

# LAS VEGAS FIELD OFFICE CASE FILES

(TFRPs) against Larkin for these years making her personally liable for the unpaid employment taxes.

Larkin concealed her assets and income to avoid paying the TFRPs and to obstruct the IRS's efforts to collect the outstanding taxes. She lied to the IRS about her ability to pay, changed the name of her business, placed her business in the name of a nominee, had her employees cash checks for her, and bought a home in the name of a nominee. In total, Larkin evaded more than \$1.6 million in taxes.

<https://www.justice.gov/usao-nv/pr/owner-nevada-home-health-care-firm-sentenced-prison-employment-tax-fraud>

## ***Utah Business Owner Sentenced for Illegally Dealing Firearms and Filing Fraudulent Tax Returns***

On December 7, 2017, in Salt Lake City, Adam Webber was sentenced to 4 years in prison and a \$100,000 fine for tax fraud and dealing firearms without a license. Webber paid \$1.8 million in restitution to the IRS before the sentencing hearing.

From 2007 to 2010, Webber earned more than \$10 million in gross receipts from his business, between the legal sale of parts and the illegal sale of firearms. But Webber underreported his income in both his legal and illegal sales, reporting just \$183,397 in gross receipts on tax forms. Webber bought a house for \$670,000 in cash under his wife's name. He sheltered the home with a sham limited liability company and a promissory note and mortgage.

<https://www.justice.gov/usao-ut/pr/utah-business-owner-sentenced-four-years-prison-illegally-dealing-firearms-and-filing>

## ***Nevada Man Sentenced for Conspiracy to Commit Tax Return Fraud Scheme***

On February 28, 2018, in Las Vegas, Walter Fabian Guzman, of Pahrump, Nevada was sentenced to over 2 years in prison and ordered to pay \$290,364 to the victims of a \$290,000 income tax return fraud conspiracy he participated in.

Guzman admitted that, from January 1, 2010, to August 9, 2010, he conspired with co-defendants Felix Guzman and Judas Godina to defraud the IRS by submitting false income tax returns for customers. Guzman recruited custom-

ers by telling them he could generate large returns on their individual income tax returns. In support of the scheme, Guzman and others submitted false W-2 forms reporting additional income and withholdings, and false Schedule E forms reporting business losses.

<https://www.justice.gov/usao-nv/pr/man-sentenced-two-years-prison-conspiracy-commit-tax-return-fraud-scheme>



CALIFORNIA

# LOS ANGELES FIELD OFFICE

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**CAMARILLO, CA**  
**EL MONTE, CA**  
**LAGUNA NIGUEL, CA**  
**LONG BEACH, CA**

**SAN BERNARDINO, CA**  
**SAN DIEGO, CA**  
**SAN MARCOS, CA**  
**SANTA ANA, CA**

**SANTA MARIA, CA**  
**VAN NUYS, CA**

**AS THE NATION'S** second largest field office, the Los Angeles Field Office serves a population of approximately 22 million people, stretching over nine counties from San Luis Obispo to the United States-Mexico border. The LAFO covers two judicial districts in California--the Central and the Southern. The LAFO works a diverse mix of financial investigations across this large

geographic area, including cybercrimes, international tax fraud, identity theft, public corruption, and Bank Secrecy Act violations.

We play crucial roles in the U.S. Attorney's priority task forces, to include the Joint Terrorism Task Force and the Organized Crime Drug Enforcement Task Forces.



# LOS ANGELES FIELD OFFICE CASE FILES

## SIGNIFICANT CASES

### ***Leader of Violent International Drug Trafficking and Gambling Enterprise Sentenced to More than 21 Years***

On December 15, 2017, in San Diego, Owen Hanson, leader of the violent “ODOG” racketeering enterprise, was sentenced to over 21 years in prison and a lifetime of supervised release for leading an international drug trafficking, gambling, and money laundering enterprise that operated in the United States, Central and South America, and Australia from 2012 to 2016. ODOG trafficked thousands of kilograms of cocaine, heroin, methamphetamine, MDMA (also known as “ecstasy”), marijuana, anabolic steroids, and human growth hormone.

As Hanson admitted, ODOG’s drug operation routinely distributed controlled substances at wholesale and retail levels, including selling performing enhancing

drugs to numerous professional athletes. The organization also operated a vast illegal gambling operation focused on high-stakes wagers placed on sporting events. The enterprise used threats and violence against its gambling and drug customers to force compliance.

In addition to his prison sentence, Hanson was also ordered to pay a criminal forfeiture of \$5 million, including \$100,000 in gold and silver coins, a Porsche Panamera, two Range Rovers, luxury watches, homes in Costa Rica, Peru, and Cabo San Lucas, a sailboat, and interests in several businesses.

<https://www.justice.gov/usao-sdca/pr/leader-violent-international-drug-trafficking-and-gambling-enterprise-sentenced-more-21>

### ***San Juan Capistrano Businesswoman Who Stole More than \$1.5 Million from Clients Sentenced to Over 5 Years in Federal Prison***

On October 16, 2017, in Santa Ana, California, Elizabeth Jane Mulder, of San Juan Capistrano, was sentenced to over 5 years in prison for embezzling more than \$1.5 million from her bookkeeping clients. Mulder was also ordered to pay \$1,538,781 in restitution to seven victims, including the IRS.

Mulder, the owner of Mulder Financial Consulting, pleaded guilty in June to wire fraud and filing a false income tax return for failing to report the misappropriated funds to the IRS. Mulder got money from small business clients by gaining the trust of their owners, some of whom allowed her to control their financial accounts. She convinced nearly all her victims to make checks payable to “Income Tax Payments” with false promises that she would use

the money to satisfy their past and future tax obligations. Mulder then deposited these checks into the bank account of a fictitious business she created called “Income Tax Payments” and converted the funds for her personal use.

Mulder’s fraudulent scheme resulted in the theft of approximately \$1,538,771 from several Orange County-based businesses. She used the money obtained from her fraudulent scheme for personal expenses, including a rental home in Laguna Beach, cosmetic surgery, and vacations.

<https://www.justice.gov/usao-cdca/pr/san-juan-capistrano-businesswoman-who-stole-more-15-million-clients-sentenced-over-5>

# LOS ANGELES FIELD OFFICE CASE FILES

## ***Sun Valley Resident Sentenced to 4½ Years Imprisonment for Role in Identity Theft Scheme Involving \$14 Million in Fraudulent Tax Refunds and International Money Laundering***

On February 12, 2018, in Santa Ana, California, Karen Pogolian, of Sun Valley, was sentenced to 4½ years in prison for his participation in a large-scale international identity theft scheme. The scheme laundered more than \$14 million in fraudulently obtained tax refunds by using bogus Republic of Armenia passports. In addition to the prison term, Pogolian was ordered to pay restitution of \$277,617 to the IRS.

The scheme involved over 7,000 false tax returns that claimed approximately \$38 million in refunds. Approximately \$14 million obtained through the fraud scheme was deposited into bank accounts to conceal its illegal source. Pogolian filed the tax returns using identity information stolen from thou-

sands of victims. From August 2012 through March 2014, Pogolian opened mailbox and bank accounts using fraudulent identification with the names and personal information of identity theft victims. Pogolian's use of stolen identities resulted in approximately \$277,617 in losses. In addition, he was illegally in the United States at the time he committed the crimes and had been receiving public benefits.

<https://www.justice.gov/usao-cdca/pr/sun-valley-resident-sentenced-54-months-imprisonment-role-international-money>

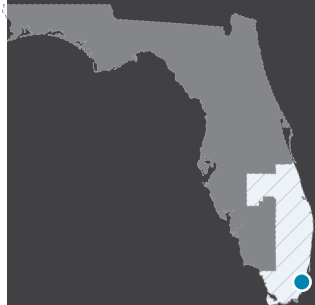
## ***"Bitcoin Maven" Sentenced to One Year in Federal Prison in Bitcoin Money Laundering Case***

On July 9, 2018, in Los Angeles, Calif., Theresa Lynn Tetley, the so-called "Bitcoin Maven," who admitted to operating an unlicensed bitcoin-for-cash exchange business and laundering

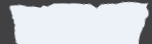
bitcoin that was represented to be proceeds of narcotics activity, was sentenced to 1 year and one day in prison, three years of supervised release, and a fine of \$20,000. Tetley was also ordered to forfeit 40 Bitcoin, \$292,264 in cash, and 25 assorted gold bars that were the proceeds of her illegal activity. The government's case against Tetley is the first of this kind charged in the Central District of California. According to court documents, Tetley offered bitcoin-for-cash exchange services without registering as a money services business with the Financial Crimes Enforcement Network (FinCEN), and without implementing anti money-laundering mechanisms such as customer due diligence and reporting certain transactions required for these types of businesses. Tetley advertised on localbitcoins.com and exchanged, in total, between \$6 and \$9.5 million for customers across the country, charging rates higher than institutions that were registered with FinCEN. As a result of operating this

unregistered business, Tetley facilitated laundering for one individual who is suspected of receiving bitcoin from unlawful activity, such as sales of drugs on the dark web. In the course of her business, Tetley also conducted an exchange of bitcoin-for-cash for an undercover agent who represented that his bitcoin were the proceeds of narcotics trafficking. The government argued that "[i]n light of the growth of the dark web and the use of digital currency, unlicensed exchangers provide an avenue of laundering for those who use digital currency for illicit purposes." The government asserted that Tetley's business "fueled a black-market financial system" that "purposely and deliberately existed outside of the regulated bank industry."

<https://www.justice.gov/usao-cdca/pr/bitcoin-maven-sentenced-one-year-federal-prison-bitcoin-money-laundering-case>



FLORIDA



PUERTO RICO



U.S. VIRGIN ISLANDS

# MIAMI FIELD OFFICE

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**GUAYNABO, PR**

**PLANTATION, FL**  
**PORT ST. LUCIE, FL**

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**THE MIAMI FIELD** Office covers the Southern Judicial District of Florida, and the judicial districts of Puerto Rico and the United States Virgin Islands. The Southern Judicial District of Florida includes the counties of Miami-Dade, Broward, Monroe, Palm Beach, Martin, St. Lucie, Indian River, Okeechobee and Highlands. The field office works a diverse mix of criminal investigations including violations of tax law, identity theft, return preparer fraud, money laundering, Bank Secrecy Act, cybercrime, political and public corruption, and healthcare fraud. We participate on the Organized Crime Drug Enforcement Task Force (OCDETF) and on other priority task forces at the U.S. Attorney’s Offices in our areas of responsibility targeting identity theft, financial crimes, health care fraud and disaster fraud.



# MIAMI FIELD OFFICE CASE FILES

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## SIGNIFICANT CASES

### ***Miami-Dade County Resident Sentenced for Structuring and Money Laundering***

On April 25, 2018, in Miami, Luis Hernandez-Gonzalez was sentenced to over 5 years in prison and agreed to forfeit over \$18 million. Hernandez-Gonzalez previously pleaded guilty to one count of conspiracy to commit money laundering and one count of causing a financial institution to fail to file a currency transaction report. This activity was part of a pattern of criminal activity involving more than \$100,000 in a 12-month period.

From April through June 2016, Hernandez-Gonzalez assisted marijuana traffickers to cultivate their products. During a search warrant in Tennessee, law enforcement discovered 242 marijuana plants. Hernandez-Gonzalez deposited funds he received from the Tennessee marijuana trafficking activity into business bank accounts he controlled or he purchased money orders from the post office with the narcotics proceeds. The deposits and money order purchases concealed the nature, location, source, ownership, and control of the proceeds of the illegal activity.

On June 28, 2016, law enforcement seized over \$21 million from Hernandez-

Gonzalez's residence; most of which was contained in orange buckets hidden inside walls and in an attic compartment.

In addition, law enforcement seized over \$665,000 in currency and \$42,000 in money orders from the defendant's Miami business. In total, \$17.7 million in currency and more than \$42,000 in postal money orders were traceable to the evasion of the currency transaction reporting requirement. Of that amount, \$300,000 traceable to transactions Hernandez-Gonzalez received from the Tennessee marijuana traffickers.

<https://www.justice.gov/usao-sdfl/pr/miami-dade-county-resident-sen->

[tenced-65-months-prison-structuring-and-money-laundering](#)

### ***Individual Sentenced on Corruption Charge Arising from City of Opa Locka (Florida) Municipal Corruption Investigation***

On August 24, 2018, Raul Sosa Sr. was sentenced to 2½ years in prison for his participation in a conspiracy to pay bribes to obtain a contract with the city of Opa Locka, Florida. The judge ordered that Sosa Sr. serve the full sentence consecutively to the 6½ year-sentence he's already serving for an unrelated

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*"The Miami Field Office is committed to working the most significant income tax and OCDETF (Organized Crime Drug Enforcement Task Force) investigations. We will continue to work with the local U.S. Attorney's Offices and our other law enforcement partners to combat these large-scale fraud schemes. I am proud of the work the field office employees are doing to unravel these complex financial investigations and bring the perpetrators to justice," –Michael J. De Palma, Special Agent in Charge*

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# MIAMI FIELD OFFICE CASE FILES

federal tax conviction in 2016. Sosa Sr. previously pleaded guilty to conspiring to commit federal programs bribery. He and his son, who was the manager of a towing company, conspired with a then-Opa Locka city commissioner and his associate to pay a \$10,000 bribe so the commissioner and his associate would use their positions and influence to ensure the towing company received a city towing contract.

