



# Department of Justice

**United States Attorney Andrew T. Baxter  
Northern District of New York**

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Tuesday, December 22, 2009

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## **Tax Preparer Sentenced**

Albany, New York – Andrew T. Baxter, United States Attorney for the Northern District of New York, and Patricia J. Haynes, Special Agent In Charge, Criminal Investigation, Internal Revenue Service, New York Field Office, announced that, on December 11<sup>th</sup>, JOHN C. STERLING was sentenced by Senior U.S. District Judge Frederick J. Scullin, Jr., to serve 5 years on probation with 6 months home detention, and to pay \$113,671 restitution to the Internal Revenue Service and a \$100 special assessment. The sentence was the consequence of STERLING's conviction, upon his guilty plea, of aiding and assisting in the preparation and presentation of false tax returns, in violation of 26 U.S.C. § 7206(2). At the time of his guilty plea, STERLING admitted that:

STERLING ran a tax preparation business called JC Sterling, Income Tax Preparation. STERLING prepared as many as 1000 returns per year, charging clients \$20 - \$60 per tax return he prepared and filed for them. Among the many tax returns Sterling prepared for tax years 2004, 2005, and 2006 were at least 114 filed returns that included false claims to itemized deductions on Schedule A. In preparing these 114 tax returns, Sterling created and falsified expenses and deductions relating to real estate taxes, charitable contributions, and job expenses. The aggregate amount of false expenses and deductions made in these 114 tax returns prepared by Sterling for tax

years 2004, 2005, and 2006, and the resulting tax losses, were:

	2004	2005	2006
False Schedule A Claims	\$162,207	\$221,927	\$139,134
Tax Loss	\$35,209	\$46,105	\$32,357

The aggregate tax loss for these 114 returns over the three years thus was \$113,671.

The case was investigated by Criminal Investigation, Internal Revenue Service, in Albany, New York.

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