

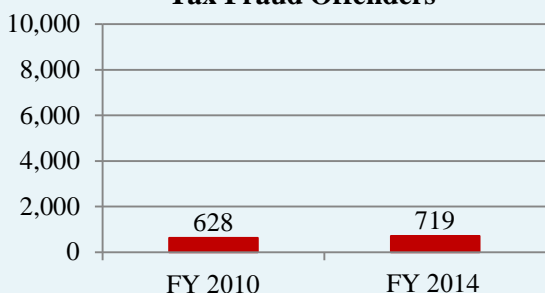


Quick Facts

- ▶ THERE WERE 75,836 CASES REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2014.
- ▶ TAX FRAUD OFFENSES¹ 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*

Tax Fraud Offenses¹

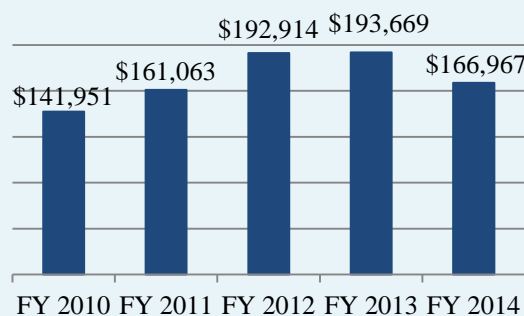
Number of Tax Fraud Offenders



Top Five Districts Tax Fraud Offenders FY 2014

Central District of California (N=43)
Eastern District of Pennsylvania (N=38)
District of New Jersey (N=34)
Eastern District of New York (N=32)
District of Hawaii (N=25)

Median Tax Loss for Tax Fraud Offenders



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.
- Sentences for tax fraud offenders were increased for:
 - ◆ 15.4% of offenders for using sophisticated means to execute or conceal the offense.
 - ◆ 6.0% of offenders for having a leadership or supervisory role in the offense.
 - ◆ 2.4% of offenders for abusing a public position of trust or using a special skill.
 - ◆ 4.9% of offenders for obstructing or impeding the administration of justice.
- Sentences for tax fraud offenders were decreased for:
 - ◆ 1.8% of offenders because they were a minor or minimal participant in the offense.

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.

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.

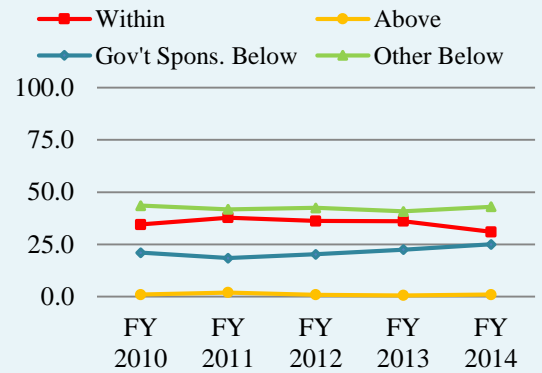
Quick Facts

Tax Fraud Offenses¹

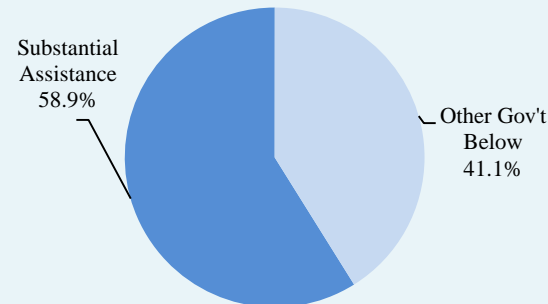
Sentences Relative to the Guideline Range

- 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.

Sentence Relative to the Guideline Range



Government Sponsored Below Range Sentences FY 2014



Average Sentence and Average Guideline Minimum (in months)

