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THE TAX LAWYER

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### Couple Gets 15 Years For Tax Evasion -- Each

It is sobering to see someone go to jail for tax evasion. Even an indictment that commences a criminal case is sobering, and the IRS knows this. It is one reason there is a spike or criminal tax charges and plea deals announced at tax time. There could be even more right around April 15th, when taxpayers are thinking, “should I claim that aggressive deduction or play it safe?”

When you sign your tax return, be careful. It isn't an opening offer. It must be signed under penalties of perjury, so don't [lie on your tax return](#). You may never be audited, but you *might* be. You may not have received a Form 1099 from someone who paid you. But perhaps they sent it in to the IRS and your copy was lost in the mail.

Of course the vast majority of tax audits are civil and have little risk of criminal liability. Still, a majority of criminal tax cases start with a civil audit. The IRS and Justice Department are particularly likely to crack down on tax preparers who are defrauding their clients and the government at the same time. A recent case in point was a husband and wife team running a Texas tax preparation business. They pleaded guilty to filing false federal income tax returns on behalf of clients that understated the clients' tax liabilities.



The couple was sentenced harshly, and each will spend [15 years in federal prison](#) for a series of frauds. Jacqueline and Gladstone Morrison were sentenced to 187 months, which is [steep for a tax preparation fraud case](#). Even so, it was below the sentencing guidelines that ranged from 262 months to 327 months. The sentencing judge also ordered them to pay nearly \$18 million in restitution.

Until their legal troubles, the pair operated Jacqueline Morrison & Associates in Arlington and Fort Worth, Texas. The business opened in 2005 and was closed by a federal warrant in 2010. Mr. and Ms. Morrison were charged with 17 counts of tax evasion and fraud. They were convicted in October 2014. [Gladstone Morrison](#), 43, has been in custody since the conviction. He was [born and raised in Jamaica](#) and became a U.S. citizen in 2010.

The Morrisons increased their clients' tax refunds by claiming fictitious business losses. They were able to charge higher fees too, earning more than \$2 million in fees, and developing a following of clients eager for refunds. The Morrisons tried to put all responsibility for any false information on the clients. They even were able to win a \$750,000 franchise agreement with Express Tax Services, a subsidiary of H&R Block.

That all went south once the IRS fraud investigation got serious, though for a time Mr. and Ms. Morrison tried to keep running the business through an associate. Now, all that is history. The vast majority of tax preparers are honest and ethical. The IRS and Justice Department can be harsh on those who are not.

There can be considerable fallout for all of the clients of a preparer who is prosecuted. Errors will usually have to be corrected and taxes may need to be paid by the individuals involved even if they were duped. And remember, you are responsible for the contents of your tax return. So go over it carefully and raise any questions you have with your preparer.

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