



## U. S. Department of Justice

United States Attorney  
Northern District of Illinois

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United States Attorney

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### **TAX PREPARER PLEADS GUILTY TO FEDERAL TAX FRAUD CHARGES, ADMITTING TAX REVENUE LOSS OF APPROXIMATELY \$232,000**

CHICAGO — A tax preparer pleaded guilty today to federal tax charges, admitting that he caused the government to lose approximately \$232,000 in tax revenue by failing to file income tax returns on behalf of his business, filing false personal income tax returns, and preparing a dozen false income tax returns for clients between 2006 and 2009. The defendant, **Rimando Naig Dumdum**, who operates Richman Tax Solutions, Inc., located on Chicago's north side, agreed to pay \$231,758 in restitution to the Internal Revenue Service for taxes owed.

Dumdum, 44, of Morton Grove, who trained as a tax preparer and had an undergraduate degree in accounting in his native Philippines, pleaded guilty in U.S. District Court to one count each of failing to file a business tax return, filing a false individual income tax return, and wilfully aiding in preparing a false tax return. He faces a maximum penalty of one year in prison and a \$100,000 fine for failing to file a tax return, and three years in prison and a \$250,000 fine on each count of filing or preparing a false tax return. A written plea agreement contemplates an advisory federal sentencing guideline range of 24 to 30 months in prison. In addition, Dumdum must pay the costs of prosecution and he remains liable for any and all back taxes, as well as a potential civil fraud penalty of up to 75 percent of the underpayment plus interest. U.S. District Judge John W. Darrah set sentencing for June 21.

The guilty plea was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Alvin Patton, Special Agent-in-Charge of the Chicago Office of the Internal Revenue Service Criminal Investigation Division. With the tax-filing season underway, the officials noted the case serves as a reminder that all wage-earners are obligated to honestly report their income and pay their taxes.

According to his plea agreement, Dumdum and his company received a fee of \$100 for preparing clients' tax returns, and he failed to file corporate tax returns for Richman for the calendar years 2006 through 2008. In 2006, his business had gross receipts of \$269,865 and expenses of \$133,469; during 2007, Richman had gross taxable income of \$312,580; and in 2008, the business had gross taxable income of \$345,388. Dumdum's failure to file corporate tax returns for Richman caused a tax loss of \$120,859.

Dumdum never issued himself a W-2 for tax years 2006 through 2008 and he under-reported income he received from Richman on his individual income tax returns as follows: in 2006, he had total income of \$163,432 but reported only \$27,037; in 2007, he had total income of \$200,681 but reported only \$62,407; and in 2008, he had total income of \$177,982 but reported only \$13,911, resulting in a tax loss to the United States of approximately \$93,794.

Dumdum also admitted that he wilfully prepared 12 false income tax returns for clients for the tax years 2006 through 2009, causing a tax loss of \$17,480. Dumdum fraudulently inflated certain clients' deductions, such as medical and dental expenses, gifts to charity, moving expenses, and un-reimbursed employee expenses to inflate the amount of claimed tax refunds and to encourage his clients' repeat business at his tax preparation service.

The government is being represented by Assistant U.S. Attorney Stephen P. Baker.

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