

Approved: \_\_\_\_\_

JARROD L. SCHAEFFER  
Assistant United States Attorney

19 MAG 9602

Before: THE HONORABLE STEWART D. AARON  
United States Magistrate Judge  
Southern District of New York

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UNITED STATES OF AMERICA,

:

SEALED COMPLAINT

:

- v. -

:

Violations of 26 U.S.C.

:

\$ 7206(2), 18 U.S.C.

:

SS 1001, and 2

LORENZO ALMANZAR,

:

:

Defendant.

:

COUNTY OF OFFENSE:

:

BRONX

----- X

SOUTHERN DISTRICT OF NEW YORK, ss.:

FRANK DIMARE, being duly sworn, deposes and says that he is a Special Agent with the Internal Revenue Service ("IRS"), and charges as follows:

COUNTS ONE THROUGH THIRTY

**(Aiding and Assisting Preparation of  
False and Fraudulent U.S. Individual Income Tax Returns)**

1. Between at least in or about January 2014, up to and including at least in or about April 2017, in the Southern District of New York and elsewhere, LORENZO ALMANZAR, 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 multiple taxpayers for various tax years, which were fraudulent and false as to material matters, in that, among other things, the returns fabricated and falsely overstated items such as medical expenses, charitable expenses, and unreimbursed employee business expenses, as set forth below:

Counts	Taxpayer	Tax Years	Summary of Fabrications and/or Overstatements	Approx. Aggregate Fraudulent Deductions For Listed Counts	Approx. Fraudulent Refund
1-3	Taxpayer-1	2013-15	False Job Expenses False Medical Expenses False Charitable Contributions	\$87,608	\$15,276
4-7	Taxpayer-2	2013-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$51,998	\$7,800
8-11	Taxpayer-3	2013-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$57,202	\$5,952
12-15	Taxpayer-4	2013-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$70,603	\$5,801
16-19	Taxpayer-5	2013-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$45,668	\$5,759
20-23	Taxpayer-6	2013-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$31,591	\$5,633
24-26	Taxpayer-7	2014-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$37,329	\$5,595
27-30	Taxpayer-8	2013-16	False Job Expenses False Medical Expenses False Charitable Contributions	\$35,558	\$5,333

(Title 26, United States Code, Section 7206(2) and Title 18,  
United States Code, Section 2.)

## COUNT THIRTY-ONE

### **(False Statements to Federal Agents)**

2. On or about June 9, 2017, in the Southern District of New York and elsewhere, LORENZO ALMANZAR, the defendant, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully did make materially false, fictitious, and fraudulent statements and representations, to wit, ALMANZAR falsely claimed orally to federal law enforcement agents that deductions included in the fraudulent tax returns referenced in Counts One through Thirty of this Complaint were based on information supplied by taxpayers for inclusion in those tax returns, when in truth and in fact the taxpayers had not supplied such information to ALMANZAR.

(Title 18, United States Code, Sections 1001 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

3. I have been a Special Agent with the IRS for over nine years, and I have been personally involved in the investigation of this matter. This affidavit is based on my personal participation in the investigation of this matter, my conversations with law enforcement agents, witnesses, and others, as well as my examination of reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

### BACKGROUND ON RELEVANT FEDERAL TAX REPORTING REQUIREMENTS

4. Based on my training and experience, I understand, among other things, the following about federal tax reporting:

a. Pursuant to the Internal Revenue Code and regulations thereunder, individual taxpayers generally are required annually 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"), which must be filed with the IRS, a part of the United States Department of the Treasury.

b. A Schedule A, which lists "Itemized Deductions," is an IRS form that is attached to a Form 1040 when applicable and

must be used by taxpayers to claim certain permissible deductions from taxable income. Deductions to be claimed on Schedule A may include, among other things, the following: (i) medical and dental expenses, (ii) gifts to charity, (iii) job-related and other miscellaneous expenses (such as unreimbursed employee expenses), and (iv) state and local taxes paid.

#### THE DEFENDANT'S TAX PREPARATION BUSINESS

5. Based on my participation in this investigation, including my review of IRS records, interviews with witnesses, and my review of financial statements and bank account documents, as well as my discussions with other law enforcement agents, I have learned, among other things, the following:

a. LORENZO ALMANZAR, the defendant, owns and operates a business called Future International Corp. ("Future"), which is located in the Bronx, New York, and is in the business of, among other things, preparing and filing tax returns.

b. The IRS assigns a unique Personal Tax Identification Preparer Number ("PTIN") to individuals who prepare tax returns, and that PTIN is listed on each tax return that the PTIN holder helps to prepare. The IRS also assigns a unique Employer Identification Number ("EIN") to business entities operating in the United States.

c. For the tax years 2013 through 2016, ALMANZAR was assigned an PTIN ending in the three digits "625." For the same tax years, Future was assigned an EIN ending in the three digits "768."

6. Based on my participation in this investigation, including my review of IRS records, and my discussions with other law enforcement agents, I have learned, among other things, that the IRS identified a pattern of suspicious deductions in tax returns filed by LORENZO ALMANZAR, the defendant, including a large number of repeated, similar, or miscellaneous expenses. The IRS also determined that tax returns filed by ALMANZAR generated refunds approximately 91% of the time. Based on my training and experience, I know that these indicators are suggestive of fraud.

#### THE DEFENDANT'S FALSE TAX RETURN SCHEME

7. During the course of my investigation, I have learned, among other things, that beginning at least in or about January 2014 through at least in or about April 2017, LORENZO ALMANZAR, the defendant, assisted at least eight taxpayers (collectively, the "Taxpayers") in filing with the IRS at least thirty false or



fraudulent tax returns for the tax years 2013 through 2016 (the "False Returns").

