Quick Facts 📊⚖️

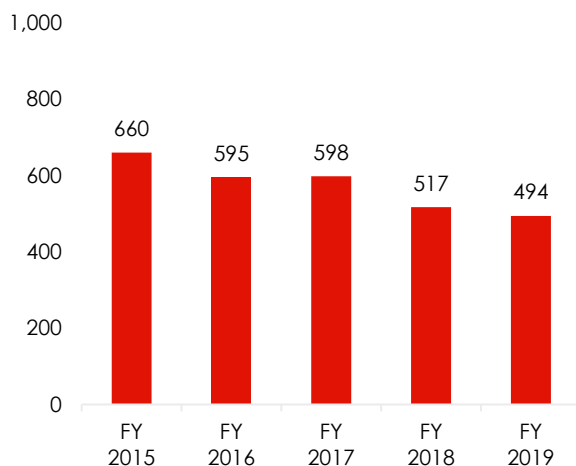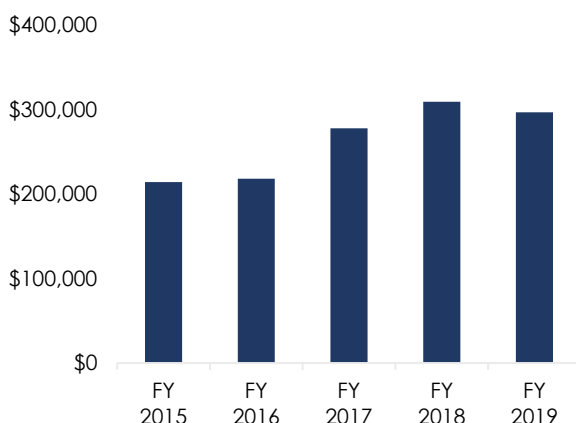## — *Tax Fraud Offenses* —

Fiscal Year 2019

▶ IN FY 2019, 76,538 CASES WERE REPORTED TO THE U.S. SENTENCING COMMISSION.

▶ 494 INVOLVED TAX FRAUD.[1,2]

▶ TAX FRAUD OFFENSES HAVE DECREASED BY 25.2% SINCE FY 2015.

Number of Tax Fraud Offenders

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
660	595	598	517	494

Median Loss for Tax Fraud Offenses

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
~$215,000	~$218,000	~$278,000	~$308,000	~$296,000

Offender and Offense Characteristics

- 68.1% of tax fraud offenders were men.

- 48.2% were White, 32.6% were Black, 13.3% were Hispanic, and 5.9% were Other races.

- Their average age was 50 years.

- 93.1% were United States citizens.

- 80.2% had little or no prior criminal history (Criminal History Category I).

- The median loss for these offenses was $296,429.
    - 86.6% involved loss amounts of $1.5 million or less.[3]
    - 21.6% involved loss amounts less than $100,000.

- Sentences were increased for:
    - Using sophisticated means to execute or conceal the offense (11.5%);
    - Abusing a position of trust (5.5%);
    - Leadership or supervisory role in the offense (7.6%); and
    - Obstructing or impeding the administration of justice (5.3%).

- Sentences were decreased for:
    - Minor or minimal participation in the offense (4.9%).

- The top five districts for tax fraud offenders were:
    - Southern District of Florida (23);
    - District of New Jersey (22);
    - Southern District of New York (21);
    - Eastern District of Pennsylvania (19); and
    - Eastern District of New York (17).

Punishment

- The average sentence for tax fraud offenders was 16 months.

- 65.0% were sentenced to prison.

- 2.7% were convicted of an offense carrying a mandatory minimum penalty; none were relieved of that penalty.

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— *Tax Fraud Offenses* —

Sentences Relative to the Guideline Range

- Of the 40.7% of tax fraud offenders who were sentenced under the *Guidelines Manual*:

  ♦ 60.3% were sentenced within the guideline range.

  ♦ 33.2% received a substantial assistance departure.
    ◊ Their average sentence reduction was 69.9%.

  ♦ 6.5% received some other downward departure.
    ◊ Their average sentence reduction was 53.8%.

- 59.3% received a variance; of those offenders:

  ♦ 96.9% received a downward variance.
    ◊ Their average sentence reduction was 61.0%.