The illegal agreement was finalized at an April 19, 2015 meeting between Sosa Sr., his associates, and the commissioner. The associates arranged for an Opa Locka city employee to assemble and prepare the towing company's bid package. The associates violated the city's purchasing "cone of silence" by contacting a member of the city's committee ranking the towing bids and directing that individual to rank the towing company as the number one company.

To complete the illegal arrangement, the commissioner used his position to vote in favor of the June 24, 2015 resolution authorizing the city manager to enter into towing contracts with Sosa Sr.'s towing company and three other companies. The next day, Sosa's son paid the final installment of the \$10,000 bribe to the associate.

<https://www.justice.gov/usao-sdfl/pr/fourth-individual-sentenced-corruption-charge-arising-opa-locka-municipal-corruption>

## ***Dark Web Vendor Sentenced to 9 Years in Prison for Narcotics Trafficking and Money Laundering Charges***

On July 13, 2018, Adam Lemar Miles, also known as "NoStress," was sentenced to 9 years in prison. Miles previously pleaded guilty to one count of conspiracy to distribute a controlled

substance, three counts of distribution of a controlled substance, and one count of conspiracy to commit money laundering. As part of his plea agreement, Miles agreed to forfeit a shotgun, a rifle, two pistols, a revolver, several hundred rounds of ammunition, and \$61,872 in seized U.S. currency.

While investigating vendors who use Dark web marketplaces to advertise and distribute controlled substances, agents identified a vendor using variations of the name "NoStress." The vendor was advertising controlled substances, including methamphetamine and hydrocodone, on Dark web marketplaces.

On three separate occasions, agents purchased and received 7 grams of methamphetamine, 11 hydrocodone pills, and 14 grams of crystal methamphetamine from vendor accounts Miles operated on the Dark web.

On January 10, 2018, agents executed a

search warrant on Miles' home in Riverside, California. Evidence recovered from Miles' home exposed the defendant as the vendor known as "NoStress."

Additional evidence revealed Miles had distributed at least 350 grams of methamphetamine on the Dark web, since 2015.

<https://www.justice.gov/usao-sdfl/pr/dark-web-vendor-sentenced-108-months-prison-narcotics-trafficking-and-money-laundering>

## ***Florida Airplane Broker Sentenced to Prison for Tax and Wire Fraud Charges***

On March 16, 2018, Timothy J. Beverley was sentenced to 7½ years in prison and ordered to pay \$634,906 in restitution to the IRS for filing fraudulent tax returns, wire fraud, and filing false monthly reports with the U.S. Probation Office.

# MIAMI FIELD OFFICE CASE FILES

Beverley worked as an airplane broker at Majestic Jet, Inc., a company that provided aircraft charters. From 2010 to 2013, Beverley stole more than \$1.5 million from Majestic Jet by directing airplane escrow agents to wire funds from the sale of planes to nominee bank accounts that he controlled. Beverley also stole funds directly from Majestic's business bank accounts and used the money to pay for personal expenses including his boat and rent. Beverley did not report this income on his 2010 through 2013 personal tax returns.

While working at Majestic Jet, Beverley was on supervised release stemming from his federal conviction for money laundering in January 2004. As a condition of his supervised release, Beverley had to file monthly reports with the U.S. Probation Office listing his net earnings from employment. Between November 2009 and October 2012, Beverley did not disclose the money he stole from Majestic Jet on his reports.

<https://www.justice.gov/opa/pr/florida-airplane-broker-sentenced-over-seven-years-tax-and-wire-fraud>

## **Florida Resident Sentenced for Obstructing the IRS and Stealing Government Funds**

On October 27, 2017, David R. Andre was sentenced to 2½ years in prison, ordered to forfeit \$137,582 to the United States, and pay \$485,298 in restitution to the IRS. Andre previously pleaded guilty to theft of government money and corruptly endeavouring to obstruct the due administration of the internal revenue laws. From 2010 to 2015, Andre filed fraudulent personal tax returns seeking more than \$5.6 million in refunds. These returns falsely reported income earned and income tax withheld and the IRS paid Andre more than \$485,000 in refunds. He used the refunds to purchase his residence and luxury vehicles.

In late 2012, the IRS began trying to collect the taxes Andre owed and placed a lien on his residence. Andre filed a form with the IRS that falsely claimed he was making a substantial payment, and the IRS released the lien.

When Andre did not make the payment, the IRS revoked the release and re-filed the lien. In 2015, Andre also made false statements to IRS agents and told them that he purchased his residence with money he inherited, did not recall receiving any large refunds from the IRS, and had not filed a tax return since 2008.

<https://www.justice.gov/opa/pr/florida-resident-sentenced-prison-obstructing-irs-and-stealing-government-refunds>

## **St. Croix Woman Sentenced in Tax Fraud Scheme**

On August 15, 2018, in St. Croix, U.S. Virgin Islands, Indica Greenidge was

sentenced to a year in prison and ordered to pay \$75,171 in restitution for her conviction of conspiring to defraud the United States.

From September 2011 to July 2012, Greenidge and others participated in a scheme to steal money from the United States Treasury by obtaining fraudulent federal income tax refunds. With Greenidge's knowledge, her co-conspirators falsified income earned, tax withholding amounts, credits, and other information on returns they filed for their clients. The co-conspirators designated bank accounts for receipt of the refunds, which Greenidge and her co-conspirators withdrew and spent for personal use.

<https://www.justice.gov/usao-vi/pr/st-croix-woman-sentenced-12-months-tax-fraud-scheme>





NEW JERSEY

# NEWARK FIELD OFFICE

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**FREEHOLD, NJ**

**MAYS LANDING, NJ**  
**PATERSON, NJ**  
**SPRINGFIELD, NJ**

**TRENTON, NJ**

**THE NEWARK FIELD** Office is exposed to a wide array of investigations, as the investigative inventory in The field office represents each major program area for IRS-Criminal Investigation. The dedicated agents and professional staff in New Jersey have an excellent working relationship with the U.S. Attorney's Office and all our law enforcement partners that result in many high profile, challenging and diverse investigations.

According to court documents, in January 2010, Andreotti submitted a loan application to a bank requesting \$625,000 to refinance the mortgage on his house. Andreotti, owned and operated Metropolitan Title and Abstract and used Metropolitan as the settlement agent on the transaction.

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## SIGNIFICANT CASES

### ***Former Settlement Agent Gets 12 Years in Prison for Mortgage Fraud and Tax Evasion***

On March 12, 2018, in Newark, New Jersey, Mark Andreotti of Wyckoff, New Jersey, was sentenced 12 years in prison, 5 years of supervised release and ordered to pay restitution of over \$2.1 million. Andreotti was previously convicted on all six counts of an indictment charging him with bank fraud, conspiracy to commit bank fraud, tax evasion, and failure to file tax returns.



# NEWARK FIELD OFFICE CASE FILES

After the bank transferred the refinance funds, Andreotti spent the money on personal expenses instead of paying off the first mortgage on the house. In April 2011, Andreotti conspired with a real estate attorney to get \$480,000 by claiming he would use the money to refinance the mortgage on the attorney's house. After the bank transferred the money for the refinance to Metropolitan's escrow account, Andreotti kept \$110,000 for himself before transferring the remaining funds to the other co-conspirator.

In 2010, the IRS initiated collection action against Andreotti for unpaid personal income taxes. Despite numerous liens and levies, and having five rental income properties in addition to his primary residence, Andreotti continued to evade his taxes. He also failed to file tax returns for tax years 2010 and 2011.

<https://www.justice.gov/usao-nj/pr/former-settlement-agent-gets-12-years-prison-mortgage-fraud-and-tax-evasion>

## ***New Jersey Resident Sentenced for Filing False Tax Returns***

On January 4, 2018, in Newark, New Jersey, Jose Crespo, of Fort Lee, New Jersey, was sentenced to 3 years in prison, 1 year of supervised release, and ordered to pay restitution of \$164,766.

According to court documents, Crespo filed tax returns fraudulently reporting Original Issue Discount (OID) income and tax withholdings. OID is interest created when a debt is issued at a discount. Debt issuers provide a yearly Form 1099-Original Issue Discount (OID) to bondholders which reports interest income accrued on certain bonds and the federal income tax withheld from that income.

For the 2008 tax year, Crespo filed an amended tax return on which he fraudulently claimed OID interest income of approximately \$89,665 and taxes withheld on that income of approximate-

ly \$80,699, resulting in a fraudulent refund to Crespo of \$59,219.

In addition, Crespo filed corporate income tax returns for Specialty Home Services for tax years 2006, 2007, and 2008. He falsely claimed OID interest income and taxes purportedly withheld on that income that also resulted in fraudulent refunds.

Between 2010 and 2011, Crespo filed corporate income tax returns for various businesses falsely claiming fuel excise tax credits that generated large tax refunds. Crespo's schemes resulted in an approximate tax loss to the IRS of between \$550,000 and \$1.5 million.

## ***New York Man Sentenced to 4½ Years in Prison for Role in Stolen Identity Refund Fraud Scheme***

On February 27, 2018, in Newark, New Jersey, Hector Urena, of the Bronx,

New York, was sentenced to 4½ years in prison, 3 years of supervised release, and ordered to pay \$2.78 million in restitution.

According to court documents, Urena and others participated in a classic stolen identity refund fraud (SIRF) scheme. SIRF is a common type of fraud committed against the United States government that involves the use of stolen identities to commit tax refund fraud.

Perpetrators of SIRF schemes obtain personally identifiable information, including Social Security numbers and dates of birth, from unwitting individuals. The perpetrators then complete tax returns using the fraudulently obtained information but they falsify wages earned, taxes withheld, and other data to ensure the tax return generates a refund.

They direct the IRS to mail refund checks to locations the perpetrators control or can access. With the fraudulently

# NEWARK FIELD OFFICE CASE FILES

obtained refund checks in hand, SIRF perpetrators deposit the checks into bank accounts they control or cash the checks at check cashing businesses.

Urena's co-conspirators obtained stolen identities to file fraudulent tax returns. He and his co-conspirators then used false documents to convert treasury checks into cash or other proceeds for their own profit at a check cashing business Urena owned. From August 2013 through May 2015, the scheme caused more than \$2.7 million in tax losses.

## ***Newark Non-Profit Director and Political Fundraiser Sentenced for Wire Fraud and Tax Evasion***

On April 18, 2018, in Newark, New Jersey, Kiburi D. Tucker was sentenced to over 3 years in prison and 3 years of supervised release. He was also ordered

to pay restitution of \$133,624 to the IRS and forfeit \$334,116. Tucker, the former executive director of a Newark-based childcare and community program, and a partner in a political fundraising and consulting company, was convicted of wire fraud and tax evasion.

According to court documents, as the executive director of The Centre Inc., Tucker embezzled its funds through ATM, debit card, and bank withdrawal transactions to fund personal expenditures, including gambling, travel, and furnishing his home.

Tucker defrauded The Centre of \$332,116 from 2012 through 2015. In addition, Tucker, who received an annual salary from his employment at the Passaic Valley Sewerage Commission, filed false personal income tax returns in which he intentionally under-reported both the proceeds that he embezzled from The Centre and income from his partnership in Elite Strategies, a political fundraising and consulting company.

Tucker under-reported \$177,040 in income from these sources for the 2015 tax year, resulting in a tax loss of \$56,509.

<https://www.justice.gov/usao-nj/pr/newark-non-profit-director-and-political-fundraiser-sentenced-38-months-prison-wire-fraud>

## ***Mercer County, New Jersey, Man Sentenced for Tax Evasion***

On May 1, 2018, in Newark, New Jersey, Albert Chang, of Princeton Junction, New Jersey, was sentenced to almost 2 years in prison and 3 years of supervised release. Restitution will be determined at a later date. Chang was convicted of failing to report over \$1.5 million in income he fraudulently diverted to overseas shell companies.

According to court documents, Chang and Michael Q. Fu, of Cranbury

Township, New Jersey, co-owned and operated United Products and Instruments Inc. (UNICO) located in Dayton, New Jersey. Chang and Fu established UNICO in 1991 and primarily engaged in the sale and export of microscopes and centrifuges for medical purposes.

Chang and Fu created two shell companies headquartered in China, Action Towers and Bench Top Laboratories. Chang and Fu then diverted business income to themselves by funneling money to the shell companies' bank accounts and deducting the diverted funds from UNICO's corporate tax return as the cost of goods sold or commission.

Chang and Fu also had Shanghai Electric, a Hong Kong-based utility company, overbill UNICO by approximately five percent on legitimate invoices. Once UNICO paid the invoices, they directed Shanghai Electric to wire the overbilled amount to their accounts in China, which they used for their personal benefit.

# NEWARK FIELD OFFICE CASE FILES

Chang and Fu failed to report any of that income on their federal income tax returns. In total, Chang failed to report \$1,559,200, resulting in a tax loss of \$237,064. Fu failed to report \$1,570,000, resulting in a tax loss of \$321,141. Fu previously pleaded guilty to his role in the conspiracy and was sentenced to over 3 years in prison on January 24, 2107.

