United States Attorney's Office District of Connecticut
Press Release

September 25, 2008

FORMER BRIDGEPORT TAX PREPARER PLEADS GUILTY TO FILING FALSE CLAIMS FOR TAX REFUNDS AND COMPUTER FRAUD

Nora R. Dannehy, Acting United States Attorney for the District of Connecticut, announced that JAMES R. MULLEN, 40, of Norfolk, Virginia, formerly of Bridgeport, Connecticut, waived indictment and pleaded guilty today before Senior United States District Judge Ellen Bree Burns in New Haven to one count of filing false claims with the Internal Revenue Service and one count of accessing a protected computer to commit the fraud.

According to documents filed with the Court and statements made in court, from 2004 through 2006, MULLEN worked as a tax preparer at several entities in the Bridgeport area, including an Internal Revenue Service-sponsored Voluntary Income Tax Assistance (VITA) site operating out of a Bridgeport community center, and a national tax preparation firm. As part of a scheme to defraud the Government, on eight occasions, MULLEN added false dependent information to the tax returns of various taxpayers in order to inflate the amount of refund owed to the taxpayers. MULLEN then electronically filed the fraudulent returns with the IRS. In some instances, MULLEN included false bank account information on the returns as a method for diverting the proceeds of the taxpayer's inflated refunds to a bank account controlled by persons acting at MULLEN's instruction, later claiming some or all of the proceeds for himself.

For example, in 2005, while working at the IRS VITA site, MULLEN prepared an income tax return for a particular taxpayer. The return that MULLEN prepared, and which the taxpayer signed, included no exemptions for dependents and calculated a refund of approximately $2,211. However, MULLEN did not file the return on behalf of the taxpayer. Instead, he prepared a different return in the taxpayer's name adding several children as dependents. As a result, the refund amount was increased to approximately $5,493. MULLEN then filed the false return electronically and included on the return the bank account number for his girlfriend so that the refund would be routed directly to her bank account. MULLEN then

obtained the refund money from his girlfriend.

The total amount of fraudulent proceeds paid by the IRS as a result of MULLEN's scheme was $23,922.

Judge Burns has scheduled sentencing for December 16, 2008, at which time MULLEN faces a maximum prison term of 10 years and a fine of up to $500,000.

This matter is being investigated by the Internal Revenue Service – Criminal Investigation Division and the U.S. Treasury Inspector General for Tax Administration.

This case is being prosecuted by Assistant United States Attorney Paul Murphy.

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