Quick Facts 📊⚖️

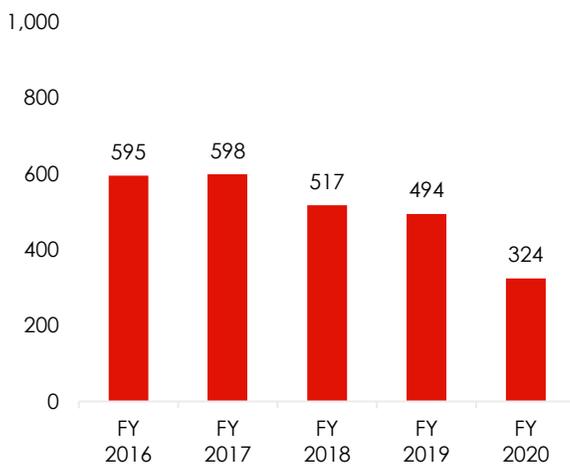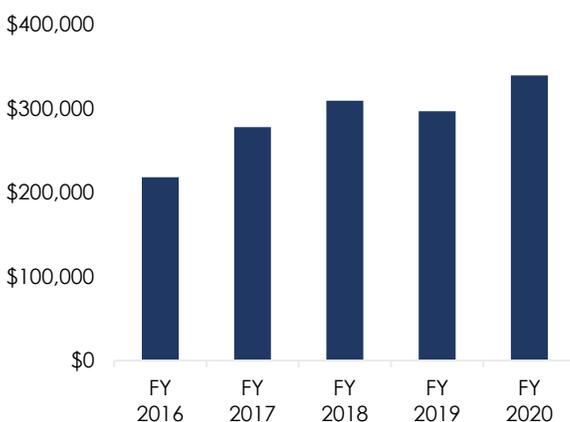## — *Tax Fraud Offenses* —

Fiscal Year 2020

▶ IN FY 2020, 64,565 CASES WERE REPORTED TO THE U.S. SENTENCING COMMISSION.

▶ 324 INVOLVED TAX FRAUD.[1]

▶ TAX FRAUD OFFENSES HAVE DECREASED BY 45.5% SINCE FY 2016.

Number of Tax Fraud Offenders

Median Loss for Tax Fraud Offenses

Offender and Offense Characteristics[2]

- 73.1% of tax fraud offenders were men.

- 52.2% were White, 29.8% were Black, 9.6% were Hispanic, and 8.4% were Other races.

- Their average age was 52 years.

- 94.1% were United States citizens.

- 85.4% had little or no prior criminal history (Criminal History Category I).

- The median loss for these offenses was $339,071;[3]
  - 15.5% involved loss amounts of less than $100,000;
  - 14.1% involved loss amounts greater than $1.5 million.

- Sentences were increased for:
  - using sophisticated means to execute or conceal the offense (11.8%);
  - a leadership or supervisory role in the offense (7.1%);
  - abusing a public position of trust or using a special skill (3.7%);
  - obstructing or impeding the administration of justice (4.3%).

- Sentences were decreased for:
  - minor or minimal participation in the offense (3.4%).

- The top five districts for tax fraud offenders were:
  - District of New Jersey (16);
  - Eastern District of Pennsylvania (14);
  - Northern District of Texas (14);
  - Southern District of Ohio (13);
  - Central District of California (12).

Punishment

- The average sentence for tax fraud offenders was 16 months.

- 68.7% were sentenced to prison.

- 1.2% were convicted of an offense carrying a mandatory minimum penalty; of those offenders, one was relieved of that penalty.

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— Tax Fraud Offenses —

Sentences Relative to the Guideline Range

- Of the 44.9% of tax fraud offenders who were sentenced under the *Guidelines Manual*:

  - 62.8% were sentenced within the guideline range.

  - 27.6% received a substantial assistance departure.
    - Their average sentence reduction was 64.9%.

  - 9.6% received some other downward departure.
    - Their average sentence reduction was 79.0%.

- 55.1% received a variance; of those offenders:

  - 99.4% received a downward variance.
    - Their average sentence reduction was 64.9%.

