



Quick Facts

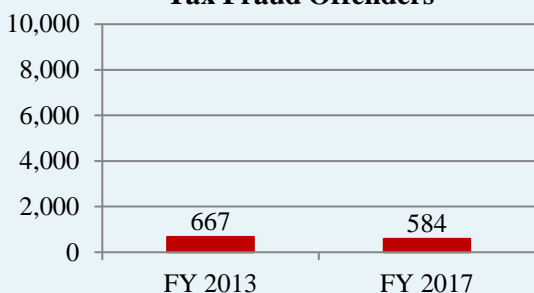
▶ THERE WERE 66,873 CASES REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2017.

▶ OF THESE CASES, 584 INVOLVED TAX FRAUD.¹

▶ THESE OFFENDERS WERE SENTENCED UNDER SECTIONS 2T1.1 AND 2T1.4 OF THE U.S. SENTENCING COMMISSION'S *GUIDELINES MANUAL*.

Tax Fraud Offenses¹

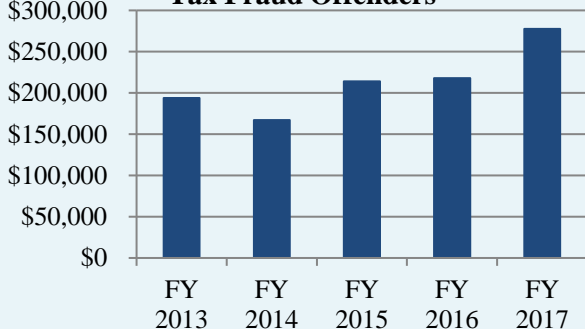
Number of Tax Fraud Offenders



Top Five Districts Tax Fraud Offenders FY 2017

Northern District of Illinois (N=35)
Northern District of California (N=31)
Eastern District of California (N=29)
Central District of California (N=25)
Eastern District of New York (N=23)

Median Tax Loss for Tax Fraud Offenders



In fiscal year 2017, there were 584 tax fraud offenders, who accounted for 0.9% of all offenders sentenced under the guidelines.² The number of tax fraud offenders has decreased slightly during the last five years.

Offender and Offense Characteristics

- In fiscal year 2017, approximately two-thirds of tax fraud offenders were men (69.4%).
- More than half were White (52.4%) followed by Black (30.8%), Hispanic (10.3%), and Other Races (6.5%).
- The average age of these offenders at sentencing was 52 years.
- Most tax fraud offenders were United States citizens (93.8%).
- The majority of tax fraud offenders had little or no prior criminal history (80.5% of these offenders were assigned to Criminal History Category I).
- The median tax loss for these offenses was \$277,576.³
 - ◆ 87.2% of tax offenses involved tax losses of \$1.5 million or less.
 - ◆ 19.8% of tax offenses involved tax losses of \$100,000 or less.
- Sentences for tax fraud offenders were increased for:
 - ◆ 12.5% of offenders for using sophisticated means to execute or conceal the offense;
 - ◆ 8.4% of offenders for having a leadership or supervisory role in the offense;
 - ◆ 3.8% of offenders for abusing a public position of trust or using a special skill; and
 - ◆ 8.7% of offenders for obstructing or impeding the administration of justice.
- Sentences for tax fraud offenders were decreased for:
 - ◆ 2.4% of offenders because they were a minor or minimal participant in the offense.

Punishment

- More than half of tax fraud offenders were sentenced to imprisonment only (59.1%).
- The average sentence length for tax fraud offenders was 17 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) using a *Guidelines Manual* in effect on November 1, 2001 or later.

² Of the 66,873 offenders sentenced in fiscal year 2017, 4,956 were excluded from this analysis due to incomplete guideline application information.

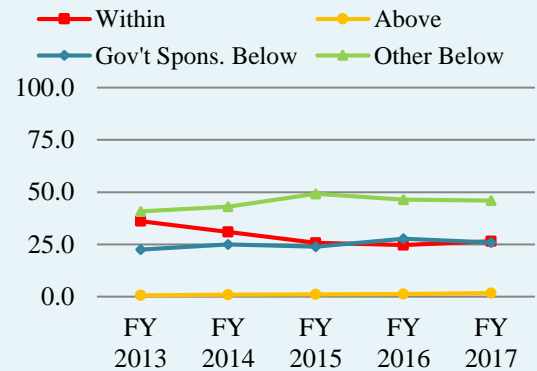
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Tax Fraud Offenses

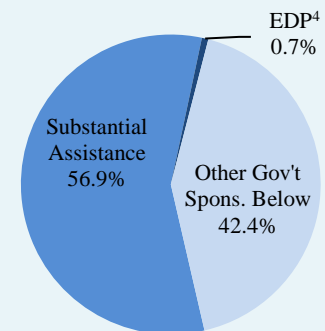
Sentences Relative to the Guideline Range

- During the past five years, the rate of within range sentences for tax fraud offenders has decreased (from 36.1% in fiscal year 2013 to 26.5% in fiscal year 2017).
- In each of the past five years, approximately one-quarter of tax fraud offenders received a sentence below the guideline range because the government sponsored the below range sentence.
 - ◆ Substantial assistance departures were granted in approximately 15 to 17 percent of tax fraud cases in each of the past five years.
 - ◇ These offenders received an average reduction of 67.3% in their sentence during the five-year time period (which corresponds to an average reduction of 17 months).
 - ◆ Other government sponsored departures were granted in approximately seven to thirteen percent of tax fraud cases in each of the past five years.
 - ◇ These offenders received an average reduction of 68.1% in their sentence during the five-year time period (which corresponds to an average reduction of 13 months).
- The rate of non-government sponsored below range sentences increased during the past five years (from 40.8% of tax fraud cases in fiscal year 2013 to 45.9% in fiscal year 2017).
 - ◆ 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 59.0% during the five-year time period (which corresponds to an average reduction of 12 months).
- Both the average guideline minimum and average sentence have varied slightly for the past five years.
 - ◆ The average guideline minimum ranged between 24 months and 26 months during that time period;
 - ◆ The average sentence ranged between 15 months and 18 months during that time period.

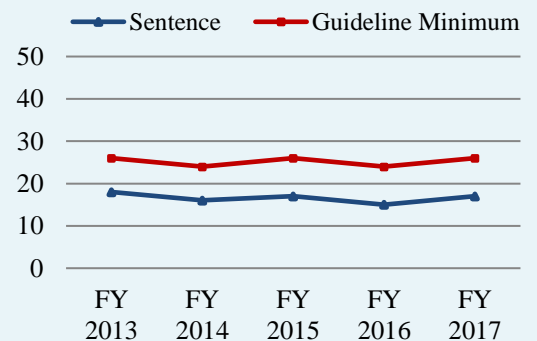
Sentence Relative to the Guideline Range



Government Sponsored Below Range Sentences FY 2017



Average Sentence and Average Guideline Minimum (in months)



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

⁴ "Early Disposition Program (or EDP) departures" are departures where the government sought a sentence below the guideline range because the defendant participated in the government's Early Disposition Program, through which cases are resolved in an expedited manner. See USSG §5K3.1.

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SOURCE: United States Sentencing Commission Datafiles, 2013 through 2017, USSCFY13-USSCFY17.



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