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News Release

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Minnesota man pleads guilty to preparing false claims for tax refunds

Earlier today in federal court in St. Paul, a Minnesota man pleaded guilty to preparing federal income tax returns for friends and relatives that included false information in an effort to inflate their tax refunds. Appearing before United States District Court Judge Donovan W. Frank, Tyrone Dwayne Houston pleaded guilty to one count of making false claims for tax refunds. Houston was indicted on February 8, 2011.

In his plea agreement, Houston admitted that in preparing federal individual income tax returns for others, he falsely stated the wage information of individual taxpayers in order to obtain tax refunds that exceeded the amounts the various taxpayers were actually entitled to receive. Houston was paid for electronically preparing and submitting the false returns. He admittedly filed false tax returns for at least nine others and himself for tax years 2005 and 2006. The total loss due to his actions is approximately \$115,954, which consists of \$80,832 in false federal claims obtained for others, \$29,266 in false state claims obtained for others, and \$5,856 in false federal and state claims obtained for himself.

Following today's plea hearing, Kelly Jackson, Special Agent in Charge of the Internal Revenue Service-Criminal Investigation Division's St. Paul Field Office, said, "Return preparer fraud is a priority for IRS Criminal Investigation and we have committed many resources to investigating and prosecuting cases just like this one. Taxpayers should be very selective in choosing a return preparer, and have confidence knowing that person will prepare accurate tax returns and safeguard their financial information."

For his crime, Houston faces a potential maximum penalty of five years in prison. Judge Frank will determine his sentence at a future hearing, yet to be scheduled.

This case is the result of an investigation by the Internal Revenue Service-Criminal

Investigation Division. It is being prosecuted by Assistant U.S. Attorney Nicole A. Engisch.

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Per U.S. Department of Justice policy, the U.S. Attorney's Office is not allowed to provide the age and city of residence for defendants charged in criminal tax cases.