



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
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Central Coast Woman Sentenced to Federal Prison for Tax and Loan Fraud Schemes

Defendant used the Stolen Identities of Relatives and Former Clients to File Fraudulent Tax Returns with the IRS

Los Angeles – A Nipomo woman was sentenced today to 36 months in federal prison for orchestrating a tax scheme involving stolen identities, as well as a loan fraud scheme in which she submitted false income tax returns that overstated her income in an effort to obtain a \$1.6 million loan.

Imelda Sanchez, 42, was sentenced this morning by United States District Judge Philip S. Gutierrez, who also ordered the defendant to pay restitution of \$124,649 to the Internal Revenue Service and restitution of \$721,000 to Mission Community Bank (successor to Santa Lucia Bank) due to the loss associated with Sanchez's defaulted bank loan.

Sanchez pleaded guilty in February of 2013 to one count of making false claims against the government and one count of making false statements on a loan application.

According to documents filed with the court, from 2005 to 2009, while working as a bookkeeper and tax preparer in Santa Maria, California, Sanchez devised a scheme to defraud the IRS by using the names and Social Security numbers of relatives and clients to prepare and file fraudulent tax returns which claimed refunds of the Earned Income Tax Credit that Sanchez deposited into her own bank account.

As part of her scheme, Sanchez created false Forms W-2 and expense schedules, mixed and matched dependent information, and – in order to avoid detection – told the people whose information she was using not to file their own tax returns or not to claim

all of their dependents. In total, Sanchez filed 39 fraudulent tax returns for the 2004 to 2008 tax years in which she collected \$124,649 in total false refunds.

In 2007, Sanchez also used her accounting skills to create false personal income tax returns which dramatically overstated her income (claiming she earned four to five times as much money as she claimed on the tax returns she filed with the IRS) in order to obtain a \$1,640,000 construction loan from Santa Lucia Bank.

According to court documents, two years later, Sanchez submitted more fraudulent tax returns in order to refinance the same loan. Ultimately, Santa Lucia Bank lost \$721,000 as a result of Sanchez' fraud.

Sanchez will surrender to authorities on September 26, 2014 to begin serving her prison sentence.

The investigation of Sanchez was conducted by IRS Criminal Investigation and the Federal Bureau of Investigation, in conjunction with the United States Attorney's Office for the Central District of California.

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