<https://www.justice.gov/usao-nj/pr/mercer-county-new-jersey-man-sentenced-21-months-prison-tax-evasion>

## ***New Jersey Man Sentenced for Defrauding Two International Companies of \$3 Million and Failing to Pay More Than \$880,000 in Taxes***

On September 12, 2018, in Newark, New Jersey, Philip Charles de Gruchy, of Park Ridge, New Jersey, was sentenced to 5 years in prison and 3 years of supervised release.

According to court documents, from August 2007 through April 2, 2010, de Gruchy's then-wife Barbara Brown was employed by "Company A." Brown caused Company A to enter a business relationship with CEM Inc., an entity that she and de Gruchy secretly controlled. CEM submitted approximately 170 invoices to Company A totaling more than \$3 million for work that was unnecessary, worthless, or never completed. Company A issued checks to CEM that de Gruchy and Brown ultimately used for personal purposes.

From July 2010 through November 11, 2011, de Gruchy was employed by "Company B." Without revealing his relationship with Brown, de Gruchy got approval from his employer to hire her to assist him. Company B paid \$216,825 for Brown's work that was unnecessary, worthless, or never completed. de Gruchy also filed false federal tax returns for 2009 and 2010, in which he knowingly overstated expenses and under-

stated gross receipts, including receipts from the fraudulent conduct involving Company A and Company B. de Gruchy also filed false federal corporate income tax returns for 2009 and 2010 for CEM Inc. and Silk Farm Inc., in which he falsely claimed certain payments as business expenses.

De Gruchy acknowledged he owes the IRS \$882,844 in additional taxes for 2009 and 2010. Brown, who was charged with de Gruchy in the principal indictment, passed away in May 2017, and the charges against her were dismissed.

<https://www.fbi.gov/contact-us/field-offices/newark/news/press-releases/two-people-charged-in-a-scheme-to-defraud-their-former-employers-of-millions-of-dollars>



NEW YORK

# NEW YORK FIELD OFFICE

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**SPECIAL AGENTS AND** professional staff in the New York Field Office conduct complex financial investigations in partnership with the most dynamic U.S. Attorney's Offices in the country. This is the largest field office of IRS-Criminal Investigation, with its members serving on virtually every multi-agency task force in a fast-paced environment. This collaboration strengthens our ability

to identify emerging threats to taxpayers and the U.S. Treasury, with a laser focus on domestic and international tax evasion. We take action daily to serve our primary mission to maintain integrity and public trust in the federal tax system.



# NEW YORK FIELD OFFICE CASE FILES

## SIGNIFICANT CASES

### ***Recording Artist and Performer DMX Sentenced for Tax Fraud***

On March 28, 2018, in New York, New York, Earl Simmons, of Yonkers, New York, was sentenced to 1 year in prison, 3 years of supervised release and ordered to pay \$2,292,200 in restitution to the IRS.

Simmons is an internationally known recording artist, performer, and actor known professionally as “DMX” and “X.”

According to court documents, because of the income Simmons earned from sources including musical recordings and performances, from 2002 through 2005 he incurred federal income tax liabilities of approximately \$1.7 million. Those liabilities went unpaid, and in 2005, the IRS began efforts to collect them.

From 2010 through 2015, Simmons earned more than \$2.3 million, but did not file personal income tax returns. Instead, he orchestrated a scheme to evade payment of his outstanding tax liabilities, largely by maintaining a cash lifestyle, avoiding the use of a personal bank account, and using the bank accounts of nominees, including his business managers, to pay personal expenses.

Simmons filed a false affidavit in U.S. Bankruptcy Court that listed his income as “unknown” for 2011 and 2012, and as \$10,000 for 2013. In fact, Simmons received hundreds of thousands of dollars of income in each of those years.

<https://www.justice.gov/usao-sdny/pr/recording-artist-and-performer-dmx-sentenced-manhattan-federal-court-1-year-prison-tax>

### ***Illegal Alien Sentenced to More than 7 Years in Prison for \$20 Million Stolen in Identity Refund Fraud Scheme***

On March 16, 2018, in Pittsburgh, Abiodun Bakre, of Ozone Park, New York, was sentenced to over 7 years in prison and 3 years of supervised release. Bakre was convicted of conspiracy to commit wire fraud and aggravated identity theft.

According to court documents, Bakre, who was in the United States illegally, participated in a wire fraud conspiracy that involved over \$69 million in attempted losses with more than \$20 million in fraudulently obtained federal tax refunds. The fraudulent activity affected over 11,000 victims. Bakre opened numerous bank accounts using stolen identities and used them as repositories for fraudulently obtained federal tax refunds. Bakre’s residence stored multiple ledgers containing hundreds of stolen identities and

numerous false identification documents used in the conspiracy.

<https://www.justice.gov/usao-wdpa/pr/illegal-alien-sentenced-more-7-years-prison-20m-stolen-identity-refund-fraud-scheme>

### ***New York Woman Sentenced for Stealing \$3.1 Million From Her Employer***

On November 28, 2017, in Albany, New York, Diane Backis, of Athens, New York, was sentenced to 5 years in prison, 2 years of supervised release, and ordered to pay \$3.5 million in restitution to Cargill, an agricultural services conglomerate based in Minnetonka, Minnesota.

On November 28, 2016, Backis pleaded guilty to charges of mail fraud and filing a false income tax return. According to court documents, Backis stole \$3.1

# NEW YORK FIELD OFFICE CASE FILES

million from her employer, Cargill, and caused over \$25 million in additional losses. Backis performed accounting functions for Cargill's grain operations in Albany. She stole customer payments sent to Cargill and deposited them into her personal bank accounts.

Backis also regularly created fraudulent invoices and mailed them to Cargill's customers. The fraudulent invoices charged Cargill's customers prices substantially less than what Cargill paid to acquire the grain products, causing Cargill significant financial losses. The fraudulent invoices also directed Cargill's customers to send payment directly to Backis.

Backis made false entries into Cargill's accounting software to make it appear that customers were paying prices higher than those in her fraudulent invoices, and that customers owed Cargill millions of dollars for delivered grain products. Backis then later reversed those false entries. As a result, Cargill lost at least \$25 million.

Backis also filed a false 2015 individual income tax return declaring only \$61,208 in income and omitting over \$450,000 in additional taxable income she received by stealing customer payments intended for Cargill.

<https://www.justice.gov/usao-ndny/pr/greene-county-woman-sentenced-60-months-stealing-31-million-her-employer>

## ***New York Man Who Flew Country Sentenced for Wire Fraud***

On April 4, 2018, in Buffalo, New York, Michael Wilson, formerly of Hamburg, New York, was sentenced to 9 years in prison. A judgement of \$5,617,750 has been entered against Wilson, and he was also ordered to forfeit his interest in two condominiums, a bank account in Singapore containing over \$60,000, and \$50,000 in lieu of two villas he had built in Vietnam.

The government also seized and forfeited Wilson's luxury automobiles, expensive artwork, and four bank accounts which contained approximately \$950,000. Restitution will include all these forfeited proceeds.

According to court documents, Wilson defrauded investors of more than \$10 million between June 2008 and July 2010. Wilson created several fraudulent investment companies known collectively as "New Frontier" located adjacent to his residence.

Wilson induced individuals and companies to invest in financial instruments with complex sounding names, such as "leveraging agreements," that promised high-yield earnings and returns. Rather than investing clients' money, the defendant spent it on personal items.

In January 2009, Wilson paid an actor to portray a person named "George Possiodis," an alias and persona Wilson used during his scheme.

<https://www.justice.gov/usao-wdny/pr/hamburg-man-who-fled-country-sentenced-wire-fraud>

## ***Mexican Citizen Sentenced to Nearly 5 Years in Prison for Money Courier Role in Cocaine Conspiracy***

On March 19, 2018, in Albany, New York, Eduardo Nunez Serna, a citizen of Mexico, was sentenced to nearly 5 years in prison, 3 years of supervised release, and ordered to forfeit \$355,000 in drug proceeds.

According to court documents, Nunez Serna, an illegal alien, acted as a money courier based in Chicago, where he lived. Nunez Serna picked up cash sent by a money laundering and drug trafficking organization from the sale of marijuana in northern New York on at least two occasions. He forwarded this money to a cocaine supplier based in Acapulco, Mexico.

# NEW YORK FIELD OFFICE CASE FILES

When law enforcement searched Nunez Serna's residence, they found \$710,827 in cash and a money ledger showing transactions. Nunez Serna also had cellophane wrapping, duct tape, rubber bands, a heat sealer, money counter, and other packaging items used to count and repackage the cash.

<https://www.justice.gov/usao-ndny/pr/mexican-citizen-sentenced-57-months-money-courier-role-cocaine-conspiracy>

Former CFO of Not-For-Profit Organization Sentenced for Wire Fraud and Making a False Tax Return

On October 27, 2017, in Brooklyn, New York, Paul Cronin was sentenced to

2 years in prison and ordered to pay more than \$1.3 million in restitution to United States Council for International Business (USCIB) and \$229,364 in outstanding taxes.

In May 2017, Cronin pleaded guilty to wire fraud and making a false tax return relating to his conduct as Chief Financial Officer (CFO) of USCIB, a not-for-profit organization that advocates for international business and trade.

According to court documents, Cronin abused his position to misappropriate more than \$1.3 million in funds to pay for personal expenses. Cronin perpetrated this scheme to defraud in several ways, specifically by using company funds to pay his personal credit card debts, writing checks from USCIB to himself, and making purchases on USCIB credit cards for personal purposes.

To conceal his scheme, Cronin falsified entries in USCIB bookkeeping records. He further sought to conceal his criminal conduct by failing to report the embezzled funds as income to the IRS.

<https://www.justice.gov/usao-edny/pr/former-cfo-not-profit-organization-sentenced-24-months-prison-wire-fraud-and-making>

[sentenced-24-months-prison-wire-fraud-and-making](https://www.justice.gov/usao-edny/pr/former-cfo-not-profit-organization-sentenced-24-months-prison-wire-fraud-and-making)

## ***Manhattan Tax Attorney Sentenced to Prison for Participation in Multimillion-Dollar Tax Evasion Scheme and Lying to the IRS***

On October 11, 2017, in New York, New York, Harold Levine, a Manhattan tax attorney, was sentenced to 2 years in prison and 3 years of supervised release. Levine must also pay restitution of \$1,519,306. Levine was convicted of tax evasion and obstruction of the IRS.

According to court documents, between 2004 and 2012, Levine, former head of the tax department at a major Manhattan law firm, schemed with co-defendant Ronald Katz, a certified public accountant, to obstruct the due administration of the Internal Revenue laws. Levine and Katz evaded income

taxes on millions of dollars of fee income generated from tax shelter and related transactions that Levine worked on while a partner of the law firm.

Levine failed to report approximately \$3 million in income to the IRS on his personal tax returns during 2005—2011. He routed most of the fee income he failed to report through a limited liability company he controlled, which a family member nominally owned.

Levine's scheme also involved making false statements to IRS auditors and urging a witness to provide false testimony to the same IRS auditors investigating his receipt of the fees. For his part, co-defendant Ronald Katz, was sentenced on November 17, 2017, to 9 months in prison, 3 years of supervised release, and ordered to pay restitution of \$727,518.

<https://www.justice.gov/usao-sdny/pr/manhattan-tax-attorney-sentenced-two-years-prison-participation-multimillion-dollar-tax>





CALIFORNIA

# OAKLAND FIELD OFFICE

1301 CLAY ST, OAKLAND CA, 94612 | 510.907.5249

**FRESNO, CA**  
**MODESTO, CA**  
**REDDING, CA**

**SACRAMENTO, CA**  
**SAN FRANCISCO, CA**  
**SAN JOSE, CA**

**SAN RAFAEL, CA**  
**SANTA ROSA, CA**

**THE OAKLAND FIELD** Office is responsible for covering the Northern and Eastern Judicial Districts of California, which is more than half of the state of California. The judicial districts run from the Sierra's to the west coastline and from Bakersfield to the Oregon border. The field office's top law enforcement priorities are designed to promote tax compliance, address emerging areas of

fraud (for example, cybercrimes), and meet the needs of the law enforcement community by supporting national crime initiatives. Criminal Investigation assists in the prosecution of significant financial investigations to generate the maximum deterrent effect, enhance voluntary compliance, and promote public confidence in the tax system.



# OAKLAND FIELD OFFICE CASE FILES

## SIGNIFICANT CASES

### ***California Resident Sentenced in \$1.2 Million Tax Fraud Scheme***

On March 22, 2018, Yvonne Palmore was sentenced to 2½ years in prison and ordered to pay \$366,269 in restitution for conspiracy to file false claims.

Palmore filed 131 federal income tax returns using the names and identities of individuals without their knowledge or consent. The false tax returns claimed tax refunds of \$1,348,693. Palmore directed the refunds into accounts that she controlled. The IRS paid \$366,269. Palmore used the deposited funds to purchase postal money orders that she deposited into her bank account for her personal use.

