing false federal income tax returns for his clients. The indictment alleges that Carrillo often prepared two separate tax returns for his clients. According to the indictment, the returns that Carrillo filed with the Internal Revenue Service ("IRS") on behalf of his clients claimed larger refunds than his clients were actually entitled to receive. On the returns filed with the IRS, the indictment charges, Carrillo falsified material information, such as inflating the number of the client's dependents and falsely claiming child care credits to which his clients were not entitled. It is further alleged that Carrillo provided his clients copies of the returns which showed that they were entitled to receive much smaller refunds.

The indictment also states that Carrillo falsely listed 128 North State Street in Belvidere, (the address of "You and Me Tax Service") as the address of his clients on the returns that were filed with the IRS. According to the indictment, when Carrillo received his clients' refunds, he forged their names on the Treasury checks and deposited those checks into his bank accounts. The indictment further alleges that Carrillo listed his own bank account numbers on some of his clients' returns, causing the IRS to direct deposit the clients' refunds into Carrillo's bank accounts. In some cases, the indictment charges, Carrillo paid his clients the lower refund amount that was shown on the copy of the returns he gave to them. In other cases, the indictment states, Carrillo kept all of the refunds and paid his

clients nothing. In total, the indictment alleges that Carrillo obtained more than \$400,000 in federal tax refunds that he was not entitled to receive.

If convicted of the crimes charged in the indictment, Carrillo faces a maximum sentence of up to 20 years imprisonment on each count of wire fraud and tax fraud, up to 5 years imprisonment on each count of filing false tax returns, and up to 3 years of supervised release following imprisonment. In addition, each count carries a fine of up to \$250,000 and Carrillo could be ordered to pay restitution to the United States and his clients. If convicted, Carrillo's actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

Carrillo was arraigned on the indictment in federal court yesterday afternoon. A bail hearing is set for February 2, 2011, at 10:00 a.m., before Magistrate Judge P. Michael Mahoney in Rockford federal court.

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.

The case was investigated by the Chicago Field Division of the Treasury Inspector General for Tax Administration. The Belvidere Police Department assisted in the investigation. The case is being prosecuted in federal court by Assistant United States Attorney SCOTT A. VERSEMAN.

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