



# U.S. Department of Justice

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Northern District of Texas

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## OWNER OF "TWIN TAX" - A TAX PREPARATION BUSINESS IN DALLAS - PLEADS GUILTY TO FEDERAL CHARGES

*Anthony U. Barber Admits Causing Approximate  
\$5 Million in Tax Loss to the U.S.*

**DALLAS** — Anthony U. Barber pleaded guilty this morning before Chief U.S. District Judge Sidney A. Fitzwater to both counts of an information charging aiding or assisting in the preparation and presentation of a false and fraudulent return, and making a false statement on an income tax return, announced U.S. Attorney James T. Jacks of the Northern District of Texas. Barber, according to the factual resume filed in the case, is a Plano, Texas, resident and owned and operated "Twin Tax," a tax preparation business in Dallas. While it is the Court's discretion to accept or reject the terms of the plea agreement, the government and Barber agree that the appropriate sentence in this case is 70 months in prison. Barber remains free on personal recognizance bond; sentencing is set for June 18, 2010, before Judge Fitzwater.

The plea agreement further states that these two offenses resulted in a total tax loss to the U.S. of \$4,806,366.12. As of the date of the plea, \$3,500,680.50 of that amount has been recovered from affected taxpayers. The parties agree that restitution to the IRS as determined by the Court is appropriate, and that amount should be reduced by any amounts the IRS has collected from affected taxpayers.

"Return Preparer fraud is a priority for IRS Criminal Investigation and we have committed many resources to investigating and prosecuting cases just like this," said Bridget Marchetta, Acting Special Agent in Charge, IRS-Criminal Investigation-Dallas Field Office. "Taxpayers should be very selective in choosing a return preparer, and have confidence knowing that person will prepare accurate tax returns and safeguard their financial information."

According to the factual resume, Barber, who operated Twin Tax from 2001 through at least April 15, 2004, acted as a paid income tax return preparer for individuals who came to Twin Tax to have their personal income tax returns prepared. Twin Tax was authorized to file tax returns electronically. During this time frame, Barber admits assisting in the preparation of approximately 7461 tax returns.

Barber personally met with clients and prepared their tax returns based on information that he received in those face-to-face meetings. During the meetings, Barber would add additional deductions, usually false and inflated itemized Schedule A deductions; false Schedule C business losses and credits; and generally false Hope Education Credits, to clients' tax returns. After the clients left his office, Barber would increase these additional false and inflated deductions and credits, without the clients' knowledge. He would also increase

the return preparation fee that Twin Tax charged, again, without the knowledge of the client. When the refund was paid, Twin Tax would retain the difference.

Barber had at least three full-time employees, including Luciano Martinez and Ramon Perez, both charged in separate indictments. The factual resume goes on to state that at Barber's direction, these three employees would place the same types of false deductions on clients' tax returns and he further instructed them to limit the clients' Schedule C losses to less than \$10,000 and false Hope Education Credits to less than \$3000. After Martinez and Perez prepared the clients' tax returns, Barber would adjust the returns by increasing these already false and inflated credits, thereby increasing the refund. Barber would also increase the return preparation fee by a corresponding amount.

Ramon Perez pleaded guilty in November 2009 to one count of aiding and assisting in the preparation and presentation of a false and fraudulent return. According to plea documents filed in that case, Perez, a resident of Allen, Texas, admitted assisting in the preparation of at least seven false and fraudulent U.S. Individual Tax Returns for the tax year 2003, while he worked at Twin Tax. Perez faces a maximum statutory sentence of three years in prison, a \$250,000 fine and restitution. He is scheduled to be sentenced on April 22, 2010. Martinez is charged in a 10-count superseding indictment with eight counts of aiding and assisting in the preparation and presentation of a false and fraudulent return or document, one count of making and subscribing a false document, and one count of corruptly endeavoring to obstruct and impeded the due administration of the Internal Revenue laws. A trial date is pending for Martinez. An indictment is an accusation by a federal grand jury and a defendant is entitled to the presumption of innocence unless proven guilty.

In June 2007, in a civil case styled, *U.S. v. Tax Works Inter-National, Inc., et al.*, 3:06-CV1536-L, Tax Works Inter-National, d/b/a Twin Tax Service, Inc., and Ramon Perez, as well as others, were permanently enjoined from operating as tax preparers. The complaint filed in that case notes that Ramon Perez is a resident of Allen, Texas, and that Twin Tax was located on Walnut Hill Lane in Dallas. The complaint alleged that the defendants improperly reduced their clients' reported tax liabilities by claiming improper and illegal deductions. They were advised by the IRS that the returns they prepared contained improper and illegal deductions, but they refused to stop preparing improper income tax returns. That complaint notes that for returns prepared for tax years 2002-2004, it is estimated that the tax loss was more than \$1.4 million.

Barber also admits in plea papers that he failed to file an accurate personal tax return for tax year 2003, by willfully failing to report approximately \$1,083,417 in business income from Twin Tax. As a result, Barber had a tax due and owing of at least \$103,220. In addition, Barber admits that he failed to file a personal tax return for tax year 2004, failing to report approximately \$1,083,417 in wages from Twin Tax, which resulted in a tax due and owing for tax year 2004 of at least \$354,733. Barber also admitted that in February 2006, he filed an IRS Form 1120, U.S. Corporation Income Tax Return, for Twin Tax for tax year 2004 that showed a tax due and owing of \$722,669, however, no tax payment was remitted.

The case is being investigated by the IRS - Criminal Investigation (IRS-CI) and prosecuted by U.S. Department of Justice Tax Division Trial Attorneys Robert A. Kemins and Jed M. Silversmith and Assistant U.S. Attorney Joseph Revesz of the U.S. Attorney's Office in Dallas.

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