



# **PRESS RELEASE**

**Internal Revenue Service - Criminal Investigation**  
**Cincinnati Field Office**  
*Special Agent in Charge Kathy A. Enstrom*

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Contact: Craig Casserly  
IRS – Criminal Investigation  
401 N. Front Street  
Columbus, Ohio 43215  
(614) 744-3130  
Craig.casserly@ci.irs.gov  
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## **LOCAL INCOME TAX PREPARER PLEADS GUILTY IN INCOME TAX REFUND FRAUD CONSPIRACY**

CINCINNATI, OHIO – Ruth Benton, 37, of Cincinnati, Ohio, pleaded guilty to one count of conspiracy to submit false claims for federal income tax refunds with the Internal Revenue Service (IRS). Benton faces a maximum of 10 years in prison and a fine of up to \$250,000, or twice the gain or loss.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office, announced the guilty plea entered before Senior U.S. District Judge Herman J. Weber.

According to court documents, between January 2011 and March 2011, Benton conspired with others to prepare and file false claims for income tax refunds with the IRS in the form of federal income tax returns for the 2010 income tax year. Benton and others worked together at several income tax preparation businesses in Cincinnati, Ohio, including Jackson Hewitt, Ohio Instant Tax, and Your Tax Service. Benton owned Your Tax Service, which she opened in January 2011. Although the conspiracy is limited to the 2010 income tax year, Benton admitted she prepared false income tax returns during the 2005 through 2009 income tax years as well. Benton prepared false claims for income tax refunds because she expected, and often received, a part of her client's income tax refund once the income tax refund check was cashed.

Benton and others began preparing and filing false claims for income tax refunds as employees at Jackson Hewitt. They created fictitious Forms W-2 and included non-qualifying children as dependents in order to maximize the Earned Income Tax Credit (EITC) and the Additional Child Tax Credit.

Benton and others then worked as employees for Ohio Instant Tax, where they modified the scheme by also claiming false self-employment income on Forms Schedule C, Profit or Loss from Business. At Your Tax Service, Benton and others prepared and filed false claims for income tax refunds by not only including false dependents and self-employment income, but by also claiming qualifying education expenses in order to get the refundable education credit.

Benton applied for an Electronic Filer Identification Number (EFIN) for Your Tax Service. The IRS denied this application. However, Benton located a company online called EVital that was willing to illegally lease an EFIN for Your Tax Service. This EFIN was subsequently used by Benton and others at Your Tax Service to file false claims for income tax refunds with the IRS.

After an income tax return had been accepted by the IRS and the income tax refund had been issued, Benton called her clients to come into the office to pick-up their income tax refund checks. Benton or other employees of Your Tax Service escorted the clients to a local check cashing business. Benton or an employee would take a portion of the income tax refund in cash, even though the \$310 income tax return preparation fee had already been deducted from the client's income tax refund check. The client's would keep the remaining amount of the income tax refund check.

During the 2010 income tax year, Benton and others prepared and field at least 260 false claims for income tax refunds with the IRS. The total tax loss to the IRS associated with this conspiracy is \$1,076,851.

Benton was released on bond and a sentencing date was set for April 9, 2014.

Kathy A. Enstrom, Special Agent in Charge, Criminal Investigation, Cincinnati Field Office said, "Individuals who commit refund fraud of this magnitude and with this degree of trickery, dishonesty and deceit, deserve to be punished to the fullest extent of the law."

This case is being prosecuted by Assistant United States Attorney Jessica W. Knight and was investigated by special agents of IRS-Criminal Investigation.

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