

BEFORE THE MARYLAND STATE BOARD OF INDIVIDUAL TAX PREPARERS

Jiten D. Mehta,

Petitioner

v.

MARYLAND STATE BOARD OF
INDIVIDUAL TAX PREPARERS

*
*
*
*
*
*
*
*

Case no. ITP-LD-14-02

* * * * *

FINAL ORDER

I. Procedural Background.

The above-captioned matter was heard before the Maryland State Board of Individual Tax Preparers ("the Board") on February 23, 2015. Petitioner Jiten D. Mehta submitted a registration application to the Board. In his application, Mr. Mehta responded "YES" to the question: "Have you ever been convicted of a felony or misdemeanor in any State or Federal court?" Mr. Mehta submitted to the Board true test court documents indicating that on or about April 21, 2008, Mr. Mehta was sentenced in the United States District Court for the District of Maryland, in Case No. DKC 06-0099, to 48 months of imprisonment, a period of three years of supervised release, and a \$25,000.00 fine resulting from his conviction of 16 counts of Aiding and Assisting in the Preparation of False Income Tax Returns in violation of 26, U.S.C. § 7206(2), and 9 counts of Wire Fraud in violation of 18 U.S.C. § 1343.

By letter dated May 13, 2014, after reviewing the documents provided by Mr. Mehta concerning his convictions, the Board, pursuant to Md. Busin. Occup. and Prof. Code Ann. ("BOP"), § 21-311(a)(3), denied Mr. Mehta's registration application.

Upon Mr. Mehta's request for hearing dated September 10, 2014, the Board informed Mr. Mehta that a hearing would be held on his registration application, in accordance with BOP, § 21-312 *et seq.*, the Maryland Administrative Procedure Act (Md. State Gov. Code Ann., §10-201 *et seq.*), and the Department of Labor, Licensing and Regulation's hearing rules set forth at COMAR .09.01.02. At the February 23, 2015, hearing, Mr. Mehta was represented by C. Justin Brown, Esq., and Kasha M. Leese, Esq. Kris King, Assistant Attorney General, presented evidence on behalf of the Board.

II. Findings of Fact.

The Board includes in its factual findings the facts set forth in the procedural background of the matter. In addition, after examining all of the evidence, including both the testimony of witnesses and the documentary evidence submitted at the hearing, and having assessed the demeanor and credibility of those offering testimony, the Board makes the following additional findings of fact:

- 1) During 2001 through 2003, Mr. Mehta, through his company JDM Financial Services Group, LTD, provided tax preparation services to clients. During that period, Mr. Mehta prepared and caused the preparation of false individual tax returns for a number of clients by fabricating or exaggerating deductions to which the clients were not entitled. Mr. Mehta also participated in the Refund Anticipation Loan ("RAL") program which allowed his clients to obtain an advance on their tax refunds through Mr. Mehta. Mr. Mehta would submit a client tax return to the IRS and the participating bank through an electronic transmitter, the bank would send electronic authorization to Mr. Mehta, who would then

issue a check to the client in question. The actual refund was sent by the IRS to the bank to cover the "loan" made to the client through Mr. Mehta, and the bank electronically transmitted Mr. Mehta's fee to his account.

2) After his conviction, Mr. Mehta was incarcerated for a period of approximately 36 months of the 48 months of his sentence before his early release from prison. Upon his motion, Mr. Mehta's period of supervised release was terminated after the completion of approximately two of the three years in his sentence.

3) Mr. Mehta has paid the \$25,000.00 fine included in his sentence.

4) At the time of the events leading to the above-referenced criminal conviction, Mr. Mehta was an actively licensed certified public accountant in Maryland. Mr. Mehta is not currently licensed as a certified public accountant.

5) Beginning in 2012, Mr. Mehta worked for an H & R Block franchise.

6) Currently, Mr. Mehta works for My Tax Accounting & Business Service located in Takoma Park, Maryland. Mr. Mehta's current duties primarily involve marketing.

7) From August of 2013, through December of 2014, Mr. Mehta completed a number of continuing education courses for tax providers offered by the IRS and Drake Software.

III. Evaluation of the Evidence.

Mr. Mehta asks the Board to obtain his registration in spite of his conviction. Before taking such action, the Board is compelled to review the particular circumstances of Mr. Mehta's case. In evaluating whether Mr. Mehta's application should be granted or denied,

the Board must consider the following factors: 1) the nature of the crime; (2) the relationship of the crime to the activities authorized by the license; (3) the length of time since the conviction; and (4) the behavior and activities of Mr. Mehta before and after the conviction.

Mr. Mehta's conviction is without question directly connected with his fitness and qualifications to provide individual tax preparation services. Should Mr. Mehta receive a registration from this Board, he will undoubtedly be in situations where he could feel pressure, both internal and external, to fabricate or exaggerate a deduction for a client. Mr. Mehta's conviction goes to the heart of the responsibilities of a registered tax preparer and is thus of particular concern to the Board. Moreover, Mr. Mehta's actions leading to his conviction went on for a period of approximately two years and involved a number of clients. Clearly, this was not an isolated incident, but instead a pattern of conduct.

With respect to his conduct before the conviction, the Board finds that Mr. Mehta had no prior contacts with the criminal justice system.

With respect to his conduct after the conviction, Mr. Mehta has fulfilled the terms of his sentence, is currently a productive member of the community, and has had no further legal difficulties. Mr. Mehta also has completed continuing education courses related to tax preparation to address his professional competency to provide individual tax preparation services. The Board has also considered the witness testimony and the written statements presented in support of Mr. Mehta's present character and has given them the weight it deems appropriate.

Mr. Mehta's conduct, both the conduct that lead to his conviction and that subsequent to his conviction, can be objectively determined. The Board, of course, must make a much more subjective judgment about his present character. The Board must do so in order to protect the public against any likelihood of future ethical lapses on Mr. Mehta's part should he receive his registration.

In his testimony before the Board, Mr. Mehta accepted responsibility for his actions and acknowledged the propriety of his conviction. Mr. Mehta also presented witness testimony and documentary evidence attesting to his character which the Board gave the weight it deemed sufficient. However, after weighing all the evidence and in light of the serious nature of the crime and its nexus with the provision of services under the registration in question, at this time the Board cannot approve, consistent with the law and its duty to protect the public, Mr. Mehta's application for registration.

CONCLUSIONS OF LAW

Based on the Findings of Fact, and using the specialized knowledge, training, and experience of its members, the Maryland State Board of Individual Tax Preparers hereby concludes as a matter of law:

That Petitioner Jiten D. Mehta violated Business Occupations and Professions Article, Ann. Code of Maryland, § 21-311(a)(3).

ORDER

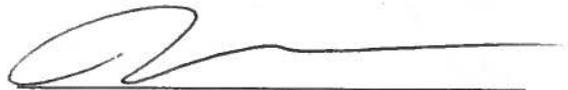
In consideration of the Maryland State Board of Individual Tax Preparer's Findings of Fact and Conclusions of Law in this matter, it is this th day of May, 2015,

ORDERED:

- 1) That Jiten D. Mehta's Application for Registration be and hereby is **DENIED**;
- and
- 2) That the records, files, and documents of the Maryland State Board of Individual Tax Preparers reflect this decision.

**MARYLAND STATE BOARD OF
INDIVIDUAL TAX PREPARERS**

By:



Fredric Bader
Chair