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## **TAX PREPARER SENTENCED TO FEDERAL PRISON FOR FILING FALSE CLAIMS FOR TAX REFUNDS**

MONROE, LA... NICOLE DAVIS TOWNS, age 32, of Monroe, Louisiana, former tax preparer for Nicole's Tax Service in Monroe, was sentenced today by United States Chief District Judge Robert G. James to a term of three months imprisonment, followed by three months of home arrest and three years of supervised release. TOWNS and was ordered to pay \$37,299 in restitution for preparing false tax returns, United States Attorney Donald W. Washington and IRS Special Agent in Charge Michael J. DePalma announced today.

TOWNS worked as the primary tax preparer at Nicole's Tax Service in Monroe, a business she also owned and operated. TOWNS plead guilty in February and admitted to preparing and filing 2004 tax returns at her business knowing that the returns contained material false claims. TOWNS included false business income, and in some cases false dependents, in order to inflate her clients' Earned Income Tax Credit and thereby increase

the refund amount. All of the false claims included in the December indictment caused the clients' tax refunds to be greater than the amounts to which they were legitimately entitled.

United States Attorney Donald W. Washington stated: "Those who cheat the income tax system cause law abiding taxpayers to pay far more than their fair share. This office will continue to aggressively pursue and prosecute those who violate federal tax laws."

IRS Criminal Investigation, New Orleans Field Office, Special Agent in Charge Michael J. De Palma commented that "the object of fraudulent refund schemes is to defraud the government and the taxpaying public. The message this sentence sends is that participation in these types of schemes does not pay and those involved will be vigorously prosecuted."

This case was investigated by the Internal Revenue Service - Criminal Investigations, Shreveport Resident Agency, and is being prosecuted by Assistant U.S. Attorney J. Scott Williams.

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