

News Release

U.S. Department of Justice

United States Attorney

District of Rhode Island

May 11, 2007

CPA sentenced to a year in prison for false tax returns

A federal judge today sentenced Irwin Kalmer, of Smithfield, to 12 months in prison for filing false tax returns for four years, and understating his income by \$313,880.

United States Attorney Robert Clark Corrente announced the sentence, which Chief U.S. District Court Judge Mary M. Lisi imposed in U.S. District Court, Providence.

In December, Kalmer pleaded guilty to filing a false tax return. At the plea hearing, Assistant U. S. Attorney Andrew J. Reich said that the government could prove that, for the tax years 1999 through 2002, Kalmer deposited into his business account only about 30 percent of the payment checks that he received from clients. The rest he cashed and failed to report on his income tax returns. Kalmer understated his income by \$41,874 in 1999, \$77,085 in 2000, \$89,448 in 2001, and \$105,473 in 2002.

In 2004, after an IRS criminal investigator contacted Kalmer, he filed his 2003 return, which reported gross receipts that were about three times higher than the previous year.

Kalmer has surrendered his accounting license, and has since paid his outstanding tax liability, which amounted to about \$88,000, not counting interest and penalties. He must report to prison on July 13.