  ♦ 3.1% received an upward variance.
    ◊ Their average sentence increase was 41.0%.

- The average guideline minimum and average sentence imposed have remained relatively steady over the past five years.

  ♦ The average guideline minimum was 26 months in fiscal year 2015 and in fiscal year 2019.

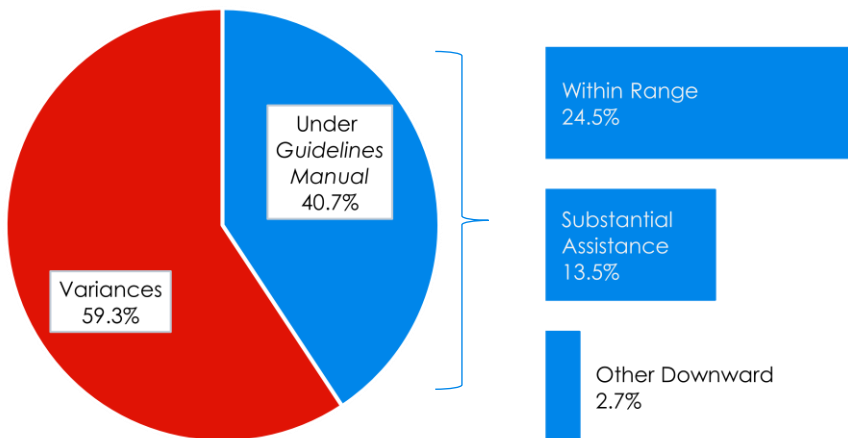 ♦ The average sentence imposed decreased from 17 months in fiscal year 2015 to 16 months in fiscal year 2019.

Sentence Relative to the Guideline Range (%)
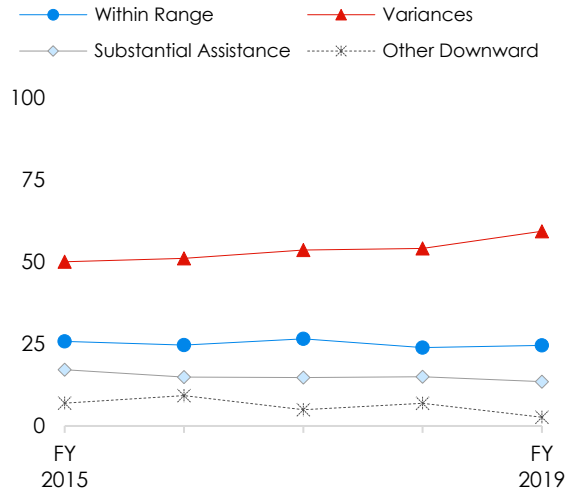
Average Guideline Minimum and Average Sentence (months)
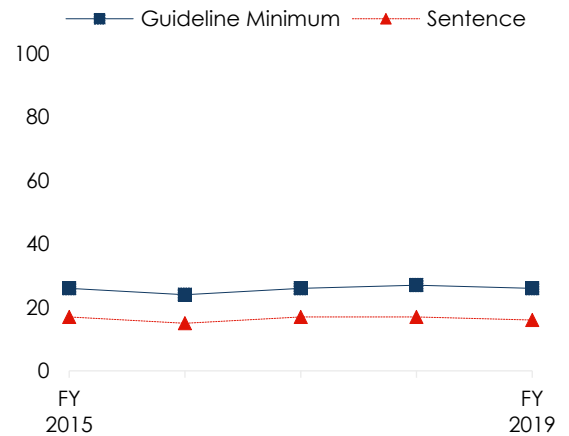
Sentence Imposed Relative to the Guideline Range FY 2019

1 Cases with incomplete sentencing information were excluded from the analysis.

2 Tax fraud offenses include cases in which the offender was sentenced under §2T1.1 or §2T1.4 (Tax Evasion; Willful Failure to File Return, Supply Information, or Pay Tax; Fraudulent or False Returns, Statements, or Other Documents or Aiding, Assisting, Procuring, Counseling, or Advising Tax Fraud).

3 The Tax Loss Table was amended effective November 1, 2001 and November 1, 2015.

SOURCE: United States Sentencing Commission Datafiles, FY 2015 through FY 2019, USSCFY15-USSCFY19