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CENTRAL DISTRICT *of* CALIFORNIA

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**Department of Justice**

U.S. Attorney's Office

Central District of California

FOR IMMEDIATE RELEASE

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## **Federal Authorities Move Against Fraudulent Tax Return Preparers and Remind All Taxpayers of their Tax Season Responsibilities**

*LOS ANGELES* – As the tax filing season comes to an end, federal authorities are reminding members of the public of their obligation to timely file accurate tax documents – and that evading taxes or defrauding the Internal Revenue Service can led to substantial fines, penalties and prison sentences.

Taxpayers are also reminded to be on the lookout for unscrupulous tax return preparers who may seek to inflate refunds by falsifying deductions and other fraudulent means. Even if a tax return preparer makes an error on an individual's tax return, it is still the taxpayer's responsibility to pay the correct taxes.

As part of their year-round efforts to combat tax fraud, federal prosecutors with the United States Attorney's Office have worked tirelessly with special agents at the Los Angeles Field Office of IRS Criminal Investigation to investigate and prosecute those who illegally evade their taxes. Today, they are announcing a series of cases targeting tax return preparers who allegedly defrauded the IRS by filing fraudulent returns.

"Corrupt tax return preparers compromise the tax system, harming their clients, other taxpayers and the United States government," said United States Attorney Nicola T. Hanna. "The defendants recently charged by my office are accused of breaking a fundamental trust with their clients, and their actions place themselves and their clients into legal jeopardy."

"Income tax return preparers are a vital part of the U.S. tax system. About 56 percent of taxpayers use tax professionals to prepare their returns," stated IRS Criminal Investigation Special Agent in Charge R. Damon Rowe. "Selecting the right tax professional is critically important because taxpayers are ultimately responsible for what they submit on their tax return."

Today, the United States Attorney's Office and IRS Criminal Investigation announced three criminal cases targeting income tax return preparers.

*L.A. County Social Services Employee Pleads Guilty to Tax Refund Fraud Scheme*

A Los Angeles County employee pleaded guilty on Wednesday to engaging in a scheme to defraud the Internal Revenue Service through the submission of fraudulent federal income tax returns.

Roberta Josephine Yashu, who also goes by Roberta Josephine Beltran, 36, who was an employee of the Los Angeles County Department of Public Social Services (DPSS), pleaded guilty before United States District Judge Dolly M. Gee to one count of conspiracy to commit wire fraud through the preparation and filing of false income tax returns.

According to a plea agreement filed in this case, Yashu filed income tax returns on behalf of family members and friends that contained false information on dependent children, as well as altered or fictitious earned income. The fraudulent tax returns, filed for a number of years through the beginning of 2016, sought inflated tax refunds.

Yashu obtained the names and Social Security numbers of the children she falsely listed as dependents on the tax returns she prepared through a database she had access to during her employment at DPSS.

Yashu often kept the fraudulent refunds for herself. As a result of the fraudulent tax returns she filed, Yashu defrauded IRS out of at least \$175,305.

Yashu faces a statutory maximum sentence of 20 years in federal prison and a \$1 million fine when she sentenced by Judge Gee on August 15.

This case is the product of an investigation by IRS Criminal Investigation, which received assistance from the Los Angeles County Office of County Investigations.

The case is being prosecuted by Assistant United States Attorney Andrew Brown of the Major Frauds Section.

#### *Inglewood Return Preparer Arrested on Tax Fraud Charges*

The operator of a tax preparation business, the Inglewood-based Ultimate Professional Services, was arrested Wednesday morning on charges that she prepared and filed fraudulent income tax returns for her clients.

Karen McCoy, 69, of Compton, was charged in an indictment returned Tuesday by a federal grand jury. The indictment charges McCoy with 31 counts of aiding and assisting in the preparation of false tax returns.

The indictment alleges that McCoy prepared and filed 31 tax returns on behalf of 18 different clients which claimed false deductions. McCoy allegedly prepared tax returns containing inflated deductions that the taxpayers were not entitled to take.

For the 31 tax returns in question, which were filed for the 2011 through 2015 tax years, the fraudulently claimed deductions totaled \$352,931, according to the indictment.

At her arraignment Wednesday afternoon, McCoy entered a not guilty plea and was ordered to stand trial before United States District Judge Christina A. Snyder on June 5.

If convicted of the charges contained in the indictment, McCoy would face a statutory maximum sentence of three years in federal prison and a fine of \$100,000 for each of the 31 counts in the indictment.

This case is the product of an investigation by IRS Criminal Investigation and is being prosecuted by Assistant United States Attorney Valerie Makarewicz of the Tax Division.

#### *Previously Convicted Return Preparer Arrested on Theft and Identity Theft Charges*

A former income tax return preparer who was convicted in 2002 of preparing false tax returns was arrested this morning on new charges of fraudulently using the identities and Social Security numbers of two individuals to steal federal income tax refund checks.

Elton Leander Barnes, Jr., 55, previously of Irvine and now of South Los Angeles, allegedly negotiated federal income tax refund checks issued in the names of the identity theft victims.

Barnes was named in a four-count indictment returned last month by a federal grand jury. The indictment specifically charges Barnes with two counts of theft of government property and two counts of aggravated identity theft.

The indictment alleges that Barnes fraudulently converted to his own use two income tax refund checks in the amounts of \$3,028 and \$7,189.

If convicted of theft of government property, Barnes will face a statutory maximum sentence of 10 years in federal prison for each of the two counts. In addition, each count of aggravated identity theft carries a mandatory, consecutive sentence of two years in federal prison.

Barnes is expected to be arraigned on the indictment this afternoon in United States District Court in Los Angeles.

This case is the product of an investigation by IRS Criminal Investigation. The case is being prosecuted by Assistant United States Attorneys James Hughes and Valerie Makarewicz of the Tax Division.

*An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until proven guilty in court.*

Return preparer fraud, identity theft, and inflated refund schemes are three of the Internal Revenue Service's [Dirty Dozen List of Tax Scams for 2018](#). The IRS has some information [on its website](#) about selecting a return preparer and has launched a free [directory](#) of federal tax preparers. Also, the IRS has a list of steps [on its website](#) that you can take now in anticipation of filing your 2017 federal income tax return and [ten tips](#) for choosing a tax preparer.

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