  - 0.6% received an upward variance.[4]

- The average guideline minimum and the average sentence imposed remained steady over the past five years.

  - The average guideline minimum increased from 24 months in fiscal year 2016 to 26 months in fiscal year 2020.

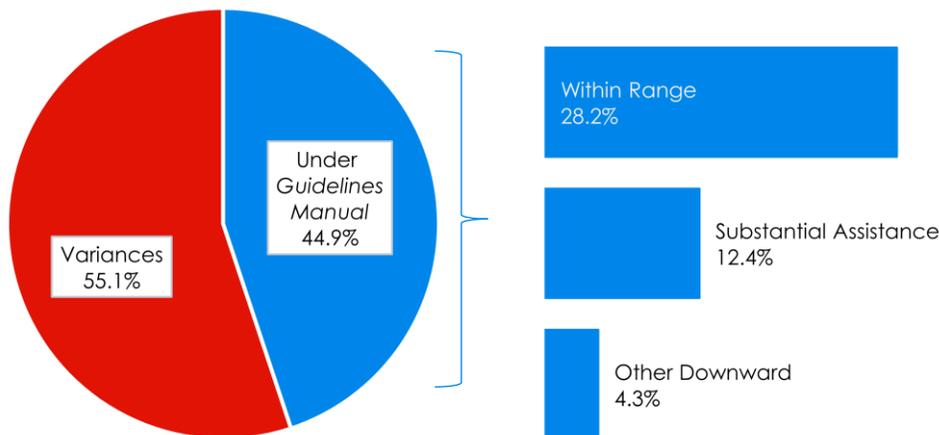 - The average sentence imposed increased from 15 months in fiscal year 2016 to 16 months in fiscal year 2020.

Sentence Relative to the Guideline Range (%)
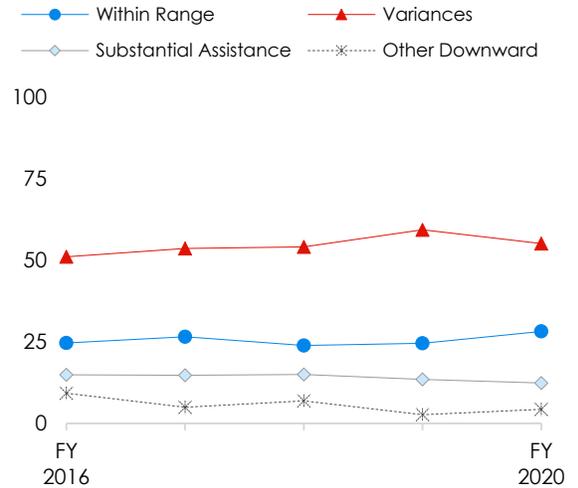
Average Guideline Minimum and Average Sentence (months)
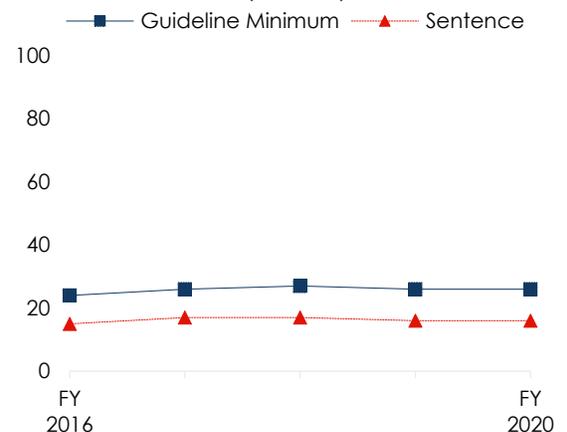
Sentence Imposed Relative to the Guideline Range FY 2020

[1] 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).

[2] Cases with incomplete sentencing information were excluded from the analysis.

[3] The Tax Loss Table was amended effective November 1, 2001 and November 1, 2015.

[4] The Commission does not report the average for categories with fewer than three cases.

SOURCE: United States Sentencing Commission, FY 2016 through FY 2020 Datafiles, USSCFY16-USSCFY20.