

Brockton Tax Preparer Indicted for Tax Fraud

The owner of a tax preparation business in Brockton was indicted last week for preparing false tax returns for others as well as filing a false tax return for himself.

Jose Miguel Spinola, 51, was indicted on 13 counts of preparing false tax returns and one count of filing a false tax return. Spinola was arraigned in federal court in Boston on Friday, June 19, 2020.

As alleged in the indictment, on numerous occasions between 2014 and 2017, Spinola prepared and filed income tax returns for clients that contained false, inflated and incorrect information on his clients' IRS Form 1040, U.S. Individual Income Tax Returns and attached schedules. Spinola allegedly added false, inflated and ineligible expenses on his clients' Schedules A for medical and dental expenses and unreimbursed employee business expenses, including claimed meals and entertainment, business miles and work apparel. By inflating Schedule A deductions, Spinola allegedly decreased his clients' taxable income and effectively increased the clients' tax refunds. Spinola informed his clients of the total tax refund they would receive from the IRS without telling the clients about the false, inflated, or ineligible expenses Spinola deducted from his clients' income tax returns.

As part of the investigation, an undercover agent had Spinola prepare and file tax returns. The indictment alleges that Spinola fraudulently deducted false expenses on the undercover agent's tax return including medical and dental expenses, charitable donations and unreimbursed business expenses – none of which were reported to Spinola by the agent.

Each count of aiding the preparation of false tax returns and

filing false tax returns provides for a sentence of up to three years in prison, three years of supervised release and a fine of \$250,000 or twice the gross gain or loss, whichever is greater. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Andrew E. Lelling and Kristina O'Connell, Special Agent in Charge of the Internal Revenue Service's Criminal Investigations in Boston, made the announcement today. Assistant U.S. Attorney Sara Miron Bloom of Lelling's Securities, Financial and Cyber Fraud Unit is prosecuting the case.

The details contained in the indictment are allegations. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.