

Alabama Department of Revenue

News Release
Feb. 16, 2007

Escambia County Tax Preparer Arrested for Fraudulent Tax Filing

Brewton—Amy Madsen, 42, of 2050 Pea Ridge Road, Brewton, Ala., was arrested Feb. 12, 2007, on eight counts of filing fraudulent Alabama income tax returns.

Madsen, owner and operator of Amy Madsen Accounting and Tax, was charged with aiding and assisting in the preparation of fraudulent Alabama income tax returns for five of her clients, claiming deductions and or/credits to which they were not entitled.

According to the indictments of Feb. 2, 2007, by the Escambia County Grand Jury, Madsen knew the deductions and/or credits filed on behalf of her clients were false.

Additionally, Madsen was charged with preparing and filing false Alabama income returns for herself over a three-year period, omitting approximately \$130,000.00 in taxable income.

Aiding and assisting in the preparation of fraudulent income tax returns is a violation of Section 40-29-115(a) (2), *Code of Alabama*; filing perjured income tax returns is a violation of Section 40-29-115 (a) (1), *Code of Alabama*. Both offenses are felonies, punishable by fines of more than \$100,000.00 per offense, or imprisonment of not more than three years, or both.

State Revenue Commissioner Tom Surtees, commenting on Madsen's arrest, said, "Tax preparer fraud is a serious crime in Alabama, and too often, the unwilling victims are the clients who have no knowledge that their returns have been fraudulently prepared and filed.

"Because the ultimate responsibility lies with the client, the department advises taxpayers to choose their preparer carefully, check over their returns, and question any items they do not understand."

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