There were 75,836 cases reported to the United States Sentencing Commission in Fiscal Year 2014.

Tax fraud offenses\(^1\) account for 1.1% of the federal caseload during this time period.\(^2\)

These offenders are sentenced under sections 2T1.1 and 2T1.4 of the U.S. Sentencing Commission's Guidelines Manual.

In fiscal year 2014, there were 719 tax fraud offenders who accounted for 1.1% of all offenders sentenced under the guidelines. The number of tax fraud offenders has increased slightly during the last five years.

### Offender and Offense Characteristics

- In fiscal year 2014, most tax fraud offenders were male (74.8%).
- More than half were White (53.9%) followed by Black (25.7%), Hispanic (11.5%), and Other Races (8.9%).
- The average age of these offenders at sentencing was 50 years.
- These offenses were committed mostly by U.S. citizens (93.5%) compared to non-citizens (6.5%).
- The majority of tax fraud offenders had little or no prior criminal history (82.8% of these offenders were assigned to Criminal History I).
- The median tax loss in these cases was $166,967.
  - 86.1% of tax offenses involved tax losses of $1 million or less.
  - 54.9% of tax offenses involved tax losses of $200,000 or less.

### Punishment

- Nearly two-thirds of tax fraud offenders were sentenced to imprisonment (63.3%).
- The average sentence length for tax fraud offenders was 16 months.

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\(^1\) Tax fraud offenses include cases with complete guideline application information in which the offender was sentenced under §2T1.1 (Tax Evasion; Willful Failure to File Return, Supply Information, or Pay Tax; Fraudulent or False Returns, Statements, or Other Documents), or §2T1.4 Aiding, Assisting, Procuring, Counseling, or Advising Tax Fraud) and using a Guidelines Manual in effect November 1, 2001 or later.

\(^2\) Of the 75,836 offenders sentenced in fiscal year 2014, 8,164 were excluded from this analysis due to incomplete guideline application information.
Sentences Relative to the Guideline Range

• During the past five years, the rate of within range sentences for tax fraud offenses has decreased (34.5% in fiscal year 2010 to 31.0% in fiscal year 2014).

• In each of the past five years, approximately one-quarter of tax fraud cases received a sentence below the guideline range because the government sponsored the below range sentence.
  ◆ Substantial assistance departures were granted in approximately 11 to 15 percent of tax fraud cases in each of the past five years.
    ◊ These offenders received an average reduction of 68.2% in their sentence during the five year time period (which corresponds to an average reduction of 16 months).
  ◆ Other government sponsored departures were granted in approximately six to ten percent of tax fraud cases in each of the past five years.
    ◊ These offenders received an average reduction of 63.7% in their sentence during the five year time period (which corresponds to an average reduction of 12 months).

• The rate of non-government sponsored below range sentences remained relatively stable during the past five years (from 43.5% of tax fraud cases in fiscal year 2010 to 43.0% in fiscal year 2014).
  ◆ Reductions for non-government sponsored below range sentences were smaller than in cases in which the government sponsored a below range sentence, with an average reduction of 56.3% over the five year time period (which corresponds to an average reduction of 12 months).

• Both the average guideline minimum and average sentence for tax fraud offenders have remained stable for the past five years.
  ◆ The average guideline minimum was approximately 24 months during most of that time period;
  ◆ The average sentence imposed decreased from 17 months to 16 months during that time period.