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TAX PREPARER SENTENCED TO FEDERAL PRISON FOR FRAUDULENT TAX RETURNS

Renaissance, the Tax People promoted fraudulent deductions that Gene Franklin used to prepare customers' tax returns

KANSAS CITY, KAN. – The owner of a tax preparation business has been sentenced to 30 months in federal prison for preparing false tax returns, Acting U.S. Attorney Marietta Parker and Acting Assistant Attorney General John A. DiCicco announced today.

Gene Franklin, 59, Gladstone, Mo., was convicted in March 2008 on two counts of preparing fraudulent tax returns.

Franklin owned Franklin & Company, Inc., an income tax preparation business with offices in Kansas City, Butler, Mo., and Overland Park, Kan. Evidence presented at trial showed Franklin advised clients and prepared tax returns fraudulently reporting business expenses in a manner promoted by Renaissance, The Tax People in literature, sales presentations and videos.

Franklin joined Renaissance as an "Independent Marketing Associate," drawing revenue from bringing other members into the network. Additionally, Franklin was an "Affiliated Tax Professional" with Renaissance, which enabled him to promote his tax preparation business at Renaissance meetings. Through the affiliation with Renaissance, the gross receipts for Franklin & Company increased almost 50 percent due to the large number of new clients.

"Tax return preparers who engage in tax defier conduct and prepare false or fraudulent tax returns face serious consequences, including prison time such as that imposed on Mr. Franklin," said Acting Assistant Attorney General John A. DiCicco. "Under the National Tax Defier Initiative, the government remains committed to stopping tax defier conduct exhibited by all taxpayers, including tax return preparers."

"Marketing programs that promote the preparation and filing of fraudulent tax returns, isn't tax planning; it's criminal activity," said Eileen Mayer, Chief, IRS Criminal Investigation. "IRS Criminal Investigation continues to aggressively investigate individuals who market abusive tax schemes and assist others in the preparation of fraudulent tax returns."

The founder of Renaissance, The Tax People, **Michael Craig Cooper**, was convicted in February 2008 on more than 70 counts of mail fraud, wire fraud, money laundering and conspiracy. Cooper is set for sentencing April 6, 2009.

Parker commended the Internal Revenue Service, Assistant U.S. Attorney Scott Rask, and the Department of Justice Tax Division Trial Attorney Joseph Rillotta for their work on the case