8. In particular, based on my participation in this investigation, including my review of the False Returns, IRS records, and financial statements and bank account documents, as well as my interviews with the Taxpayers and discussions with other law enforcement agents, I have learned, among other things, the following:

a. Each of the False Returns listed the name of LORENZO ALMANZAR, the defendant, and Future as the paid preparer on the Form 1040. In addition, each of the False Returns listed the PTIN assigned to ALMANZAR, and the EIN assigned to Future.

b. Based on my review of the False Returns and my interviews of the Taxpayers, I have learned, among other things, that ALMANZAR included a false Schedule A for each of the False Returns. In particular, ALMANZAR included, among other things, false unreimbursed job expenses, false medical expenses, and false charitable contributions on the Schedules A prepared for the False Returns.

c. Based on my interviews with the Taxpayers, I have confirmed, among other things, that certain unreimbursed job expenses, medical expenses, and charitable contributions on their tax returns were false.

d. For example, ALMANZAR prepared and filed a tax return for an individual ("Taxpayer-1") for the 2013 through 2015 tax years. On Line 1 of the Schedule A to Taxpayer-1's 2013 tax return, ALMANZAR falsely listed \$19,612 in medical and dental expenses. According to Taxpayer-1, the true value of Line 1 was approximately \$500. Taxpayer-1 confirmed to law enforcement agents that Taxpayer-1 did not incur the expenses included by ALMANZAR in 2013, and did not tell ALMANZAR that Taxpayer-1 had, in fact, incurred such expenses. Taxpayer-1 further confirmed that ALMANZAR included similar false expenses in Taxpayer-1's tax returns for the 2014 and 2015 tax years.

e. Similarly, ALMANZAR also prepared and filed a tax return for an individual ("Taxpayer-4") for the 2013 through 2016 tax years. On Line 21 of the Schedule A to Taxpayer-4's 2014 tax return, ALMANZAR falsely listed \$10,717 in unreimbursed business expenses. According to Taxpayer-1, the true value of Line 1 was approximately \$2,329, which was the same expense Taxpayer-4 claimed in 2013. Additionally, ALMANZAR falsely listed charitable contributions of \$1,200. Taxpayer-4 confirmed to law enforcement agents that Taxpayer-4 did not incur the expenses included by

ALMANZAR in 2014, and did not tell ALMANZAR that Taxpayer-4 had, in fact, incurred such expenses. Taxpayer-4 further confirmed that ALMANZAR included similar false expenses in Taxpayer-4's tax returns for the 2013, 2015, and 2016 tax years.

f. By including false information on the False Returns, ALMANZAR reduced the Taxpayers' tax liability and/or increased the amount of the refund owed to the Taxpayers. Based on my training and experience, I know that fraudulently reducing clients' tax liability or increasing the size of refunds collectable by such clients, even without the clients' knowledge, is a common practice used by illegitimate tax preparers, because doing so can expand a tax preparer's client base and generate additional tax preparation fees.

9. Based on my participation in this investigation, as well as my discussions with other law enforcement agents, I have also learned, among other things, the following:

a. In or about 2017, an IRS agent acting in an undercover capacity ("UC-1") went to Future to have a tax return prepared by LORENZO ALMANZAR, the defendant.

b. UC-1 provided ALMANZAR with a copy of a Form W-2. UC-1 did not provide ALMANZAR with amounts to be deducted as unreimbursed job expenses, medical expenses, or charitable contributions.

c. Nevertheless, ALMANZAR prepared a tax return for UC-1 with a Schedule A that included false deductions for, among other things, medical and dental expenses, charitable contributions, transportation expenses, other work-related expenses.

d. Had ALMANZAR prepared a correct tax return for UC-1, that tax return would have shown that UC-1 had tax due and owing. Because of ALMANZAR's inclusion of the false deductions described above, however, the tax return ALMANZAR prepared for UC-1 claimed a refund of over \$1,000.

10. Based on my participation in this investigation, as well as my interviews with the Taxpayers, I have also learned, among other things, that all of the Taxpayers denied providing false information to LORENZO ALMANZAR, the defendant, for inclusion in their tax returns, and denied knowledge that false information had been included in the False Tax Returns at the time those returns were filed.

THE DEFENDANT'S FALSE STATEMENTS TO FEDERAL AGENTS

11. On or about June 9, 2017, I and another law enforcement agent ("SA-1") interviewed LORENZO ALMANZAR, the defendant, in the presence of his legal counsel, concerning his preparation and filing of the False Returns.

12. Prior to the interview, I and SA-1 identified ourselves as federal agents, and informed LORENZO ALMANZAR, the defendant, of his non-custodial rights.

13. During the interview, LORENZO ALMANZAR, the defendant, confirmed, among other things, that he had prepared and filed the False Returns. ALMANZAR further stated, in substance and in part, that all deductions included on his clients' tax returns were provided by those clients.

14. In my interviews with the Taxpayers, however, each Taxpayer stated, in substance and in part, that they did not, in fact, provide the false information included in the False Returns, nor did they ask LORENZO ALMANZAR, the defendant, to include such information in their returns.

WHEREFORE, the deponent respectfully requests that a warrant be issued for the arrest of LORENZO ALMANZAR, the defendant, and that he be arrested and imprisoned or bailed, as the case may be.



FRANK DIMARE  
Special Agent  
Internal Revenue Service

Sworn to before me this  
15th day of October, 2019



THE HONORABLE STEWART D. AARON  
United States Magistrate Judge  
Southern District of New York