Fiscal Year 2018

- In FY 2018, 69,425 cases were reported to the U.S. Sentencing Commission.
- 517 of these involved tax fraud.\(^1,2\)
- Tax fraud offenses have decreased by 29.9% since FY 2014.

Offender and Offense Characteristics

- 66.9% of tax fraud offenders were men.
- 44.3% were White, 36.0% were Black, 14.6% were Hispanic, and 5.1% were Other races.
- Their average age was 50 years.
- 93.3% were United States citizens.
- 84.4% had little or no prior criminal history (Criminal History Category I).
- The median loss for these offenses was $308,996.
  - 89.8% involved loss amounts of $1.5 million or less.\(^3\)
  - 18.9% involved loss amounts less than $100,000.
- Sentences were increased for:
  - using sophisticated means to execute or conceal the offense (16.2%);
  - abusing a position of trust (3.6%);
  - leadership or supervisory role in the offense (8.5%);
  - obstructing or impeding the administration of justice (6.3%).
- Sentences were decreased for:
  - minor or minimal participation in the offense (3.0%).
- The top five districts for tax fraud offenders were:
  - Eastern District of Pennsylvania (39);
  - Northern District of Illinois (23);
  - District of Massachusetts (17);
  - District of New Jersey (17);
  - Eastern District of New York (17).

Punishment

- The average sentence for tax fraud offenders was 17 months.
- 67.7% were sentenced to prison.
- 5.1% were convicted of an offense carrying a mandatory minimum penalty; of those, 34.6% were relieved of that penalty.

For more Quick Facts, visit https://www.ussc.gov/research/quick-facts.
Sentences Relative to the Guideline Range

• Of the 46.0% of tax fraud offenders who were sentenced under the Guidelines Manual:
  ◦ 51.9% were sentenced within the guideline range.
  ◦ 32.6% received a substantial assistance departure.
    ◦ Their average sentence reduction was 74.5%.
  ◦ 15.0% received some other downward departure.
    ◦ Their average sentence reduction was 58.7%.

• 54.0% received a variance; of those offenders:
  ◦ 96.4% received a downward variance.
    ◦ Their average sentence reduction was 62.2%.
  ◦ 3.7% received an upward variance.
    ◦ Their average sentence increase was 48.6%.

• The average guideline minimum and average sentence imposed has remained relatively steady over the past five years.
  ◦ The average guideline minimum increased from 24 months in fiscal year 2014 to 27 months in fiscal year 2018.
  ◦ The average sentence imposed increased from 16 months in fiscal year 2014 to 17 months in fiscal year 2018.

Sentence Imposed Relative to the Guideline Range FY 2018


--- Tax Fraud Offenses ---

Sentence Relative to the Guideline Range (%)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Range</td>
<td>51.9%</td>
<td>52.6%</td>
</tr>
<tr>
<td>Substantial Assistance</td>
<td>32.6%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Other Downward</td>
<td>15.0%</td>
<td>15.8%</td>
</tr>
<tr>
<td>EDP</td>
<td>4.5%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Average Guideline Minimum and Average Sentence (months)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guideline Minimum</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Sentence</td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>

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.

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.