

DEPARTMENT OF JUSTICE

**Acting United States Attorney Edward R. Ryan
Western District of North Carolina**

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CONTACT: Terry Wilkinson
704.344.6222
Fax: 704.227.0264

CHARLOTTE RETURN PREPARER INDICTED FOR INCOME TAX FRAUD AND IDENTITY THEFT
CHARLOTTE, NC - Acting U.S. Attorney Edward R. Ryan announced that on April 21, 2009, a federal grand jury returned a 29-count federal indictment charging Brenda Denise Small, 39, of Charlotte, NC with 24 counts of filing false claims for refund, one count of obstructing impeding the Internal Revenue Service (IRS), and four counts of aggravated identity theft during and in relation to an attempt to commit bank fraud. Making the announcement with U.S. Attorney Ryan were Jeannine A. Hammett, Special Agent in Charge of the IRS Criminal Investigation Division in Charlotte and Gerald Hurry, ASAC Treasury, Inspector General for Tax Administration.

The indictment alleges that beginning in 2004, Small was employed by Resource Financial Services in Charlotte, NC as a tax return preparer. Further, according to the indictment, Small was responsible for the preparation and filing of between 50 and 100 false federal and state tax returns which generated fraudulent refunds. In 2005, according to the charges contained in the indictment, Small began working for Swift Tax Service in Charlotte, and that she prepared tax returns for clients of that business. During her employment with Swift Tax Service, according to the indictment, Small was responsible for the preparation and filing of approximately 129 false federal and state tax returns which generated more than \$400,000 in fraudulent federal refunds.

According to the allegations of the indictment, in 2006 Small was in a business relationship with Charlotte Liberty Tax. The indictment alleges that Small prepared federal income tax returns from her own business location under the Lightin' Quick Tax solutions. During her relationship with Liberty Tax, the indictment alleges, Small was responsible for the preparation and filing of at least 47 false federal and state tax returns which generated nearly \$130,000 in fraudulent refunds in and of themselves. The indictment further alleges that in 2007, Small prepared and electronically filed federal income tax returns using the names and social security numbers of at least ten former customers without their knowledge or approval. Refunds, according to the indictment, based on those returns were processed through a financial institution, which remitted the refunds to other companies who issued debit cards mailed to Small's address.

IRS -Criminal Investigations Special Agent in Charge Jeannine A. Hammett said, "Everyone should heed the lesson of this case: knowingly falsifying documents filed with the IRS is a criminal act, and once discovered, will be prosecuted."

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty in court. Investigation of the case was conducted by the IRS-CI Division, and Assistant U.S. Attorney David A. Brown is handling the prosecution for the government.

If convicted, the defendant faces 123 years of imprisonment for the charges of filing false claims with the IRS (18 U.S.C. 287) and obstructing the IRS (26 U.S.C. 7212). In addition, the defendant faces a mandatory sentence of at least two years imprisonment for the charges of aggravated identity theft (18 U.S.C. 1028A), which sentence must run consecutively to any other sentence imposed.

[Back](#)

[Print This Page](#)