

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :
 :
 -v.- : INDICTMENT
 : 16 Cr. 238()
SAMUEL GENTLE, :
 Defendant. :
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COUNTS ONE THROUGH FIFTY
(Aiding and Assisting Preparation of False and
Fraudulent U.S. Individual Income Tax Returns)

The Grand Jury charges:

Background

1. At all times relevant to this Indictment, SAMUEL GENTLE, the defendant, was a resident of Mount Vernon, New York, and was in the business of preparing U.S. Individual Income Tax Returns ("Federal Tax Returns") for individuals (the "Clients") in exchange for fees. GENTLE carried out his tax preparation business principally through GenGen, Inc., a business entity in Mount Vernon that he owned and controlled.

2. From in or about tax years 2009 through 2012, SAMUEL GENTLE, the defendant, prepared and caused to be filed on average over 3,400 returns each year with the IRS.

Relevant Provisions of the Internal Revenue Code

3. At all times relevant to this Indictment:

(a) Pursuant to the Internal Revenue Code and attendant regulations, individual taxpayers generally were required to report their income, tax liabilities, and, where appropriate, any claim for a refund on a U. S. Individual Income Tax Return, Form 1040 ("Form 1040"), annually. Forms 1040 had to be filed with the Internal Revenue Service ("IRS"), which is part of the United States Department of the Treasury.

(b) A Schedule A was an IRS form that was attached to a Form 1040 when applicable and was used by taxpayers to claim some permissible deductions from taxable income, including: medical and dental expenses, gifts to charity, job-related and other miscellaneous expenses (such as unreimbursed employee expenses), and state and local taxes paid.

(c) A Schedule C was an IRS form that was attached to a Form 1040 when applicable and was used by taxpayers to report gross receipts, expenses, and profit or loss from a business operated by the taxpayer as a sole proprietorship.

The Tax Preparation Fraud

4. SAMUEL GENTLE, the defendant, regularly prepared and caused to be filed with the IRS false and fraudulent Federal Tax Returns and accompanying forms and schedules for his Clients. Those client tax returns were false and fraudulent in that they contained various fabricated and fraudulently inflated items, such as: (i) unreimbursed employee business expenses; (ii) gifts to charity; and (iii) Schedule

C or Schedule C-EZ business expenses.

5. From in or about tax years 2008 through 2012, the inclusion by SAMUEL GENTLE, the defendant, of the aforementioned fabricated and inflated items on the Clients' Federal Tax Returns resulted in the fraudulent reduction of the Clients' tax liabilities and/or the receipt by the Clients of IRS refunds to which the Clients were not lawfully entitled, in excess of \$630,000.

**The Fraudulent Federal Tax Return
Prepared for the Undercover IRS Agent**

6. As part of the IRS investigation of SAMUEL GENTLE, the defendant, an undercover IRS Special Agent ("UC-1") visited the office of GenGen, Inc. on or about April 16, 2012, posing as a client seeking GENTLE's services in preparing tax returns for the 2011 tax year.

7. After entering the offices of GenGen, Inc. in Mount Vernon, New York, UC-1 participated in a meeting with SAMUEL GENTLE, the defendant, which was audio- and video-recorded by UC-1. During the meeting, UC-1 provided GENTLE a copy of a Form W-2, which UC-1 represented to be UC-1's legitimate Form W-2 for the 2011 tax year but which, in truth and fact, was created for the purpose of the meeting with GENTLE. After being handed the Form W-2 by UC-1 and engaging in a short conversation with UC-1, GENTLE proceeded to prepare a false and fraudulent Federal Tax Return for UC-1.

8. In particular, SAMUEL GENTLE, the defendant, included false and fraudulent itemized deductions or categories of deductions

on the Federal Tax Return prepared by UC-1, none of which were ever discussed or documented by UC-1. Those false and fraudulent deductions included, among others, gifts to charity and unreimbursed employee business expenses.

9. Upon completion of UC-1's tax return, SAMUEL GENTLE, the defendant, filed the tax return with the IRS electronically, using his Preparer Tax Identification Number, and collected a fee of \$50 from UC-1. As a result of his inclusion of the false items on the Federal Tax Return for UC-1, SAMUEL GENTLE, the defendant, produced a tax return that, rather than resulting in a tax liability (as dictated by the W-2 and other information provided by UC-1), fraudulently claimed a refund of \$574.

Statutory Allegations

10. On or about the dates set forth below, in the Southern District of New York and elsewhere, SAMUEL GENTLE, the defendant, willfully and knowingly did aid and assist in, and procure, counsel, and advise the preparation and presentation under, and in connection with matters arising under, the internal revenue laws of the United States, of a return, affidavit, claim, and other document, to wit, U.S. Individual Income Tax Returns, Forms 1040, and accompanying forms and schedules, for the taxpayers listed below, and for the tax years listed below, which returns were false and fraudulent as to material matters, in that, among other things, the returns fabricated and/or falsely

overstated items such as unreimbursed employee business expenses, gifts to charity, and Schedule C or Schedule C-EZ business expenses, as set forth below:

Count	Tax-payer	Tax Year	Approx. Filing Date of Return	Nature of Fabricated and/or Inflated Item(s)	Approximate Amount of Fabricated and/or Inflated Item(s)
1	RG	2010	2/10/11	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$525 \$6,620
2	RG	2011	2/21/12	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$550 \$8,220
3	RG	2012	3/12/13	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$730 \$8,197
4	TF	2009	3/22/10	Schedule C Business Expenses	\$12,115
5	TF	2010	2/12/11	Schedule C-EZ Business Expenses	\$946
6	TF	2011	3/5/12	(1) Unreimbursed Employee Expenses (2) Schedule C Business Expenses	\$8,307 \$11,295
7	TF	2012	3/18/13	Unreimbursed Employee Expenses	\$9,220
8	DW	2009	2/18/10	Unreimbursed Employee Expenses	\$8,382
9	DW	2010	2/9/11	Unreimbursed Employee Expenses	\$7,918
10	DW	2011	2/7/12	Unreimbursed Employee Expenses	\$9,620

