PRESS RELEASE

Internal Revenue Service - Criminal Investigation
St. Paul Field Office
Special Agent in Charge Kelly R. Jackson

Five Minneapolis-Based Return Preparers Indicted for Conspiracy, Aggravated Identity Theft, Filing False Returns

Over 2000 Tax Returns Filed

  MINNEAPOLIS– A seventy count superseding indictment charging Chatonda Khofi, Ishmael Kosh, Amadou Sangaray, Francis Saygbay, and David Mwangi in a conspiracy with others to defraud the Internal Revenue Service was returned by a federal grand jury in Minneapolis, Minnesota, the Justice Department and IRS announced. The superseding indictment states that in 2007, 2008, and 2009 Primetime Tax Services, Inc. was a tax return preparation business with three storefronts in the Minneapolis area, one on Brooklyn Boulevard in Brooklyn Center, one on West Broadway Avenue in Minneapolis, and one on Minnehaha Avenue South in Minneapolis. Khofi worked as the Chief Executive Officer of Primetime, Kosh and Sangaray worked as managers of the Brooklyn Center location, Mwangi was a manager and tax return preparer at the West Broadway location, and Saygbay worked as tax return preparer at the Brooklyn Center location. All five named defendants were return preparers for Primetime.

  Khofi, Kosh, Sangaray, Mwangi, Saygbay are alleged to have conspired amongst themselves and with others to prepare and file false individual income tax returns for the customers of Primetime. In particular, these returns claimed false dependents and reported false Schedule A deductions, Schedule C businesses, and W-2 wages. These false entries qualified customers for fraudulently inflated refunds. Also as part of the scheme, the defendants prepared and filed false Minnesota income tax returns for their customers which contained the same or similar false information as reported on the federal income tax returns. During the time period alleged in the superseding indictment over two thousand federal income tax returns were filed with the IRS for customers of Primetime.

The superseding indictment further charges each defendant with multiple counts of aggravated identity theft and multiple counts of aiding and assisting in the preparation of false individual income tax returns. The aggravated identity theft charges stem from the defendants' alleged use of the names and social security numbers of actual persons to claim as false dependents on their customers' individual income tax returns. An aggravated identity theft conviction carries a two-year mandatory minimum sentence.

According to the superseding indictment, the defendants also accompanied some customers to check-cashing businesses to cash their falsely-inflated tax refund checks and demanded from the customers a portion of the cashed refund check in addition to tax preparation fees already collected. Moreover, the defendants are alleged, in some instances, to have withdrawn cash from debits cards containing their customers' refunds without permission, again in addition to tax preparation fees already collected from the customer.

"IRS Criminal Investigation has made investigating refund fraud and identity theft a top priority," stated Kelly R. Jackson of the St. Paul Field Office. "Filing fraudulent tax returns in the names of other individuals may result in significant harm to those individuals whose identities were stolen, as well as a monetary loss against the U.S. Treasury."

This case is being prosecuted by the Tax Division of the United States Department of Justice Trial Attorneys Thomas Flynn and Dennis Kihm. This case is the result of an investigation by the IRS- Criminal Investigation Division.

An indictment is a determination by a grand jury that there is probably cause to believe that offenses have been committed by a defendant. A defendant, of course, presumed innocent until he or she pleads guilty or is proven guilty at trial.