<https://www.justice.gov/usao-ndca/pr/oakley-resident-sentenced-30-months-prison-conspiracy-file-false-federal-tax-returns>

### ***Priest Sentenced in Fraud Scheme***

On October 3, 2017, Hien Minh Nguyen was sentenced to 3 years in prison for bank fraud and tax evasion. Nguyen was a priest for the Diocese of San Jose, and served as a pastor of St. Patrick’s Church and the director of the Vietnamese Catholic Center, also known as the Trung Tam Cong Giao (VCC).

As a priest in the diocese, Nguyen received cash donations for St. Patrick’s and the VCC from parishioners, some of which he stole. Nguyen also signed checks drawn on VCC’s bank accounts to pay his personal expenses and deposited checks made payable to the VCC into his personal bank account.

In addition to the prison term, Nguyen was also ordered to pay \$1,883,883 in restitution, including \$1,449,365 to the Diocese of San Jose, and \$434,518 to the IRS.

<https://www.justice.gov/usao-ndca/pr/san-jose-cleric-sentenced-three-years-prison-bank-fraud-and-tax-evasion>

### ***California Resident Sentenced in Tax and Million Dollar Investment Fraud Scheme***

On February 5, 2018, in Fresno, California, Marie E. Sherrill was sentenced to 4 years in prison for tax fraud and wire fraud. Sherrill, a registered tax return preparer, operated a bookkeeping and tax preparation business in Porterville, California, under the name Sherrill Financial Services.

Between January 2011 and December 2014, Sherrill prepared false tax returns for her clients containing false deductions to maximize their tax refunds, causing a loss to the IRS of approximately \$255,900. Sherrill also used the intimate financial knowledge she gained

from her clients to identify victims for her investment fraud scheme.

She told victims she would put their money into “pooled investments” with the money of other investors to earn a high rate of return. However, Sherrill never put the money into investments, but instead used it to pay her personal expenses or to make lulling payments to earlier investors to make them believe their money was earning a profit. The victims of this scheme were defrauded of at least \$1.3 million.

<https://www.justice.gov/usao-edca/pr/tulare-county-resident-sentenced-4-years-prison-tax-and-investment-fraud>

### ***California Businessman Sentenced to Prison for Underreporting More than \$4 Million in Income***

On May 4, 2018, in Oakland, California, Shiv D. Kumar, the former president

# OAKLAND FIELD OFFICE CASE FILES

and sole shareholder of A-Paratransit Inc. (API), was sentenced to almost 1½ years in prison and 1 year of supervised release for filing a false corporate tax return. Kumar pleaded guilty on April 20, 2018, to underreporting income on API's 2010 corporate tax return.

Kumar, the sole shareholder and president of API, a multi-million-dollar company that provided transportation services to disabled individuals in the Bay Area, filed false corporate returns with the IRS for tax years 2008 through 2010.

The returns underreported API's gross receipts by more than \$4 million, resulting in a tax loss to the United States of more than \$1.4 million. Kumar deposited API's gross receipts into multiple bank accounts, concealed millions of dollars in gross receipts, and provided API's tax return preparer with doctored and incomplete bookkeeping records showing less in gross receipts than API received. Kumar admitted he used the unreported

gross receipts to purchase real property in California.

<https://www.justice.gov/usao-ndca/pr/dublin-man-sentenced-16-months-prison-filing-false-corporate-tax-return>

## ***California Resident Sentenced for Stealing Homeless Individuals' IDs and Using Them to Seek Fraudulent Tax Refunds***

On November 14, 2017, Diep Vo, aka Nancy Vo, was sentenced to 4½ years in prison for mail fraud, aggravated identity theft, conspiring to file false claims for tax refunds, and submitting false claims for tax refunds. She was also ordered to pay \$700,816 in restitution to the IRS. Vo, of San Jose, California, conspired with co-defendant Trong Nguyen, aka John Nguyen, to use the personally identifiable information of homeless and unemployed individuals in the San

Jose area to file fraudulent claims for refunds with the IRS. Vo went to homeless shelters and halfway houses and told individuals that she could get them money from a government program designed to assist non-working people. Vo convinced people to write down their names and Social Security numbers and to sign blank income tax returns.

Vo and Nguyen then falsified the signed returns by including false income and income tax withheld amounts. The defendants sought fraudulent refunds totaling approximately \$3.4 million. Vo and Nguyen directed the IRS to send the refund checks to private mailboxes they controlled.

<https://www.justice.gov/usao-ndca/pr/san-jose-resident-sentenced-using-identities-homeless-individuals-file-fraudulent-tax>



PENNSYLVANIA



DELAWARE

# PHILADELPHIA FIELD OFFICE

600 ARCH ST, PHILADELPHIA PA, 19106 | 267.941.6187

**BETHLEHEM, PA**

**CRANBERRY TOWNSHIP, PA**

**ERIE, PA**

**HARRISBURG, PA**

**JOHNSTOWN, PA**

**KING OF PRUSSIA, PA**

**NEWARK, DE**

**PITTSBURGH, PA**

**SCRANTON, PA**

**THE PHILADELPHIA FIELD** Office serves a broad geographic area that includes the entire states of Pennsylvania and Delaware. Within this area of responsibility, The field office also serves four judicial districts, each with its own U. S. attorney and leadership structure. We work in partnership with all major federal law enforcement agencies throughout Pennsylvania and Delaware.

These include FBI, DEA, HSI, ATF, US Postal Investigation Service (USPIS), US Secret Service (USSS), Department of Labor-Office of Inspector General (DOL-OIG), as well as numerous state and local law enforcement departments. We work a diverse mix of criminal investigations that includes income tax evasion, employment tax, corporate fraud, international tax fraud, return preparer fraud, ID



# PHILADELPHIA FIELD OFFICE CASE FILES

theft, cybercrimes, public corruption, counterterrorism and narcotics related financial crimes. The field office holds pivotal roles on the respective U.S.

Attorney's priority task forces, including Suspicious Activity Report review teams, health care fraud, cybercrimes, Joint Terrorism Task Forces (JTTF) and Organized Crime Drug Enforcement Task Forces (OCDETF).

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## SIGNIFICANT CASES

### ***Delaware County Man Sentenced to 10 Years in Prison for Running Tax Fraud Scheme***

On November 6, 2017, in Philadelphia, Mohamed Mansaray, of Springfield, Pennsylvania, was sentenced to 10 years in prison and ordered to pay \$5,277 in restitution to the IRS. Mansaray was convicted of conspiring to defraud the

IRS, aiding and abetting the preparation of false federal income tax returns, wire fraud and aggravated identity theft.

According to court documents, Mansaray, a former social worker, owned Medman's Financial Services, a tax preparation service with offices in Philadelphia. Medman's filed false federal income tax returns which generated fraudulent tax refunds, some as large as \$9,000. Mansaray and his co-conspirators at Medman's obtained stolen personally identifiable information of foster children and used that information to claim fraudulent dependents on income tax returns prepared for Philadelphia clients.

Gebah Kamara, a former social services employee, who was previously sentenced to 2½ years in prison purchased the stolen identities. Kamara was paid approximately \$200 to \$300 for each child's identity. Mansaray charged clients as much as \$800 for fraudulently including a false dependent on an income tax

return. Over 300 foster children's identities were stolen and misused during the scheme.

<https://www.justice.gov/usao-edpa/pr/delaware-county-man-sentenced-10-years-running-tax-fraud-scheme>

### ***Judge Sentences Pennsylvania Investment Advisor to Prison for Fraud and Filing False Tax Returns***

On October 16, 2017, in Pittsburgh, Bernard Parker, of Indiana County, was sentenced to over 7 years in prison, 3 years of supervised release, and ordered to pay \$1,212,663. Parker was convicted at trial of one count of securities fraud, one count of mail fraud, and four counts of filing false tax returns.

According to court documents, Parker, the principal of Parker Financial Services, solicited his clients by signing of "Investors Contracts" to invest in

tax lien certificates, municipal bonds, computer software, real estate, and other undefined investments. Parker then used most of the money taken from these investors for his personal expenses instead of the various investments agreed upon with his clients. Further, Parker filed false federal tax returns for tax years 2010 through 2013, each of which failed to report his income.

<https://www.justice.gov/usao-wdpa/pr/judge-sentences-indiana-investment-advisor-prison-fraud-and-filing-false-tax-returns>

### ***Pennsylvania Woman Sentenced to Nearly 6 Years in Prison for Embezzling \$4.3 Million from Her Employer***

On April 10, 2018, in Harrisburg, Pennsylvania, Donna Marie Wozniak, of New Freedom, Pennsylvania was sentenced to nearly 6 years in prison and 3 years of

# PHILADELPHIA FIELD OFFICE CASE FILES

supervised release. Wozniak previously pleaded guilty to a 2-count criminal information charging her with embezzlement relating to healthcare and tax evasion.

According to court documents, Wozniak managed Susquehanna Valley Surgery Center (SVSC) in Harrisburg from 2000 through 2014. As part of Wozniak's job duties, she received invoices from SVSC vendors, which she reviewed and paid from SVSC's general operating account. Wozniak obtained blank checks supposedly for payment to the vendors, however, she made a portion of the signed, blank SVSC checks payable to herself. She cashed or deposited a total of \$4.3 million using multiple bank accounts she maintained.

To conceal her theft, Wozniak created false invoices from legitimate SVSC

vendors. She then falsified entries into SVSC's accounting system, showing the checks and payments as made to the vendors. Wozniak admitted to the theft of SVSC funds and was terminated from SVSC in November 2014.

<https://www.justice.gov/usao-mdpa/pr/new-freedom-woman-sentenced-71-months-imprisonment-embezzling-43-million-her-employer>

## **Scranton Man Sentenced to Nearly 6 Years in Prison for \$3.5 Million Tax Fraud Scheme**

On November 2, 2017, in Scranton, Pennsylvania, Brian Reyes was sentenced to nearly 6 years in prison and ordered to pay restitution of \$3,606,435.

Reyes previously pleaded guilty to conspiring to defraud the United States with fraudulent tax claims based on his participation in a tax refund conspiracy involving stolen identities.

According to court documents, Reyes owned and operated Reyes Services LLC, a check cashing business. From January 2011 to June 2015, Reyes and his co-conspirators used stolen identities to prepare and file false federal income tax returns, without their victims' knowledge. Reyes's co-conspirators obtained the refund checks from those fraudulent returns and provided them to Reyes, who cashed the checks at his business. Reyes kept a portion of each check cashed. The scheme netted \$3,655,368 in false claims paid by the U.S. Treasury. The government seized \$48,933 during the investigation.

<https://www.justice.gov/usao-mdpa/pr/scranton-man-sentenced-70-months-imprisonment-35-million-tax-fraud-scheme>

## **Former Philadelphia District Attorney Rufus Seth Williams Sentenced to 5 Years in Prison for Federal Bribery Charge**

On October 24, 2017, in Philadelphia, Rufus Seth Williams was sentenced to 5 years in prison and 3 years of supervised release. He was also ordered to pay forfeiture of \$33,009 and restitution of \$58,422.

According to court documents, Williams, a former Philadelphia District Attorney, accepted tens of thousands of dollars in concealed bribes in exchange for

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*"Philadelphia Field Office has a rich tradition of impactful white collar investigations, as well as numerous other types of investigations. The success of the Field Office is a direct result of the hard work and dedication of the Special Agents and professional staff." –Guy Ficco, Special Agent in Charge*

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# PHILADELPHIA FIELD OFFICE CASE FILES

his agreement to perform official acts. He also defrauded a nursing home and family friends of money earmarked for a family member's care, and used political action committee funds and official government vehicles for his personal benefit.

From July 2010 through May 2015, Williams, while serving as the Philadelphia District Attorney, had an arrangement with Mohammad N. Ali, to accept items of value in exchange for performing and agreeing to perform official acts on behalf of Ali. One such act included contacting a Philadelphia police official to pressure the official to assist Ali with airport security screenings.

Williams also agreed to assist with criminal charges brought by the Philadelphia District Attorney's office against Ali's associate. From March 2012 through July 2015, Williams, with Michael Weiss, accepted items of value in exchange for performing and agreeing to perform official acts on behalf of

Weiss. These acts included appointing him as Special Advisor to the Philadelphia District Attorney's office and providing an official letter to the California Department of Alcoholic Beverage Control to influence a pending hearing to revoke or suspend Weiss' California liquor license.

In July 2015, Williams also obtained a police accident report at Weiss' request. In addition, from February 2012 through November 2013, Williams diverted his mother's pension and Social Security payments to pay for his personal expenses instead of applying them to his mother's nursing home costs, as he agreed to do.

After accepting \$10,000 from his mother's friends intended to cover expenses for her nursing home care, Williams spent that money on personal expenses. From August 2010 through August 2016, Williams also defrauded the "Committee to Elect Seth Williams"

by using its funds for personal expenses and then providing false or incomplete reports to the commonwealth of Pennsylvania and to the city of Philadelphia.

Lastly, Williams engaged in a scheme to use official vehicles provided by the city of Philadelphia and a federal narcotics law enforcement program for his personal benefit.

