



PRESS RELEASE

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WOMAN INDICTED IN TAX REFUND SCAM

Scheme involved 95 income tax returns and approximately \$605,405 in false claims

CINCINNATI, OHIO -- A federal grand jury here has indicted Donita Shields, 37, of Kansas City, Missouri charging her with scheming to file false claims for federal income tax refunds with the Internal Revenue Service (IRS), as well as wire fraud.

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 indictment following her appearance before U.S. Magistrate Judge Stephanie K. Bowman.

The indictment charges Shields with 13 counts of filing false claims for federal income tax refunds with the IRS and one count of wire fraud. In addition, the indictment contains a forfeiture allegation which calls for the forfeiture of \$10,156 relative to the wire fraud that was charged in this case.

According to the Indictment, Donita Shields resides in Kansas City, Missouri, but had family and friends in the Cincinnati, Ohio area and frequently traveled to and from the Cincinnati, Ohio area.

It has been alleged that between 2009 and 2010 Shields orchestrated a scheme to defraud the IRS by creating fake Forms W-2 for third parties. Shields solicited individuals to pose as employees for the purpose of filing false income tax returns and claiming fraudulent income tax refunds. Shields allegedly created the Forms W-2 for the purported employees by using the names of entities associated with Shields and her family as the employers, two of which were known as All Funding Mortgage and Shields Property Management. These entities did not employ the individuals and did not pay any tax withholdings to the IRS or make any payroll payments consistent with the Forms W-2 or the income tax returns.

For example, Shields allegedly created a fake Form W-2 for an individual that falsely represented that the individual had specific wages and tax withholdings. Shields then helped the individual file an income tax return through a tax preparation company and based on the false income tax return, the IRS issued an income tax refund that the individual split with Shields.

It has been alleged that for 2010, Shields prepared and electronically filed the false third party income tax returns for the Cincinnati, Ohio residents from her home in Kansas City, Missouri. At least two of the income tax returns caused income tax refunds to be wired to debit cards located in Cincinnati, Ohio.

When the IRS stopped one of the income tax refunds from being issued, Shields allegedly called the IRS pretending to be the taxpayer in an effort to get the income tax refund released. Shields later faxed fictitious documents to the IRS "verifying" the wage information reflected on the fake Form W-2.

In total, this tax scheme involved 95 false income tax returns which claimed approximately \$605,405 in fraudulent income tax refunds.

An indictment is merely an accusation. All defendants are presumed innocent until and unless proven guilty. File false claims for federal income tax refunds with the IRS is punishable by up to 5 years in prison and a fine of \$250,000. Wire fraud is punishable by up to 20 years in prison and a fine of \$250,000.

Shields appeared before U.S. Magistrate Judge Stephanie K. Bowman today, who released her on bond.

"Law abiding citizens expect the government to hold accountable those who use deceit and fraud to line their pockets with money, especially when that money represents stolen federal taxes," said Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office

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

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