

The United States Attorney's Office

Southern District of Florida

Press Release

MIAMI RETURN PREPARER CHARGED AND ARRESTED FOR CLAIMING FRAUDULENT TELEPHONE EXCISE TAX REFUNDS

April 20, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Michael Yasofsky Jr., Special Agent in Charge, Internal Revenue Service (IRS), Criminal Investigation Division, announced today that a federal grand jury in Miami has indicted defendant, **Equilla McRae, a/k/a Equilla Edwards, a/k/a/ Equilla Givens**, of Miami, Florida, for her involvement in a false income tax return scheme that resulted in fraudulent federal income tax refund claims of thousands of dollars. Defendant McRae was arrested today and made her initial appearance in federal court in Miami, Florida.

The Indictment charges the defendant with twenty-five (25) counts of making, presenting and assisting others in preparing and presenting fraudulent claims for refunds with the IRS, in violation of Title 18, United States Code, Sections 287 and Title 18, United States Code, Section 2. According to the Indictment, McRae prepared, filed and assisted others in preparing and filing approximately 25 fraudulent income tax returns which resulted in fraudulent tax refund claims of over \$140,000.

On February 12, 2007, IRS Special Agents executed a search warrant at Fatima's Just Taxes Inc. (Fatima), located at 2466 NW 44th Street, #A, Miami, FL 33142. According to the affidavit in support of the application for search warrant, the IRS Fraud Detection Center in Ogden, Utah identified numerous income tax returns filed by Fatima that contained fraudulent telephone excise tax refund (TETR) credits. The TETR is a one-time credit available on 2006 income tax returns designed to refund previously-collected federal excise taxes on long-distance telephone service paid from February 2003 through August 2006. To make the refund easier to calculate, the IRS established a standard refund amount, based on personal exemptions, ranging from \$30 to \$60. If taxpayers have phone bills and other records, they can request the actual amount of excise tax paid. The standard amount approximates the eligible amount for most individual taxpayers.

As further stated in the affidavit, McRae, while working as a tax return prepare at Fatima, allegedly filed income tax returns claiming inflated TETR credits. A large number of the returns filed by McRae claimed credits exceeding the maximum standard credit of \$60 by at least 44%, and in many cases by much more than that figure.

U.S. Attorney Acosta stated, "as this case shows, my office consistently assists the IRS to enforce our nation's tax laws."

Special Agent in Charge Michael Yasofsky, Jr. stated, "While the IRS encourages taxpayers to claim the telephone excise tax refund they are allowed, we urge all taxpayers to be wary of any return preparer who promises unreasonably large telephone tax refunds. This case represents our commitment to aggressively and quickly investigate those who intentionally prepare fraudulent returns with inflated refunds."

If convicted, the defendant faces a maximum potential sentence of five years in prison and a fine of \$250,000 for each count of making, presenting and assisting others in submitting false claims for refund.

Mr. Acosta commended the investigative efforts of the Internal Revenue Service, Criminal Investigation Division. These cases are being prosecuted by Assistant United States Attorney Rosa Rodriguez-Mera.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.