<https://www.justice.gov/usao-nj/pr/former-philadelphia-district-attorney-rufus-seth-williams-sentenced-five-years-prison>



ARIZONA



NEW MEXICO

# PHOENIX FIELD OFFICE

4041 N. CENTRAL AVE, PHOENIX AZ, 85012 | 602.636.9721

**ALBUQUERQUE, NM**  
**GLENDALE, AZ**

**LAS CRUCES, NM**  
**MESA, AZ**

**SANTA FE, NM**  
**TUCSON, AZ**

**THE PHOENIX FIELD** Office covers the southwestern states of Arizona and New Mexico. The office's special agents investigate both legal and illegal source tax crimes, including cases with an international nexus. The office operates a financial crimes task force named DeTECT that identifies and investigates a wide variety of

complex financial crimes. Located on the U.S. / Mexico border, the office provides significant participation in the high level Organized Crime Drug Enforcement Task Force (OCDETF).





# PHOENIX FIELD OFFICE CASE FILES

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## SIGNIFICANT CASES

### ***Former Real Estate Investor Sentenced to 17 Years in Prison for Multiple Fraud Schemes***

On December 19, 2017, in Phoenix, Yomtov Scott Menaged was sentenced to 17 years in prison for orchestrating multiple fraud schemes resulting in more than \$30 million in losses. Menaged was also ordered to pay the victims \$33,558,407 in restitution.

Menaged operated a real estate investment business and retail furniture stores. He embezzled millions in loans meant for real estate purchases and provided

fake real estate purchase documents to conceal the fraud. Menaged used the embezzled money to support his lavish lifestyle that included travel, million-dollar homes, and luxury vehicles.

When Menaged no longer had access to the embezzled funds, he orchestrated an elaborate identity theft scheme involving purported customers of his various retail furniture stores. Menaged obtained the names and personally identifiable information of recently deceased individuals and used their information to submit fake credit applications from his furniture stores to various banks. In fact, no furniture purchases ever took place. The

identity theft scheme resulted in more than \$2 million in losses to the banks.

<https://www.justice.gov/usao-az/pr/former-real-estate-investor-sentenced-17-years-prison-multiple-fraud-schemes>

### ***California Woman Sentenced to Lengthy Prison Term for Tax Evasion and Fraud***

On March 28, 2018, Farzaneh Akhavi was sentenced to 7 years in prison and ordered to pay \$1.7 million in restitution. Akhavi used her influence to systematically defraud victims out of \$1.7 million.

She convinced victims to move from Orange County, California, to the Phoenix metropolitan area, using one victim's name and Social Security number to open credit accounts and take out loans. Akhavi used the victims' money on travel-related expenses and to buy a car and a house for herself, two properties for her daughter, and items at high-end clothing stores.

She also convinced the victims to give her additional money by falsely promising to form a business partnership that included operating a restaurant and museum in Mesa, Arizona. She exaggerated her political connections to convince the victims that she would advance their political careers in Arizona. In addition,

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*"I'm proud to lead a group of employees that understand their responsibility of protecting the residents of Arizona and New Mexico. During 2018, investigative staff of the Phoenix Field Office conducted complex financial investigations, including many with an international nexus. Individually and in partnership with fellow law enforcement agencies, the investigative work of CI's PHXFO protected the Southwest Border of the United States from threats posed by organized criminal groups, rendered justice to victims of financial fraud, and fostered confidence in the U.S. tax system." –Ismael Nevarez Jr., Special Agent in Charge*

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# PHOENIX FIELD OFFICE CASE FILES

Akhavi committed tax evasion by failing to file taxes and account for the money she stole from the victims.

<https://www.justice.gov/usao-az/pr/california-woman-sentenced-lengthy-prison-term-fraud-and-tax-evasion>

## ***Scottsdale Man Sentenced for Embezzlement***

On April 18, 2018, John Arthur Anderson, of Scottsdale, Arizona, was sentenced to 7 years in prison and ordered to pay nearly \$3.5 million in restitution.

Anderson, as the chief financial officer of a Scottsdale-based company known as EventPro Solutions, used his position to embezzle millions of dollars. He did so by acquiring unauthorized loans in the name of EventPro, having funds wired to accounts under his control, illegally

wiring money to an offshore investment opportunity, and instituting unauthorized increases in his salary.

Anderson used the stolen money to live a lavish lifestyle that included expensive vacations, a vacation home, a Harley-Davidson motorcycle, and considerable expenditures at local restaurants and clothing stores.

## ***Nationwide Methamphetamine and Marijuana Traffickers Sentenced***

On November 16, 2017, in Phoenix, Ramon Llamas, of Phoenix, was sentenced to 14 years in prison for his role in a drug trafficking organization.

Llamas, along with co-defendants Donald Hamilton, of Philadelphia, and Orencio Ruelas, conspired to distribute methamphetamine and to launder money. Hamilton was sentenced to

8 years in prison, and Ruelas was sentenced to 19½ years in prison for their roles in the conspiracy.

Fourteen other defendants convicted in the case for various drug trafficking and money laundering crimes received sentences ranging from probation to 10 years in prison.

<https://www.justice.gov/usao-az/pr/nationwide-methamphetamine-and-marijuana-traffickers-sentenced>

## ***Chandler Man Sentenced to 3 Years in Prison for Tax Evasion***

On May 1, 2018, William “Larry” Dorsey, of Chandler, Arizona was sentenced to 3 years in prison and ordered to pay \$7.3 million in restitution to the IRS. Dorsey had previously pleaded guilty to tax evasion.

Dorsey owned and operated several professional employment organizations, including Pinnacle Employee Group, Inc. (PEG) and Pinnacle Planning Group, Inc. (PPG), which contracted with small business owners to provide payroll services. Dorsey, through PEG and PPG, collected federal employment taxes from his clients but, instead of paying the taxes to the IRS, he kept a significant portion of them for his personal use and to fund other business ventures.

To conceal his theft, Dorsey filed false employment tax returns with the IRS, which underreported the taxes due from PEG and PPG. From 2011 through 2014, Dorsey underreported and underpaid approximately \$7.3 million in federal employment taxes owed by PEG and PPG.

<https://www.justice.gov/usao-az/pr/chandler-man-sentenced-three-years-prison-tax-evasion>



WASHINGTON

ALASKA

HAWAII

GUAM

MARIANA ISLANDS

# SEATTLE FIELD OFFICE

915 SECOND AVE, SEATTLE WA, 98174 | 206.464.4915

**AGANA, GU**  
**ANCHORAGE, AK**  
**BEND, OR**  
**EUGENE, OR**

**EVERETT, WA**  
**HONOLULU, HI**  
**MEDFORD, OR**  
**PORTLAND, OR**

**SAIPAN, MP**  
**SPOKANE, WA**  
**TACOMA, WA**  
**VANCOUVER, WA**

**THE SEATTLE FIELD** Office covers the states of Alaska, Hawaii, Oregon, and Washington, the U.S. Territory of Guam and the Commonwealth of the Northern Marianas Islands. Planning and collaboration take on added importance when faced with the geographic challenges of seven judicial districts and four time zones. Specific regions within the field office provide opportunities

for a diverse case load. Our investigations include domestic and international tax crimes, public corruption, identity theft fraud, cyber-crime and drug related financial crimes. The Seattle Field Office (with our respective U.S. Attorney's Offices) plays a pivotal role in combating financial crime in the Western states.



# SEATTLE FIELD OFFICE CASE FILES

## SIGNIFICANT CASES

### ***Corvallis Man Receives Federal Prison Sentence for Defrauding Local Company***

On March 13, 2018, Matthew Linderman, of Corvallis, Oregon, was sentenced to a 1½ years in prison and 3 years of supervised release for wire fraud and filing a false tax return. Linderman was also ordered to pay over \$1.7 million in restitution.

According to court documents, Linderman used his position as business area manager at Corvallis-based Trimble Forestry Automation to approve invoices from companies with whom he was personally associated. He used his knowledge of Trimble's invoicing procedures to ensure that he alone would be required to authorize the expenditures.

Linderman received a substantial amount of each vendor payment in the form of kickbacks to companies he owned including Strategic Enterprises and Santiam Organics. A detailed financial analysis discovered that J. Waldien Designs received payments of \$850,000. More than \$763,000 of those payments were based on fraudulent invoices, and approximately \$636,000 was transferred to Strategic Enterprises, which Linderman used to start Santiam Organics.

The analysis further discovered over \$1 million in fraudulent payments to another Waldien company, Precision Mobile Integration. Linderman used most of the money for business and personal expenses. Linderman pleaded guilty to one count each of wire fraud and filing a false federal income tax return on September 15, 2016. Co-conspirator Jeffery Waldien pleaded guilty and was sentenced in a separate case in January 2018.

<https://www.justice.gov/usao-or/pr/corvallis-man-receives-federal-prison-sentence-defrauding-local-company>

### ***Former Washington State Auditor Sentenced to One Year in Prison for Tax and False Statement, Fraud Crimes Committed While Serving in Washington Legislature***

On June 29, 2018, former Washington State Auditor Troy X. Kelley was sentenced to one year in prison for possession of stolen property, making false declarations in a court proceeding, and tax fraud. Kelley was convicted of eight federal felonies in December 2017, following a 5-week trial.

According to the evidence, between 2003 and 2008, Kelley operated a business that monitored real estate filings on county websites. Kelley agreed with escrow companies that his business

would charge a flat fee of \$15 or \$20 for each real estate transaction it monitored for the escrow companies' customers. In addition to the flat fee, the escrow companies also gave Kelley \$100-\$150 of customer money for each transaction, which he agreed to use to pay expenses. Kelley agreed to refund the money to the homeowners if there were no expenses. However, beginning in 2005, with almost every case he handled, he kept the full amount withheld on each transaction, thereby stealing nearly \$3 million.

Kelley spent the stolen money on personal expenses and his campaign for state auditor. To hide the fact this was money he had stolen years earlier, Kelley claimed on his tax returns that he was continuing to perform real estate services and to earn income through his business. . He claimed tens of thousands of dollars of business deductions for personal items like spa treatments, a family trip, and household purchases such as sheets and toys.

# SEATTLE FIELD OFFICE CASE FILES

<https://www.justice.gov/usao-wdwa/pr/former-washington-state-auditor-sentenced-one-year-prison-fraud-tax-and-false-statement>

## ***Nigerian Leader of Nationwide Identity Theft and IRS Tax Fraud Scheme Sentenced to Federal Prison***

On June 20, 2018, in Eugene, Oregon, Emmanuel Oluwatosin Kazeem, of Bowie, Maryland, and Nigeria, was sentenced to 15 years in prison and ordered to pay restitution of more than \$12 million. Kazeem will be subject to deportation when released from prison.

In May 2013, a victim in Oregon notified the IRS that someone filed false federal and Oregon state tax returns electronically using her and her husband's personally identifiable information (PII). An IRS investigation showed Kazeem and his co-conspirators possessed the stolen PII of more than 259,000 victims.

Kazeem shared the stolen identities with other co-conspirators who used them to file fraudulent tax returns between 2012 and 2015. In carrying out the scheme, he trained and directed his co-conspirators to use stolen PII to obtain thousands of electronic filing PINs to bypass IRS authentication procedures. Kazeem also used taxpayers' PII to gain unauthorized access into many taxpayers' IRS transcripts.

Conspirators also used pre-paid debit cards with the victims' stolen identities to receive tax refund deposits from the IRS. Kazeem was linked to 10,139 fraudulent federal tax returns attempting to get over \$91 million in refunds and successfully receiving over \$11.6 million.

Kazeem sent at least 2,000 wire transfers from false refunds totaling over \$2.1 million dollars to Nigeria. Five other co-conspirators, Oluwaseunara Osanyinbi, Oluwatobi Dehinbo, Lateef Animawun, Oluwamuyiwa Olowoye, and

Michael Kazeem, previously received federal prison sentences for their roles in the same conspiracy.

<https://www.justice.gov/usao-or/pr/nigerian-leader-nationwide-identity-theft-and-irs-tax-fraud-scheme-sentenced-federal>

## ***Washington Man Sentenced to 10 Years for Defrauding Alaskans Out of Approximately \$2.7 Million***

On December 12, 2017, a Washington man received a sentence of 10 years in prison for defrauding Alaskans with an advance fee scheme where he promised investors a significant return on an investment that did not actually exist.

Floyd Jay Mann, Jr., 56, of Puyallup, Washington, was sentenced to serve 10 years in prison, followed by a term of supervised release. He was also

ordered to pay full restitution to the victims.

Mann pleaded guilty in July 2017 to 11 counts of wire fraud and 8 counts of money laundering in Alaska. Mann defrauded individuals in Dillingham and elsewhere of approximately \$2.7 million by falsely leading the victims to believe he was the recipient of a multimillion-dollar settlement from a class-action lawsuit against a pharmaceutical company. Mann told victims that if they helped pay his medical bills and other lawsuit-related expenses, he would repay them plus a substantial return on their money, but only after the court released his multimillion-dollar settlement.

In fact, Mann did not use the victim's money to pay medical bills. A lawsuit settlement did not exist, and Mann used the money he got from the victims to gamble, collecting over \$1 million in jackpots while receiving need-based social security benefits.

# SEATTLE FIELD OFFICE CASE FILES

The scheme started when Mann first convinced an elderly neighbor who had cancer, that he too had cancer. Once Mann gained the neighbor's sympathy and trust, Mann convinced the neighbor of the legitimacy of his fraudulent lawsuit. The neighbor gave so much money to Mann's scheme he lost his house and then succumbed to his cancer.

