



NEWS RELEASE

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**WASILLA RETURN PREPARER CHARGED IN SCHEME TO
PREPARE FALSE TAX RETURNS FOR DRUG DEALERS**

ANCHORAGE, ALASKA – Acting United States Attorney Kevin Feldis and Assistant Attorney General Kathryn Keneally of the U.S. Department of Justice, Tax Division, announced today that Rebecca Renae Powell, a resident of Wasilla, Alaska, was charged with six counts of preparing false income tax returns for several clients whose primary source of income was from the sale of illegal narcotics.

Specifically, the information alleges that Powell engaged in a scheme to prepare false U.S. individual income tax returns for drug dealers. In 2007, Powell started preparing returns for a longtime friend who sold marijuana. In preparing returns for her friend, Powell knowingly omitted income that her friend earned from selling marijuana. It is alleged that, because the drug income was not reported, Powell's friend was able to claim the Earned Income Credit (EIC) for tax years 2003 through 2007.

The information also alleges that, beginning in approximately October 2007, Powell began preparing false individual income tax returns for a second individual who earned income by selling illegal substances, specifically marijuana and heroin. In order to conceal this person's illegal source income, Powell created the appearance that the income came from the individual's legitimate businesses rather than from the sale of narcotics. The information further alleges that, in addition to preparing the false tax returns, Powell also created false invoices, bills of sale, and other documents that were designed to substantiate the fabricated figures on the returns in the event of an audit or other inquiry.

Each charge of preparing false tax returns carries a maximum possible sentence of three years in prison, a \$250,000 fine, or both, together with the costs of prosecution.

This case was investigated by the Internal Revenue Service, Criminal Investigations Division and is being jointly prosecuted by Assistant United States Attorney Thomas C. Bradley and U.S. Department of Justice Tax Division Trial Attorney Stephanie Carowan Courter.

An information is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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