



U. S. Department of Justice

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TAX PREPARER PLEADS GUILTY TO PREPARING MORE THAN 500 FALSE FEDERAL TAX RETURNS, CAUSING TAX LOSS OF MORE THAN \$2.8 MILLION

CHICAGO — A tax preparer pleaded guilty to federal tax charges, admitting that he prepared more than 500 false federal income tax returns and caused the government to lose more than \$2.8 million 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, federal law enforcement officials announced today. The defendant, **Michael Singleton**, who operated ITA Services, located in Bellwood, Illinois, agreed to pay \$2,854,800 in restitution to the Internal Revenue Service for taxes owed.

Singleton, 48, of Homewood, pleaded guilty yesterday in U.S. District Court to two counts of willfully aiding and assisting in the preparation and presentation of a false federal income tax return. U.S. District Judge James Zagel set sentencing for August 22. Singleton faces a maximum penalty of 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 46 to 57 months in prison. In addition, Singleton 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.

As part of his guilty plea, Singleton also admitted that he prepared 547 additional false income tax returns for clients for the tax years 2004 through 2007, causing a tax loss of \$2,854,800. Singleton fraudulently overstated and misrepresented the number of dependents, expenses and deductions on Form 1040, Schedule A; business losses on Form 1040, Schedule C; losses from rental real estate on Form 1040, Schedule E; and educational and vocational expenses on Form 8863. Through these misrepresentations and overstatements, Singleton decreased his clients' taxable income, fraudulently reducing his clients' tax liability and improperly qualifying them for refunds.

The guilty plea was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Thomas Jankowski, Acting Special Agent-in-Charge of the Chicago Office of the Internal Revenue Service Criminal Investigation Division.

The government is being represented by Assistant U.S. Attorney Tony Iweagwu.

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