Meanwhile, Mann moved on to the elderly neighbor's friends and relatives in Dillingham. Mann carried out his scheme over six years. He created fraudulent court documents that co-conspirators assisted him with, pretending to be judges and federal agents to corroborate his fraudulent stories to the victims.

"Floyd Mann preyed upon the sick and elderly. He ruined the lives of those who sadly placed their trust in him," said First Assistant U.S. Attorney Bryan Wilson. "I commend the members of this office and our law enforcement partners in

their efforts to obtain this conviction and sentence."

In imposing the sentence, Judge Burgess referred to Mann as a "dogged, determined, charlatan" who caused "permanent financial and emotional damage to "dozens of people." Judge Burgess also commented that Mann was "sophisticated, devious, and calculating."

<https://www.justice.gov/usao-ak/pr/washington-man-sentenced-10-years-defrauding-alaskans-out-approximately-27-million>

## ***Honolulu Husband and Wife Sentenced for Filing False Tax Returns***

On October 19, 2018, in Honolulu, Lorraine Yamauchi and Jiitsu Yamauchi, both of Honolulu, were each sentenced to 2 years in prison and 1 year of

supervised release for filing a false tax return. They previously paid restitution of \$621,986 to the IRS.

The Yamauchis operated an Oahu-based church. Jiitsu Yamauchi served as the church's bishop and Lorraine Yamauchi served as the church's bookkeeper. They accepted millions of dollars in donations from church members and used a large portion of those donations for their personal benefit, including the purchase of 25 luxury vehicles and a 4.2 carat diamond ring.

When filing their tax returns for tax years 2008 through 2014, the Yamauchis failed to include approximately \$2.3 million of church-related income.

<https://www.justice.gov/usao-hi/pr/honolulu-husband-and-wife-sentenced-24-months-prison-filing-false-tax-returns>

## ***Julian Robles Sentenced to 20 Years Federal Prison for Drug Trafficking Crime***

On December 27, 2017, Julian Robles was sentenced to serve 20 years in prison for his role in a drug conspiracy. In an earlier plea, Robles admitted that beginning in 2009, he flew to California to purchase methamphetamine. He broke the meth into small quantities of about 13 grams each, which he mailed to Guam.

Co-conspirators distributed the meth for Robles. He mailed the drugs in envelopes he created using logos of real companies. The co-conspirators wired money to others for payment of the drugs and to enable Robles to purchase more drugs.

<https://www.justice.gov/usao-gu/pr/julian-robles-sentenced-federal-prison-drug-trafficking-crime>

# SEATTLE FIELD OFFICE CASE FILES

## ***California Man Sentenced for Identity Theft, Conspiracy as Part of Scheme to File False Income Tax Returns***

On January 19, 2018, in Anchorage, Alaska, Demetrick Ruffin, from Los Angeles, was sentenced to serve almost 8 years in prison for his scheme to use illegally obtained personally identifiable information to prepare false W-2s and false individual income tax returns. As a condition of his supervised release, Ruffin is prohibited from accessing the internet.

Ruffin conspired with others to obtain identity information, such as names, dates of birth, and Social Security numbers, to prepare false W-2 forms containing fabricated wage and withholding information. The co-conspirators took the identity information and falsified documents to tax return preparation services in Anchorage, Eagle River, and Palmer, Alaska, as well as in Los Angeles and Orange County, California, to have

tax returns prepared and electronically submitted to the IRS. The false returns requested refunds totaling between \$1,400 and \$8,600. In some instances, Ruffin and his co-conspirators used the stolen identity information to claim the “taxpayers” had dependent children that they did not have.

By claiming additional dependents, the co-conspirators increased the amount of refunds. In many cases, the defendants applied for refund anticipation loans and had the fraudulently obtained tax refunds loaded onto stored value cards. This practice allowed them instant access to the money even if the IRS later rejected the falsely filed returns.

<https://www.justice.gov/usao-ak/pr/california-man-sentenced-identity-theft-conspiracy-part-scheme-file-false-income-tax>



MISSOURI



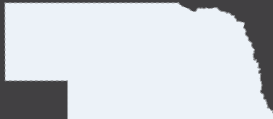
IOWA



NORTH DAKOTA



SOUTH DAKOTA



NEBRASKA



KANSAS



ILLINOIS

# ST. LOUIS FIELD OFFICE

1222 SPRUCE ST, ST. LOUIS MO, 63103 | 314.339.1400

**CEDAR RAPIDS, IA**  
**CHESTERFIELD, MO**  
**DAVENPORT, IA**  
**DES MOINES, IA**  
**FAIRVIEW HEIGHTS, IL**

**FARGO, ND**  
**JEFFERSON CITY, MO**  
**LEE'S SUMMIT, MO**  
**OMAHA, NE**  
**OVERLAND PARK, KS**

**RAPID CITY, SD**  
**SIOUX FALLS, SD**  
**SPRINGFIELD, MO**  
**WICHITA, KS**

**THE ST. LOUIS** Field Office covers the states of Missouri, Iowa, Kansas, Nebraska, North Dakota, South Dakota, and Southern Illinois which comprises nine judicial districts. We work a diverse mix of criminal investigations across this large geographic area that includes tax evasion, failure to pay employment taxes, return

preparer fraud and narcotics. We also hold pivotal roles on the respective U.S Attorney's priority task forces, including cybercrime, financial fraud, Organized Crime Drug Enforcement Task Force (OCDETF), and joint terrorism task forces.





# ST. LOUIS FIELD OFFICE CASE FILES

## SIGNIFICANT CASES

### **Owner of Kansas Tax Preparation Firm Sentenced for Filing Fraudulent Tax Returns**

On January 17, 2018, in Kansas City, Kansas, Alfred Reece, a former resident of Overland Park, Kansas, was sentenced to 8 years in prison, 1 year of supervised release, and ordered to pay \$648,442 in restitution to the IRS. Reece owned and operated a tax preparation business in Kansas City.

From approximately 2013 through 2015, Reece prepared federal tax returns for individuals, claiming false business income and losses, medical and dental expense deductions, job-related expenses, charitable donations, and other fraudulent items. Reece concealed

himself as the preparer on these fraudulent returns by falsely claiming they were self-prepared. Reece admitted to causing a tax loss of between \$550,000 and \$1.5 million.

<https://www.justice.gov/usao-ks/pr/kansas-business-owner-pleads-guilty-filing-fraudulent-tax-returns>

### **Lexington Business Owner Sentenced for Failing to Pay \$1.7 Million in Payroll Taxes**

On April 17, 2018, in Kansas City, Missouri, Randy K. Small was sentenced to 3 years in prison and ordered to pay \$1,694,725 in restitution. On June 20, 2017, Small pleaded guilty to failure to pay

\$1.7 million to the IRS in payroll taxes.

Small was the owner of RSB Leasing, a transportation business that provided school bus service to multiple school districts in Missouri. Small admitted his criminal conduct resulted in an aggregate tax loss of at least \$1,457,483. However, Small has continued to violate tax laws since his change-of-plea hearing. IRS investigators uncovered \$237,242 in additional tax harm for employment taxes that he did not pay to the IRS for employees of RSB Leasing, resulting in a total tax liability of \$1,694,725.

<https://www.justice.gov/usao-wdmo/pr/lexington-business-owner-sentenced-failing-pay-17-million-payroll-taxes>

### **Kansas Men Sentenced for Running \$3.5 Billion Unlawful Internet Payday Lending Enterprise**

On January 5, 2018, in New York, New York, Scott Tucker, of Leawood, Kansas, and Timothy Muir, of Overland Park, Kansas, were sentenced to over 16 years and 7 years in prison, respectively, for operating a payday lending enterprise that evaded state laws to charge illegal interest rates on loans.

From 1997 through at least 2013, Tucker and Muir, the general counsel for Tucker's payday lending businesses, routinely charged interest rates of 600 to 700 percent, and sometimes higher than 1,000 percent.

In response to complaints that Tucker Payday Lenders were extending abusive loans in violation of

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*"The St. Louis Field Office continues to investigate and recommend prosecution on a number of diverse and significant cases. I could not be more proud of the Special Agents who conduct business with professionalism and integrity each day." –Karl Stiften, Special Agent in Charge*

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# ST. LOUIS FIELD OFFICE CASE FILES

their usury laws, several states began to investigate the company. To thwart these actions, starting in 2003, the defendants formed sham relationships with Native American tribes and laundered the billions of dollars they took from their customers through nominally tribal bank accounts to hide Tucker's ownership and control of the business.

Muir, and other counsel for Tucker, prepared and submitted false declarations from tribal representatives to state courts claiming that tribal corporations substantially owned, controlled, and managed the portions of Tucker's business targeted by state enforcement actions. As a result, when states sought to enforce laws prohibiting Tucker's loans, he would claim sovereign immunity.

Tucker opened bank accounts to receive the profits of the payday lending enterprise and received over \$380 million from these accounts to spend on lavish personal expenses. Some of these

expenses included a fleet of Ferraris and Porsches, sponsorship of a professional auto racing team, a private jet, a luxury home in Aspen, Colorado, and his personal income taxes.

<https://www.justice.gov/usao-sdny/pr/scott-tucker-sentenced-more-16-years-prison-running-35-billion-unlawful-internet-payday>

## ***NBA Player Sentenced for False Tax Returns, Identity Theft Related to Charity Fraud Scheme***

On July 9, 2018, in Kansas City, Missouri, Kermit Alan Washington, of Las Vegas, was sentenced to 6 years in prison for an extensive charity fraud scheme. Washington was also ordered to pay \$967,158 in restitution.

Washington was among 11 defendants convicted in several cases arising from

the investigation of one of the largest software piracy schemes ever prosecuted by the U.S. Department of Justice.

Investigators seized more than \$20 million in assets from co-conspirators who sold more than \$100 million worth of illegal, unauthorized, and counterfeit software products to thousands of online customers.

Washington's charity, Sixth Man Foundation, doing business as Project Contact Africa, operated an eBay store and used a PayPal account to accept payments. The store sold approximately \$12 million of counterfeit software and software components. Customers of the store were under the impression that "100 percent" of the sales proceeds were intended to go to the charity when, in fact, only a portion of the proceeds went to the charity.

Washington admitted that he stole funds from the charity's bank account

to pay himself or for personal spending, such as rent, credit card payments, vacation trips, and plastic surgery for his then-girlfriend. Washington claimed to pay the rent and school fees for a family in Africa when, in fact, these payments were made to a former prostitute.

Washington also admitted to referring professional athletes to attorney Ronald Jack Mix, of San Diego, so that Mix could file workers' compensation claims in the state of California on behalf of the athletes. Mix made approximately \$155,000 in donations to Washington's charities, which were kickbacks for the referrals. Washington took those funds from the charity's bank account for his personal use.

Washington admitted he stole charity proceeds and failed to declare this income on federal income tax returns from 2010 through 2014. During this time, Washington also improperly

# ***ST. LOUIS FIELD OFFICE CASE FILES***

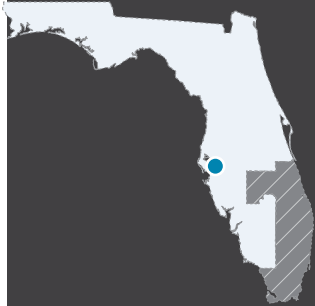
claimed tens of thousands of dollars in personal charitable deductions. The accumulated tax loss for 2010 through 2014 was \$976,158.

Washington pleaded guilty to filing a materially false individual tax return on February 18, 2014, and to filing a materially false Form 990-EZ for his tax-exempt organization on August 20, 2012. Washington also pleaded guilty to using the name, personal address, and business address of another person without lawful authority in numerous state and federal filings on behalf of the charity.

The identity theft victim, identified in court documents as "T.G.," was a resident of Oregon. Washington admitted that he used her personally identifiable information so that Project Contact Africa could maintain its active status within the state of Oregon, which enabled the charity to receive the chari-

table donations and maintain the charity store on eBay.

<https://www.justice.gov/usao-wdmo/pr/former-nba-player-sentenced-false-tax-returns-identity-theft-related-charity-fraud>



FLORIDA

# TAMPA FIELD OFFICE

9450 KOGER BLVD, ST. PETERSBURG FL, 33702 | 941.378.6416

**FORT MYERS, FL  
GAINESVILLE, FL  
JACKSONVILLE, FL**

**MAITLAND, FL  
PENSACOLA, FL  
SARASOTA, FL**

**ST. PETERSBURG, FL  
TALLAHASSEE, FL**

**THE TAMPA FIELD** Office covers the middle and northern judicial districts of Florida. The field office has nine posts-of-duty with agents working a diverse mix of criminal investigations across a large geographic area. Our agents embrace traditional tax cases as well as money laundering involving narcotics, terrorist financing

and other local compliance issues. The Tampa Field Office benefits from well-established partnerships with other law enforcement agencies and has excellent working relationships with both United States Attorney's Offices.



# TAMPA FIELD OFFICE CASE FILES

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## SIGNIFICANT CASES

### **Former U.S. Congresswoman Corrine Brown and Conspirators Sentenced for Fraud Scheme**

On December 4, 2017, in Jacksonville, Florida, former U.S. Congresswoman Corrine Brown was sentenced to 5 years in prison, 3 years of supervised release, and ordered to pay \$515,166 in restitution to her victims, including \$62,650 to the IRS.

