

Alabama Department of Revenue

News Release

Oct. 26, 2006

Birmingham Tax Preparer Pleads Guilty to State Tax Charges

Montgomery— Paul Childress, 59, of 108 Wind View Trace, Birmingham, Ala., pleaded guilty Oct. 26, 2006, to 11 counts of submitting fraudulent tax returns and other documents to the Alabama Department of Revenue.

Childress, a part-time income tax preparer, provided fraudulent documentation to the Alabama Department of Revenue in efforts to substantiate tax deductions claimed by his clients on 10 Alabama individual income tax returns, spanning a three-year period covering tax years 2001, 2002 and 2003.

The audits of these returns revealed false and altered documentation prepared and submitted to the department by Childress and his clients. Some of the documents submitted by Childress on his clients' behalf to substantiate deductions, etc., were identical, with the only differences in the information being the names of the taxpayers. Copies of vehicle registration receipts and charitable contribution receipts from churches were altered to substantiate deductions claimed by various clients. Childress also prepared and submitted fraudulent documentation for his personal income tax return.

Childress had pleaded guilty earlier this year in Jefferson County District Court and appealed his sentencing to Jefferson County Circuit Court.

Jefferson County Circuit Judge David Lichtenstein sentenced Childress to one year in jail, suspended, and two years of unsupervised probation. Judge Lichtenstein ordered Childress to pay full restitution of \$1,362.40 and to pay fines totaling \$2,200.

Commenting on the case, State Revenue Commissioner Tom Surtees said, "Every tax season, we encourage taxpayers to take great care in choosing preparers and always review their returns before filing. While most preparers provide excellent

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service to their clients, there are some who manipulate income figures and claim inflated expenses, deductions, and exemptions on their clients' returns. Any item that is not understood by the taxpayer should be questioned. We do not want anyone to become a victim of tax return preparer fraud.”

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