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**BRONX TAX PREPARER SENTENCED IN MANHATTAN FEDERAL COURT
TO 63 MONTHS IN PRISON FOR PREPARING FALSE TAX RETURNS
USING PERSONAL INFORMATION OF DECEASED CHILDREN**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DAVIS JACKSON, a Bronx-based tax preparer, was sentenced yesterday to 63 months in prison for preparing false tax returns that generated more than \$1 million in undeserved refunds for his clients. JACKSON fraudulently increased his clients' refunds by inventing phony businesses, inflating deductions, and creating fake dependents using the personal information of deceased children. JACKSON was convicted on April 4, 2011, of eleven counts of aiding and assisting the preparation of false tax returns and one count of corruptly endeavoring to impede the Internal Revenue laws, following a one-week jury trial. He was sentenced in Manhattan federal court by U.S. District Judge COLLEEN McMAHON.

Manhattan U.S. Attorney PREET BHARARA said: "Davis Jackson used dead children and fake businesses to deceive the IRS and generate inflated refunds for his clients. His unscrupulous practices and flagrant violation of the law have now been justly punished."

According to the evidence presented at trial and at the sentencing proceeding:

JACKSON, 57, ran a tax preparation business from his home in the Bronx, New York, from which he prepared fraudulent tax returns in order to generate large tax refunds for his clients. For the 2002 tax year, JACKSON used a variety of techniques to enable his clients to claim tax deductions, including the listing as dependents on his clients' returns the real names and social security numbers of deceased children. The deceased children had never been dependents of the taxpayers whose returns JACKSON filed.

In the 2003 to 2005 tax years, JACKSON invented phony businesses and filed returns falsely stating that his clients ran

those money-losing businesses from their homes, when in fact, the taxpayers did not own businesses. In addition, JACKSON fabricated expenditures, such as charitable gifts, childcare expenses, and tuition payments, in order to get his clients tax deductions and credits that increased the size of their tax refunds. JACKSON concealed the false information on the returns from some of his clients, and told others to lie or file false documents in order to support the false accounts on their returns. At the sentencing proceeding, Judge McMAHON found that JACKSON's conduct caused losses to the federal government exceeding \$1 million.

In addition to the prison term, Judge McMAHON held JACKSON responsible for \$60,515 in restitution, and ordered him to serve one year of supervised release following his prison sentence. Judge McMAHON also prohibited him from engaging in work related to tax preparation, as a special condition of supervised release.

In imposing sentence, Judge McMAHON told JACKSON: "You have no right to cheat the people of the United States of money... You are a thief." Judge McMAHON stated that Jackson had shown an "utter lack of remorse" for his fraud and that the sentence was "appropriate to send a message to the community that this behavior will not be tolerated."

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The case was part of "Operation Brass Tax," a joint investigation conducted by the U.S. Attorney's Office and the IRS, that was the largest coordinated takedown of corrupt tax preparers in history. JACKSON is the second defendant convicted following trial. To date, fifteen of twenty-six defendants have been convicted -- thirteen by guilty plea and two after trial. Charges remain pending against the remaining eleven defendants, of whom four defendants are fugitives.

Mr. BHARARA thanked the IRS for its outstanding work in the investigation of Operation Brass Tax. He also thanked the U.S. Department of Justice's Tax Division for their assistance.

The prosecution of the cases arising from Operation Brass Tax is being overseen by the Office's Complex Frauds Unit, assisted by the General Crimes Unit and the White Plains Division. Assistant U.S. Attorneys RACHEL P. KOVNER and HARRIS M. FISCHMAN are in charge of the prosecution.

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