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Southern District of New York

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BRONX TAX PREPARER SENTENCED IN MANHATTAN FEDERAL COURT TO THREE YEARS IN PRISON FOR PREPARING FALSE TAX RETURNS

Sixteenth Defendant Charged as Part of "Operation Brass Tax" to be Sentenced

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that PATRICIA CARTER, a former Bronx-based tax preparer, was sentenced today in Manhattan federal court to three years in prison for preparing false tax returns. CARTER was charged along with 25 other tax preparers as part of "Operation Brass Tax," a joint investigation conducted by the U.S. Attorney's Office for the Southern District of New York and the Internal Revenue Service ("IRS"). CARTER was sentenced today by U.S. District Judge WILIAM H. PAULEY III.

Manhattan U.S. Attorney PREET BHARARA said: "With today's sentence, Patricia Carter becomes the latest - but not the last - in a long line of defendants to be held to account for cheating the IRS out of millions of dollars in tax revenues. There is no place for corruption in the preparation of tax returns, and we will do everything within our power to ensure that the government receives every tax dollar to which it is entitled and that those who violate the law are punished."

According to court documents filed in connection with the case and statements made during CARTER's guilty plea in June 2011:

CARTER owned and operated a tax preparation business, known as "Pat's Tax Services," out of her home in the Bronx, New York. For the tax years 2002 through 2005, CARTER prepared approximately 1,500 returns on behalf of her clients, of which nearly 98% resulted in refunds that totaled at least \$7 million. To achieve larger refunds for her clients, CARTER inflated or created fictitious expenses and deductions in order to decrease their tax liabilities.

With today's sentence CARTER becomes the 16th of the 26 defendants charged as part of Operation Brass Tax to be sentenced. The following defendants have been sentenced:

- DAVIS JACKSON, a Bronx-based tax preparer, was sentenced in September 2011 to 63 months in prison for preparing false tax returns, some of which used identity information of deceased children so that they could be listed as dependents.

- LESTER MORRISON, the leader of a tax fraud scheme involving four other individuals in the Bronx, New York and New Jersey, was sentenced in January 2011 to six years in prison. MORRISON's scheme resulted in more than \$28 million in fraudulent refunds.
- PAULETTE BULLOCK, who led the tax fraud scheme with MORRISON, was sentenced in February 2011 to five years in prison.
- KEVIN VADEN, who was part of the scheme led by MORRISON and BULLOCK, was sentenced in April 2011 to six months in prison.
- GARY HANNA, who was part of the scheme led by MORRISON and BULLOCK, was sentenced in April 2011 to four months in prison.
- JOY DAVID, who was part of the scheme led by MORRISON and BULLOCK, was sentenced in January 2011 to time served.
- WALLINGFORD LEE, a bank employee who used his relationship with a check-cashing establishment in lower Manhattan to cash \$200,000 worth of fraudulently-obtained Treasury checks, was sentenced in November 2010 to five years of probation.
- KELVIN CRUCEY, the principal of a Manhattan-based tax preparation firm, was sentenced in February 2011 to 27 months in prison.
- JOSEFINA GUZMAN, a Bronx-based tax preparer, was sentenced in February 2011 to 33 months in prison.
- STEPHEN WASHINGTON, SR., a Bronx-based tax preparer, was sentenced in March 2011 to 21 months in prison.
- GLORIA GAVIRIA, a Manhattan-based tax preparer, was sentenced in September 2011 to one year and one day in prison.
- JAMES PITTMAN, a tax preparer who used stolen identities of deceased individuals to file false returns, was sentenced in March 2011 to one year and one day in prison.
- FRANCISCO PERALTA, a tax preparer who used stolen Puerto Rican identities to file fraudulent returns, was sentenced in June 2011 to one year and one day in prison.
- JOSE OSCAR VASQUEZ, who operated a tax preparation business in Manhattan, was sentenced in June 2011 to 27 months in prison.
- PIERCE PERRINE, a tax preparer who submitted fraudulent releases of tax levies to banks, was sentenced in July 2011 to five months in prison.

The following Operation Brass Tax defendants have pled guilty or been convicted at trial but not yet sentenced:

- EUGENE OSUALA, a Bronx-based tax preparer, was convicted in September 2011 on 43 counts. A Manhattan federal jury found him guilty of one count of corruptly endeavoring to impede IRS laws, two counts of filing fraudulent tax returns for himself, and 40 counts of aiding in the preparation of false tax returns for others. He is scheduled to be sentenced on December 16, 2011.
- JAMES MOSES ASARE, a Bronx-based tax preparer, pled guilty in April 2011 to seven counts of preparing false tax returns and is awaiting sentencing.

MIGUEL HERDANDEZ, PRINCE KOREE, JAMES ASARE, and ZAC ESSEL remain at large. Charges against MARJORIE FLOYD, SEYMORE BROWN, and ROBERT OWENS are pending. These defendants are presumed innocent unless and until proven guilty. Charges were dismissed against one defendant.

Mr. BHARARA thanked the IRS for its outstanding work in the investigation of Operation Brass Tax. He also thanked the U.S. Department of Justice's Tax Division for their assistance.

The prosecution of the cases arising from Operation Brass Tax is being overseen by the Office's Complex Frauds Unit, assisted by the General Crimes Unit and the White Plains Division. Assistant U.S. Attorney E. DANYA PERRY is in charge of CARTER's prosecution.

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