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Cell Block Tax Prep? Inmate Re-Arrested Doing Phony Returns

Who is doing your taxes? Amid a court fight between the IRS and tax preparers over regulating that profession, it's an interesting time. But whoever is doing yours, let's hope he or she is not doing your taxes from lock-up. Two years ago some [Prison inmates registered with the IRS as tax preparers](#).

It has long been true that some tax return preparers are seasonal workers handling the April 15 crush. But prisoners? It might surprise you to know how many prisoners—some serving life—have been registered as return preparers with the IRS. Two years ago, a study by the Treasury Inspector General for Tax Administration—a.k.a [TIGTA](#)—said over 300 prisoners registered, 43 serving life. See [More Tax Return Preparers Are Filing Electronically, but Better Controls Are Needed](#).

But that was then. The shop run by Kavin Santos, also known as [Steven Augustine](#), was even better. Well, while it lasted, that is. He is in jail but was rearrested for allegedly filing hundreds of tax-credit applications, using phony and stolen Social Security numbers to systematically scam New York State. See [Inmate accused of filing 387 tax-credit forms before state caught on](#).

Authorities claim that he started his tax scam from the infamous [Rikers Island Correctional Facility](#) in Queens. He continued filing the tax-credit forms for a few months after being sent to Coxsackie Correctional Facility in Greene County, New York in 2013, court records show.

Santos had already been sentenced to state prison twice for burglary. And he was getting close to release. Before his recent arrest over tax prep, he was scheduled to be released from custody in January 2016. Now, though, that seems likely to be extended. Hey, got to get through tax season.

A complaint now accuses Mr. Santos of filing 387 tax-credit forms for tax years 2008 through 2011. In all, the complaint says he attempted to obtain \$32,122 in tax refunds. These are one-page forms, NYC-210, and they enable New York City residents to claim a school tax credit of up to \$63 per individual. The forms can be filed individually with the state [Department of Taxation and Finance](#) and do not need to be part of an income-tax filing.

Mr. Santos' little operation actually might have gone on even longer than it did. However, the scheme unraveled when employees with the state [Department of Corrections and Community Supervision](#) alerted state tax investigators. Hey, how come there is such a high number of tax-rebate checks being mailed to Santos in prison and deposited into his inmate account? Good question.

Santos had requested paper checks on his tax-credit forms. Then, he had them mailed to various relatives around the New York City area, according to officials. The complaint says he used some real and some fake Social Security numbers.

You can reach me at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.