Quick Facts 📊⚖️

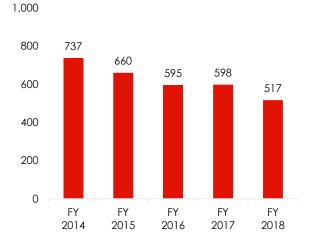## — *Tax Fraud Offenses* —

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.

Number of Tax Fraud Offenders

Median Loss for Tax Fraud Offenses

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.
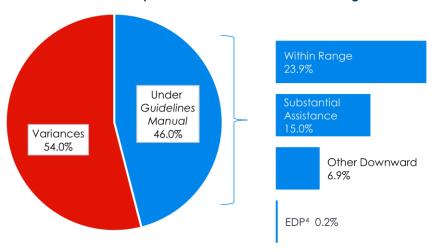
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— *Tax Fraud Offenses* —

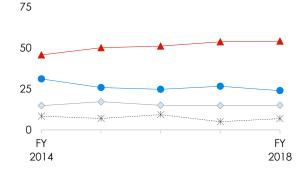## Sentences Relative to the Guideline Range

- 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 Relative to the Guideline Range (%)

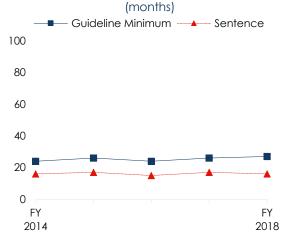### Average Guideline Minimum and Average Sentence (months)

[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.

Sentence Imposed Relative to the Guideline Range FY 2018

SOURCE: United States Sentencing Commission Datafiles, FY 2014 through FY 2018, USSCFY14-USSCFY18