On May 11, 2017, Brown was convicted of participating in a conspiracy involving a fraudulent education charity, concealing material facts in required financial

disclosure forms, obstructing the due administration of internal revenue laws, and filing false tax returns. She was also found guilty of violating the Ethics in Government Act by concealing certain income in required annual financial disclosure forms she had submitted to the U.S. House of Representatives.

Between late 2012 and early 2016, Brown participated in a conspiracy and fraud scheme involving One Door for Education – Amy Anderson Scholarship Fund. In this scheme, Brown, Brown’s co-conspirators, and others acting on their behalf solicited more than \$800,000 in charitable donations. They falsely claimed the donations would be used for college scholarships and school

computer drives, among other charitable causes.

Brown and her co-conspirators solicited donations from individuals and corporate entities that Brown knew by her position in the U.S. House of Representatives. They led donors to believe that One Door was a properly registered 501(c)(3) non-profit organization when, in fact, it was not. Contrary to Brown’s representations, Brown and others used most of One Door donations for their personal and professional benefit, including tens of thousands of dollars in cash deposits made to Brown’s personal bank accounts. Brown and a co-defendant had used the outside consulting company of one of Brown’s

employees to funnel One Door funds to Brown and others for their personal use. More than \$300,000 in One Door funds were used to pay for events hosted by Brown, or held in her honor.

Despite raising over \$800,000 in donations, One Door granted only two scholarships totaling \$1,200 to cover expenses related to attending a college or university. Additionally, Brown failed to disclose the reportable income she received from One Door. She also claimed false deductions on her tax returns for charitable donations to One Door, local churches, and non-profit organizations in the Jacksonville area.

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*"The Tampa field Office is responsible for detecting, investigating, and assisting in the prosecution of criminals in the Middle and Northern Districts of Florida, some of the largest and busiest judicial districts in the country. Our uniquely trained agents and professional staff fearlessly dedicate their efforts to thwarting high-profile tax cheats, corrupt politicians, sophisticated cyber criminals, unscrupulous return preparers, feckless fraudsters, and heartless narcotics traffickers. Our agents and staff form a cohesive team devoted to educating the public and putting criminals beyond bars, all in an effort to guard the integrity of our economy and the interest of the taxpaying public."*

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# TAMPA FIELD OFFICE CASE FILES

<https://www.justice.gov/opa/pr/former-us-congresswoman-corrine-brown-and-two-others-sentenced-prison-fraud-scheme-involving>

## ***New York Man Sentenced to Prison for Multi-State Biodiesel Fraud Scheme***

On February 6, 2018, Andre Bernard, of Mount Kisco, New York, was sentenced to over 7 years in prison and a judgment of \$10,500,497 for his role in a multi-state scheme to defraud biodiesel buyers and U.S. taxpayers by fraudulently selling biodiesel credits and claiming tax credits.

Bernard and his co-conspirators engaged in a scheme to defraud biodiesel credit (known as “RIN” credits) buyers and U.S. taxpayers. The conspiracy involved having Gen-X Energy Group and its subsidiary, Southern Resources and Commodities (SRC), generate fraudulent RINs and tax credits multiple times on

the same material. Bernard and his co-conspirators operated several shell companies that claimed to purchase and sell the renewable fuel. The co-conspirators also cycled the funds through these shell companies’ bank accounts to perpetuate the fraud scheme and conceal its proceeds.

From March 2013 to March 2014, the co-conspirators generated at least 60 million RINs based on fuel that was either never produced or was merely re-processed at the Gen-X or SRC facilities. The co-conspirators received at least \$42 million from the sale of these fraudulent RINs to third parties. In addition, Gen-X received approximately \$4,360,724 in false tax credits for this fuel. Six of Bernard’s co-conspirators were previously sentenced for their roles in this scheme receiving prison terms ranging from 6½ years to 11 years.

<https://www.justice.gov/usao-mdfl/pr/new-york-man-sentenced-more-seven->

[years-multi-state-biodiesel-fraud-scheme](#)

## ***Two Executives Sentenced for Promoting Fraudulent Offshore Tax Shelter Scheme***

On October 13, 2017, Duane Crithfield and Stephen P. Donaldson Sr. were sentenced to 4½ years and 6 years in prison, respectively, for their roles in a conspiracy to defraud the United States using an offshore tax shelter scheme. Restitution is \$4,086,656.10

From 2001 to at least March 2008, Crithfield and Donaldson, and others, through Foster & Dunhill, Offshore Trust Service, Fidelity Insurance Company (FIC), and Citadel Insurance Company (CIC) marketed and implemented a fraudulent offshore tax strategy known as the Business Protection Plan (BPP). The fraudulent BPP strategy enabled

the defendants' affluent clients to claim business expense deductions based on sham “BPP insurance premium” payments. These payments made to offshore entities FIC and CIC were intended to substantially reduce the clients' taxable income.

Crithfield and Donaldson conspired together, and with others, to create and promote the offshore BPP tax shelter strategy. The strategy, however, was nothing more than self-insurance and lacked any economic substance, and the so called “BPP insurance premiums” were not based on any business risks. After getting the benefit of a tax deduction on a client's corporate income tax return, the client would later receive approximately 85 percent of the premium back. Thus, the premium amounts were not ordinary and necessary business expenses that were deductible under Section 162(a) of the Internal Revenue Code.

# TAMPA FIELD OFFICE CASE FILES

<https://www.justice.gov/usao-mdfl/pr/two-executives-sentenced-promoting-fraudulent-offshore-tax-shelter-scheme>

## ***Orlando Lawyer Sentenced to Three Years for Tax Evasion***

On February 1, 2018, William B. Pringle, III was sentenced to 3 years in prison and ordered to pay \$1,650,744 in restitution to the IRS. On November 3, 2017, a federal jury found Pringle guilty of tax evasion.

According to evidence presented at trial, Pringle owed more than \$2.1 million in federal income taxes, interest, and penalties for 1996 and 1998 through 2010. Over a period of at least nine years, he avoided paying income taxes by hiding his substantial income and luxury assets from the IRS, and by engaging in tactics to stop the IRS from locating and seizing his assets to pay the taxes he owed.

<https://www.justice.gov/usao-mdfl/pr/orlando-lawyer-sentenced-three-years-tax-evasion>

## ***Orlando Woman Sentenced to Nearly Twenty Years for Tax Refund Fraud and Aggravated Identity Theft***

On March 16, 2018, Jeanine Jeanty was sentenced to over 19 years in prison for conspiracy to steal tax refunds, theft of tax refunds, and aggravated identity theft. As part of her sentence, the court also entered a money judgment of \$1,774,376, representing the proceeds of the charged criminal conduct.

A jury found Jeanty guilty on December 15, 2017. According to court documents, Jeanty was the leader of a sophisticated criminal enterprise that stole federal tax refunds by filing false tax returns using stolen identity information. The organization also purchased fraudulently obtained

U.S. Treasury tax refund checks from others for a fraction of their face value. In less than two years, Jeanty and her co-conspirators stole more than \$2.7 million in tax refunds.

<https://www.justice.gov/usao-mdfl/pr/orlando-woman-sentenced-nearly-twenty-years-tax-refund-fraud-and-aggravated-identity>



# WASHINGTON D.C. FIELD OFFICE

1200 FIRST ST. NE, WASHINGTON DC, 20002



**BALTIMORE, MD**  
**BRIDGEPORT, WV**  
**CHARLESTON, WV**  
**HAMPTON, VA**

**LANDOVER, MD**  
**NORFOLK, VA**  
**PARKERSBURG, WV**  
**RICHMOND, VA**

**ROANOKE, VA**  
**SALISBURY, MD**  
**VIENNA, VA**

VIRGINIA

**THE WASHINGTON D.C.** Field Office is home to groups located in Washington, D.C., Maryland, Virginia and West Virginia. Serving six judicial districts, the field office is comprised of a dedicated group of dedicated professional staff and CI special agents who work a wide array of significant investigations. The diverse geographical location allows the field office the opportunity to work the entire spectrum of financial investigations, including legal source tax cases, public corruption, corporate fraud, narcotics, and health care fraud, among many others. The field office also includes the Global Illicit Financial Crimes Group, the Cybercrimes Unit, the Alcohol and Tobacco Tax and Trade Bureau Group, and the International Tax and Financial Crimes Group. The field office enjoys outstanding relationships with the U.S. Attorney's Offices it serves, as well as other law enforcement agencies throughout the region.





# WASHINGTON D.C. FIELD OFFICE CASE FILES

## SIGNIFICANT CASES

### ***Suffolk Woman Sentenced for \$1.6 Million Tax Return Fraud***

On December 6, 2017, Brenda Benn was sentenced to almost 5 years in prison for her role in a fraud scheme that prepared hundreds of false tax returns resulting in a loss of approximately \$1.6 million to the United States.

According to court documents, Benn was the owner of A Plus Tax Service, later renamed NN Financial, which operated as a tax preparation business at different periods between July 2009 and February 2014. Benn, along with co-defendants Kevin Towns and Stephanie Towns, conspired to operate a business based on creating false tax returns that generated inflated refunds for their clients to cultivate goodwill and generate repeat business. They used methods such as claiming false education-related

expenses, stating excessively high amounts of charitable contributions, and manipulating the amount of income to take advantage of certain tax credits. The customers did not persuade or instruct the tax preparers to generate the false returns.

Kevin Towns was sentenced to over 3 years in prison for his role in the conspiracy. Stephanie Towns was sentenced to 10 months in prison followed by 1½ years of home detention. All three defendants have been ordered to pay the government \$1,683,159 in restitution.

<https://www.justice.gov/usao-edva/pr/suffolk-woman-sentenced-16-million-tax-return-fraud>

### ***Former UVA Football Player Sentenced to 40 Years for \$10 Million Fraud***

On December 7, 2017, Merrill Robertson, Jr., was sentenced to 40 years in prison

for his role in a \$10 million fraud scheme. On August 24, 2017, a federal jury convicted Robertson of 15 offenses, including conspiracy to commit mail and wire fraud, conspiracy to commit bank fraud, mail fraud, wire fraud, bank fraud, and money laundering.

According to court records, Robertson started Cavalier Union Investments, LLC, with co-conspirator Sherman Carl Vaughn. From 2009 through 2016, Robertson and Vaughn made numerous misrepresentations to persuade individuals to invest with their company, including telling them they could rollover their retirement savings. Robertson identified potential investors through various contacts, including contacts he developed playing football at Fork Union Military Academy, the University of Virginia, and in the National Football League. Vaughn focused on developing investment opportunities.

Robertson and Vaughn fraudulently obtained more than \$10 million from

over 60 investors, spending much of the money on their own personal living expenses, including mortgage and car payments, school tuitions, spa visits, restaurants, department stores, and vacations. Once Robertson began having trouble raising new investor capital, he became involved in a loan fraud scheme. Robertson approached Cavalier investors and others and suggested he could help them get loans and lines of credit. Robertson and his co-conspirators then submitted falsified loan applications to banks and credit unions. The applications included false statements about the borrowers' personal financial status, the purpose of the loan, and whether the loan was secured by collateral.

<https://www.justice.gov/usao-edva/pr/former-uva-football-player-sentenced-40-years-10-million-fraud>

# WASHINGTON D.C. FIELD OFFICE CASE FILES

## ***Maryland Man Sentenced to Over 8½ Years in Prison for His Role in Scheme That Used Stolen Identities to Fraudulently Seek Tax Refunds***

On March 1, 2018, Brian Bryant was sentenced to over 8½ years in prison, 3 years of supervised release, and ordered to pay \$650,003 in restitution to the IRS and a forfeiture money judgment of \$176,624. Bryant was convicted for conspiring to commit theft of government funds and defraud the United States, theft of public money, and aggravated identity theft.

Bryant was part of a massive, sophisticated refund scheme involving stolen identities. The scheme involved a network of more than 130 people, many of whom were receiving public assistance. Coconspirators fraudulently claimed refunds for tax years 2005 through 2012, often in the names of people whose identities had been stolen, including the elderly, people in assisted

living facilities, drug addicts, and prisoners. Returns were also filed in the names of, and refunds were issued to, willing participants in the scheme.

The returns filed listed more than 400 “taxpayer” addresses located in the District of Columbia, Maryland, and Virginia. According to the evidence presented at trial, from approximately April 2010 through June 2012, Bryant and others collectively claimed \$4,959,310 in fraudulent refunds, of which the IRS paid out approximately \$2,285,717. The case involved the filing of at least 12,000 fraudulent federal income tax returns that sought at least \$42 million in refunds.

<https://www.justice.gov/usao-dc/pr/maryland-man-sentenced-100-months-prison-his-role-scheme-used-stolen-identities>

## ***Former Secret Service Agent Sentenced In Scheme Related To Silk Road Investigation***

On November 7, 2017, Shaun W. Bridges, a former U.S. Secret Service special agent, was sentenced to 2 years in prison on charges of money laundering. The judge ordered Bridges to serve that sentence consecutively to a previous sentence that he is currently serving. Bridges was also ordered to forfeit approximately 1,500 bitcoin and other fiat currency, which has a current value of approximately \$10.4 million.