Count	Tax-payer	Tax Year	Approx. Filing Date of Return	Nature of Fabricated and/or Inflated Item(s)	Approximate Amount of Fabricated and/or Inflated Item(s)
11	KO	2010	2/27/11	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$725 \$13,104
12	KO	2011	2/8/12	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$471 \$11,615
13	LL	2010	2/17/11	Unreimbursed Employee Expenses	\$12,210
14	LL	2011	2/28/12	(1) Unreimbursed Employee Expenses (2) Schedule C Business Expenses	\$12,617 \$10,652
15	KR	2009	3/23/10	Unreimbursed Employee Expenses	\$5,725
16	KR	2010	2/4/11	Unreimbursed Employee Expenses	\$6,731
17	KR	2011	2/6/12	Unreimbursed Employee Expenses	\$5,779
18	YC	2009	3/5/10	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$3,566 \$16,505
19	YC	2010	2/20/11	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$3,200 \$14,515
20	YC	2011	4/17/12	(1) Gifts to Charity (2) Unreimbursed Employee Expenses	\$2,875 \$11,650
21	SW	2009	2/3/10	Unreimbursed Employee Expenses	\$8,650
22	SW	2010	2/5/11	Unreimbursed Employee Expenses	\$6,669

Count	Tax-payer	Tax Year	Approx. Filing Date of Return	Nature of Fabricated and/or Inflated Item(s)	Approximate Amount of Fabricated and/or Inflated Item(s)
23	SW	2011	2/8/12	Unreimbursed Employee Expenses	\$7,600
24	AT	2009	3/21/10	Unreimbursed Employee Expenses	\$13,757
25	AT	2010	2/16/11	Unreimbursed Employee Expenses	\$12,350
26	AT	2011	2/10/12	Unreimbursed Employee Expenses	\$12,325
27	AT	2012	3/1/13	Unreimbursed Employee Expenses	\$11,090
28	ES	2008	3/26/09	(1) Unreimbursed Employee Expenses (2) Schedule C Business Expenses	\$6,270 \$5,280
29	ES	2010	4/16/11	(1) Unreimbursed Employee Expenses (2) Schedule C Business Expenses	\$11,310 \$9,250
30	ES	2011	2/29/12	(1) Unreimbursed Employee Expenses (2) Schedule C Business Expenses	\$12,480 \$12,629
31	SR	2010	2/23/11	Unreimbursed Employee Expenses	\$5,050
32	SR	2011	2/22/12	Unreimbursed Employee Expenses	\$985
33	SR	2012	3/28/13	Unreimbursed Employee Expenses	\$3,213

Count	Tax-payer	Tax Year	Approx. Filing Date of Return	Nature of Fabricated and/or Inflated Item(s)	Approximate Amount of Fabricated and/or Inflated Item(s)
34	KSi	2009	2/6/10	(1) Unreimbursed Employee Expenses (2) Schedule C-EZ Business Expenses	\$11,370 \$2,249
35	KSi	2010	2/22/11	(1) Unreimbursed Employee Expenses (2) Schedule C-EZ Business Expenses	\$8,407 \$4,000
36	KSi	2011	2/23/12	Unreimbursed Employee Expenses	\$11,380
37	KSi	2012	4/7/13	Unreimbursed Employee Expenses	\$17,214
38	RS	2010	4/21/11	Unreimbursed Employee Expenses	\$7,504
39	RS	2011	2/22/12	Unreimbursed Employee Expenses	\$9,112
40	RS	2012	6/26/13	Unreimbursed Employee Expenses	\$6,000
41	JB	2009	3/10/10	Unreimbursed Employee Expenses	\$2,490 <i>JB (A)</i>
42	JB	2011	2/21/12	Unreimbursed Employee Expenses	\$8,489
43	LM	2010	3/22/11	Unreimbursed Employee Expenses	\$7,390
44	LM	2011	2/21/12	Unreimbursed Employee Expenses	\$6,190
45	LM	2012	3/5/13	Unreimbursed Employee Expenses	\$8,330
46	ML	2012	3/7/13	Unreimbursed Employee Expenses	\$2,167

Count	Tax-payer	Tax Year	Approx. Filing Date of Return	Nature of Fabricated and/or Inflated Item(s)	Approximate Amount of Fabricated and/or Inflated Item(s)
47	KSt	2009	3/14/10	Unreimbursed Employee Expenses	\$19,367
48	KSt	2010	2/26/11	Unreimbursed Employee Expenses	\$17,210
49	KSt	2011	2/20/12	Unreimbursed Employee Expenses	\$11,640
50	KSt	2012	3/2/13	Unreimbursed Employee Expenses	\$8,610

(Title 26, United States Code, Section 7206(2).)



FOREPERSON

Preet Bharara

PREET BHARARA
United States Attorney

UNITED STATES DISTRICT COURT
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UNITED STATES OF AMERICA

- v. -

SAMUEL GENTLE,


Defendant.

INDICTMENT

(26 U.S.C. § 7206(2)).

PREET BHARARA
United States Attorney.

A TRUE BILL

 Foreperson.
