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News Release

FOR IMMEDIATE RELEASE
Thursday, April 16, 2009

Tax preparer pleads guilty to preparing false tax returns

A former tax preparer pleaded guilty yesterday in federal court to preparing false tax returns. Yahya Muhumed Shakal, 39, formerly of St. Louis Park, pleaded guilty to four counts of aiding and assisting in the preparation of false tax returns.

Shakal entered his plea April 15 in St. Paul before United States District Court Donovan Frank. He did so without a plea agreement with the government. Shakal was indicted on April 13, 2005.

After his initial appearance and being released on bond, Shakal fled to Canada. He was arrested in Edmonton by Canadian authorities and was extradited to the U.S. in February 2009.

Shakal admitted that he willfully aided and assisted in the preparation and presentation to the Internal Revenue Service U.S. Individual Income Tax Returns which were false and fraudulent.

Shakal's indictment stated that he was a tax preparer who did business in the names of Amal Tax Return and Salama Tax Service in Minneapolis in 2003 and 2004. During this time, Shakal prepared and filed on behalf of others more than 1,000 false federal and state individual income tax returns for tax years 2002 and 2003.

Among the false claims on returns prepared by Shakal were false claims for federal fuel tax credits. For tax year 2003, the indictment states that Shakal claimed \$7,800 in false fuel tax credits on four individual income tax returns. The over-statement of the refund claimed on the four returns was \$7,648.

The indictment states that for each of the tax returns Shakal prepared a Form 4136, Credit for Federal Tax Paid on Fuels. On each form Shakal falsely claimed the taxpayer used gasoline for nontaxable uses, such as for off-highway business uses and for export, when in fact he knew the taxpayer had not used any gasoline for nontaxable uses. The indictment stated that more than \$2 million in fuel tax credits were claimed on the more than 1,000 tax returns prepared by Shakal.

Shakal faces a potential maximum penalty of three years in prison on each count. Judge Frank will determine Shakal's sentence at a future date. This case is the result of an investigation by the IRS-Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney Michael L. Cheever.