Bridges had been a special agent with the U.S. Secret Service for approximately six years in the Baltimore field office. Between 2012 and 2014, he was assigned to the Baltimore Silk Road Task Force, a multi-agency group investigating illegal activity on the Silk Road, a covert online marketplace for illicit goods, including drugs. Bridges’ responsibilities included conducting forensic

computer investigations in an effort to locate, identify, and prosecute targets of the Baltimore Task Force, including Ross Ulbricht, also known as “Dread Pirate Roberts,” who ran the Silk Road from the Northern District of California.

In 2015, Bridges was arrested and taken into custody on charges related to the theft of approximately 1,600 bitcoin from a digital wallet belonging to the U.S. government. Bridges admitted to using a private key to access the digital wallet, and subsequently transferring the bitcoin to other digital wallets at other bitcoin exchanges to which only he had access.

<https://www.justice.gov/usao-ndca/pr/former-secret-service-agent-sentenced-scheme-related-silk-road-investigation>

# WASHINGTON D.C. FIELD OFFICE CASE FILES

## **Former Virginia Software Company CEO Sentenced to Prison for Employment Tax Fraud**

On June 29, 2018, Robert Lewis, former Chief Executive Officer (CEO) of Enterworks, Inc., a software company, was sentenced to almost 2 years in prison, 3 years supervised release, and ordered to pay \$1,812,706 in restitution for conspiring to defraud the government by failing to pay employment taxes to the IRS.

From January 2011 to February 2013, Lewis conspired with Kristie McDonald, Enterworks' Vice President of Finance and Administration, to defraud the United States by failing to pay over to the IRS more than \$1.8 million in payroll taxes withheld from employee paychecks. The pair circumvented the company's normal payroll and accounting procedures by paying some employees with manual paychecks. The employees still received the correct pay after withholdings, but by bypassing the accounting system,

Lewis and McDonald were able to hide the fact that the withholdings were not being paid over to the IRS. The practical effect of their scheme was to conceal the company's failing financial condition from its Board of Directors. They also caused the company to file false quarterly employment tax returns with the IRS that underreported the amount of tax due.

During this same period, Lewis and McDonald failed to remit the full amount of employee retirement contributions to the company's retirement plan. Through their actions, the company failed to transfer nearly \$225,000 in voluntary employee retirement withholdings. Lewis and McDonald used the misappropriated money to pay the operating expenses of the company, which included their own six figure salaries and salary raises for other employees. McDonald was previously sentenced to over a year in prison, 3 years of supervised release, and ordered to pay \$1,812,706 in restitution.

<https://www.justice.gov/opa/pr/former-virginia-software-company-ceo-sentenced-prison-employment-tax-fraud>

## **Korean National Sentenced to Prison for Role in Scheme that Avoided Paying Excise Taxes on Millions of Cigarettes**

On May 8, 2018, Un Hag Baeg, a Korean national who was living in the United States as an illegal alien, was sentenced to almost 4 years in prison for participating in a scheme to defraud the United States by evading millions of dollars in federal excise taxes due on 143 million cigarettes. Baeg was also ordered to pay \$7.26 million in restitution to the U.S. Alcohol and Tobacco Tax and Trade Bureau. Baeg operated Far East Marine Ship Supply Company, a ship dealer that provided supplies to cargo vessels. Between 2012 and 2015, Baeg and others conspired to divert

approximately 143 million export-only cigarettes from an export warehouse near the Port of Los Angeles. Baeg purchased the cigarettes under the pretext that they would be provided to various ships sailing out of the United States. In fact, the cigarettes were sold in the United States, which resulted in millions of dollars in lost federal and state excise taxes.

Baeg and his co-conspirators subsequently hid their fraud by preparing false paperwork indicating the cigarettes had been delivered to the various ships. To make these bogus documents appear legitimate, the conspirators stamped the paperwork with fabricated rubber stamps bearing the names of cargo vessels. The conspiracy resulted in the evasion of \$7,260,203 in federal excise taxes and \$5,986,458 in California excise taxes.

<https://www.justice.gov/usao-cdca/pr/korean-national-sentenced-nearly-4-years-prison-role-scheme-avoided-paying-excise-taxes>

# APPENDIX

This appendix includes investigation data appearing in the annual report as well as extended information regarding incarceration rates.

## FY 2017 Combined Results

	2018	2017	2016
Investigations Initiated	<b>2886</b>	<b>3019</b>	<b>3395</b>
Prosecution Recommendations	<b>2130</b>	<b>2251</b>	<b>2744</b>
Informations/Indictments	<b>2011</b>	<b>2294</b>	<b>2761</b>
Sentenced	<b>2111</b>	<b>2549</b>	<b>2699</b>
Incarceration Rate	<b>82%</b>	<b>80%</b>	<b>80%</b>
Average Months to Serve	<b>45</b>	<b>42</b>	<b>41</b>

## Abusive Return Preparer Program

	2018	2017	2016
Investigations Initiated	<b>224</b>	<b>304</b>	<b>252</b>
Prosecution Recommendations	<b>177</b>	<b>200</b>	<b>174</b>
Informations/Indictments	<b>170</b>	<b>169</b>	<b>204</b>
Sentenced	<b>148</b>	<b>194</b>	<b>202</b>
Incarceration Rate	<b>78%</b>	<b>75%</b>	<b>73%</b>
Average Months to Serve	<b>25</b>	<b>26</b>	<b>22</b>

## Abusive Tax Schemes

	2018	2017	2016
Investigations Initiated	<b>80</b>	<b>77</b>	<b>56</b>
Prosecution Recommendations	<b>34</b>	<b>38</b>	<b>35</b>
Informations/Indictments	<b>37</b>	<b>44</b>	<b>35</b>
Sentenced	<b>36</b>	<b>48</b>	<b>47</b>
Incarceration Rate	<b>72%</b>	<b>69%</b>	<b>77%</b>
Average Months to Serve	<b>28</b>	<b>24</b>	<b>25</b>

## Bank Secrecy Act (BSA)

	2018	2017	2016
Investigations Initiated	<b>515</b>	<b>499</b>	<b>504</b>
Prosecution Recommendations	<b>285</b>	<b>391</b>	<b>411</b>
Informations/Indictments	<b>278</b>	<b>390</b>	<b>399</b>
Sentenced	<b>345</b>	<b>409</b>	<b>449</b>
Incarceration Rate	<b>79%</b>	<b>78%</b>	<b>75%</b>
Average Months to Serve	<b>38</b>	<b>38</b>	<b>36</b>

## Corporate Fraud

	2018	2017	2016
Investigations Initiated	<b>74</b>	<b>48</b>	<b>62</b>
Prosecution Recommendations	<b>48</b>	<b>42</b>	<b>59</b>
Informations/Indictments	<b>47</b>	<b>46</b>	<b>49</b>
Sentenced	<b>35</b>	<b>25</b>	<b>33</b>
Incarceration Rate	<b>83%</b>	<b>80%</b>	<b>97%</b>
Average Months to Serve	<b>32</b>	<b>54</b>	<b>37</b>

## Employment Tax

	2018	2017	2016
Investigations Initiated	<b>207</b>	<b>162</b>	<b>137</b>
Prosecution Recommendations	<b>81</b>	<b>59</b>	<b>77</b>
Informations/Indictments	<b>64</b>	<b>60</b>	<b>71</b>
Sentenced	<b>48</b>	<b>77</b>	<b>87</b>
Incarceration Rate	<b>77%</b>	<b>78%</b>	<b>70%</b>
Average Months to Serve	<b>21</b>	<b>21</b>	<b>14</b>

# APPENDIX

## Financial Institution Fraud

	2018	2017	2016
Investigations Initiated	<b>45</b>	<b>46</b>	<b>66</b>
Prosecution Recommendations	<b>39</b>	<b>37</b>	<b>53</b>
Informations/Indictments	<b>45</b>	<b>35</b>	<b>46</b>
Sentenced	<b>40</b>	<b>51</b>	<b>64</b>
Incarceration Rate	<b>70%</b>	<b>67%</b>	<b>75%</b>
Average Months to Serve	<b>36</b>	<b>53</b>	<b>37</b>

## Healthcare Fraud

	2018	2017	2016
Investigations Initiated	<b>105</b>	<b>124</b>	<b>127</b>
Prosecution Recommendations	<b>95</b>	<b>94</b>	<b>101</b>
Informations/Indictments	<b>83</b>	<b>89</b>	<b>90</b>
Sentenced	<b>84</b>	<b>92</b>	<b>46</b>
Incarceration Rate	<b>80%</b>	<b>86%</b>	<b>85%</b>
Average Months to Serve	<b>44</b>	<b>67</b>	<b>41</b>

## Identity Theft

	2018	2017	2016
Investigations Initiated	<b>164</b>	<b>374</b>	<b>573</b>
Prosecution Recommendations	<b>222</b>	<b>403</b>	<b>566</b>
Informations/Indictments	<b>217</b>	<b>484</b>	<b>649</b>
Sentenced	<b>387</b>	<b>550</b>	<b>613</b>
Incarceration Rate	<b>86%</b>	<b>88%</b>	<b>88%</b>
Average Months to Serve	<b>40</b>	<b>34</b>	<b>40</b>

## International Operations

	2018	2017	2016
Investigations Initiated	<b>233</b>	<b>283</b>	<b>221</b>
Prosecution Recommendations	<b>218</b>	<b>176</b>	<b>221</b>
Informations/Indictments	<b>210</b>	<b>211</b>	<b>187</b>
Sentenced	<b>148</b>	<b>152</b>	<b>154</b>
Incarceration Rate	<b>84%</b>	<b>80%</b>	<b>83%</b>
Average Months to Serve	<b>55</b>	<b>43</b>	<b>45</b>

## Money Laundering

	2018	2017	2016
Investigations Initiated	<b>1054</b>	<b>1096</b>	<b>1201</b>
Prosecution Recommendations	<b>901</b>	<b>886</b>	<b>1010</b>
Informations/Indictments	<b>851</b>	<b>845</b>	<b>979</b>
Sentenced	<b>617</b>	<b>720</b>	<b>668</b>
Incarceration Rate	<b>87%</b>	<b>84%</b>	<b>84%</b>
Average Months to Serve	<b>70</b>	<b>67</b>	<b>62</b>

## Narcotics

	2018	2017	2016
Investigations Initiated	<b>723</b>	<b>735</b>	<b>788</b>
Prosecution Recommendations	<b>634</b>	<b>581</b>	<b>684</b>
Informations/Indictments	<b>610</b>	<b>585</b>	<b>721</b>
Sentenced	<b>550</b>	<b>615</b>	<b>635</b>
Incarceration Rate	<b>88%</b>	<b>87%</b>	<b>86%</b>
Average Months to Serve	<b>77</b>	<b>80</b>	<b>69</b>

# APPENDIX

## Non-Filer

	2018	2017	2016
Investigations Initiated	<b>254</b>	<b>206</b>	<b>206</b>
Prosecution Recommendations	<b>128</b>	<b>113</b>	<b>137</b>
Informations/Indictments	<b>110</b>	<b>106</b>	<b>157</b>
Sentenced	<b>104</b>	<b>159</b>	<b>159</b>
Incarceration Rate	<b>80%</b>	<b>84%</b>	<b>80%</b>
Average Months to Serve	<b>34</b>	<b>37</b>	<b>38</b>

## Public Corruption

	2018	2017	2016
Investigations Initiated	<b>107</b>	<b>75</b>	<b>84</b>
Prosecution Recommendations	<b>69</b>	<b>60</b>	<b>59</b>
Informations/Indictments	<b>51</b>	<b>63</b>	<b>61</b>
Sentenced	<b>64</b>	<b>54</b>	<b>57</b>
Incarceration Rate	<b>86%</b>	<b>74%</b>	<b>81%</b>
Average Months to Serve	<b>40</b>	<b>34</b>	<b>29</b>

## Questionable Refund Program

	2018	2017	2016
Investigations Initiated	<b>149</b>	<b>280</b>	<b>495</b>
Prosecution Recommendations	<b>195</b>	<b>328</b>	<b>514</b>
Informations/Indictments	<b>205</b>	<b>390</b>	<b>594</b>
Sentenced	<b>382</b>	<b>555</b>	<b>669</b>
Incarceration Rate	<b>81%</b>	<b>85%</b>	<b>85%</b>
Average Months to Serve	<b>36</b>	<b>30</b>	<b>34</b>

## Terrorism

	2018	2017	2016
Investigations Initiated	<b>34</b>	<b>28</b>	<b>42</b>
Prosecution Recommendations	<b>18</b>	<b>19</b>	<b>33</b>
Informations/Indictments	<b>23</b>	<b>16</b>	<b>19</b>
Sentenced	<b>15</b>	<b>14</b>	<b>--</b>
Incarceration Rate	<b>80%</b>	<b>71%</b>	<b>100%</b>
Average Months to Serve	<b>32</b>	<b>9</b>	<b>84</b>

To learn more about the IRS CI Special Agent position, check out this video on YouTube:

<https://www.youtube.com/watch?v=Opw-N9IL-8k>