



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
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IRS – Criminal Investigation

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Operator of \$228 Million Fraudulent Tax Refund Scheme Sentenced to Prison and Ordered to Pay \$1.7 Million in Restitution to Internal Revenue Service

A resident of Reseda, California, was sentenced to prison today for conspiring to submit false claims, announced Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division and Acting U.S. Attorney Brian J. Stretch of the Northern District of California.

Duffy R. Dashner, aka Kevin Dashner, 42, was sentenced to serve 57 months in prison to be followed by three years of supervised release and ordered to pay \$1,769,418 in restitution to the Internal Revenue Service (IRS). He was detained following today's sentence. On June 18, Dashner pleaded guilty to one count of conspiracy to submit false claims.

According to court documents, Dashner and his co-conspirators, including Mark R. Maness, operated a business called O.I.D. Process through which they helped others to prepare and file individual federal income tax returns that claimed false Original Issue Discount (OID) interest income and federal tax withholdings, resulting in fraudulent claims for tax refunds (OID returns). Dashner and Maness charged clients of O.I.D. Process a non-refundable registration fee to join the organization, and a 20 percent "refund acquisition fee" for any refund check issued by the IRS. Dashner and Maness also operated a website and conducted weekly conference calls with clients to promote their business and to assist clients in preparing and filing OID returns.

Dashner and Maness required clients of O.I.D. Process to change their mailing address with the IRS to the address of another co-conspirator who was an attorney in San Francisco. As a result, all correspondence from the IRS to the clients and the clients' O.I.D. refund checks were sent to the attorney's address rather than the clients' home addresses. In this way, Dashner and Maness ensured they would receive a 20 percent refund acquisition fee. O.I.D. Process's clients filed approximately 200 OID returns claiming refunds that totaled approximately \$228 million.

Maness, who previously pleaded guilty to conspiracy to submit false claims against the United States, was sentenced in February 2015 to serve 41 months in prison and ordered to pay \$1,176,668 in restitution to the IRS.

Acting Assistant Attorney General Ciraolo and Acting U.S. Attorney Stretch commended the efforts of special agents of IRS-Criminal Investigation, who investigated the case, and Assistant U. S. Attorney Michael G. Pitman of the Northern District of California and Trial Attorney Matthew J. Kluge of the Tax Division, who prosecuted the case.

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