



# Department of Justice

United States Attorney Melinda Haag  
Northern District of California

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## **UNLICENSED OAKLAND TAX PREPARER SENTENCED TO 18 MONTHS**

*Claimed Ineligible Dependents, False Wages and Expenses*

OAKLAND, Calif. – Diane Lipina Tuiono was sentenced Wednesday to 18 months in prison, followed by one year of supervised release and ordered to pay \$135,803 for aiding and assisting in the preparation of false tax returns, United States Attorney Melinda Haag and Special Agent in Charge, IRS Criminal Investigation, Marcus Williams announced.

Tuiono pleaded guilty on Nov. 23, 2011. Tuiono admitted she prepared tax returns from 2006 through 2009. She was not a licensed return preparer and did not sign the returns she prepared. Many of her clients were low income families who were unaware of the details of state and federal tax laws. Sometimes her clients brought Forms W-2, 1098, and 1099 to prepare their tax returns and other times they did not have verifiable income or did not earn income at all during the year, but they would still ask her to prepare their returns. In those situations, Tuiono would input an amount of income on the tax return in order to maximize the amount of the refunds. This resulted in her clients obtaining the Earned Income Credits and/or Child Tax Credits, both of which are refundable credits to the taxpayers. Tuiono also admitted that she inflated refunds or reduced her clients' tax liabilities by using several methods including: claiming false filing status, ineligible dependents, non-existent Household Help Income, false wages, exaggerated or fictitious Schedule A itemized deductions, false Schedule C businesses and expenses. Tuiono did not

review the income tax returns with her clients, beyond the amount they were to receive as refunds.

According to the plea agreement, a large number of Tuiono's clients were married couples with children. In order to fraudulently increase their refunds Tuiono had the married couples file separate tax returns, one for the husband and one for the wife. Each return unlawfully listed each spouse as "Single" or "Head of Household." In some cases Tuiono split the couples' children between the two parents or listed ineligible dependents and claimed false income on each of the returns. These fraudulent acts allowed each spouse to receive the highest refundable Earned Income Credit. For the tax years of 2006, 2007, 2008, and 2009, Tuiono prepared 33 of the 34 returns charged in the Indictment on behalf of 16 different people. Those returns were filed with the IRS, resulting in a tax loss of \$135,803 to the federal government. Tuiono received between \$100 to \$300 for the preparation of each tax return, which she did not report on her tax returns.

Tuiono, 37, of Oakland, was indicted on March 24, 2011 on 34 counts of aiding and assisting in the preparation of false tax returns. She pleaded guilty to one count. Tuiono is scheduled to self-surrender and begin serving her sentence on April 16, 2012.

Thomas Moore is the Assistant U.S. Attorney who is prosecuting this case with the assistance of Kathy Tat. The prosecution is the result of an investigation by the Internal Revenue Service, Criminal Investigation.

**Further Information:**

Case #: CR 11-0173 PJH

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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