



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Charlotte Business Owner Involved in Foreclosure Assistance Scheme Pleads Guilty to Conspiracy to Defraud the United States

A resident of Charlotte, North Carolina, pleaded guilty on Tuesday in the U.S. District Court of the Western District of North Carolina to conspiracy to defraud the United States, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division and U.S. Attorney Jill Westmoreland Rose of the Western District of North Carolina.

According to court documents and statements in court, Daniel Heggins and his co-conspirator Joan Clark of Charlotte conspired to defraud the United States by filing false tax returns. Heggins recruited individuals with debts, such as home mortgages or car loans and created false Forms 1099-OID falsely characterizing the amount of the debts as income. Heggins and Clark then prepared and filed false Forms 1040 that requested refunds from the Internal Revenue Service (IRS) based on the false Forms 1099-OID. Heggins and Clark caused the returns to be filed at the IRS office in Charlotte. Sixteen false tax returns claiming more than \$4 million in fraudulent refunds were filed with the IRS as part of the scheme. According to court documents, Clark and another individual, Marlowe Williams, filed three false tax returns, requesting \$900,000 in fraudulent refunds from the IRS and received \$601,780.

Heggins faces a statutory maximum sentence of five years in prison and a \$250,000 fine. On Nov. 5, Clark, also pleaded guilty to two counts of conspiracy to defraud the United States. She faces a statutory maximum sentence of five years in prison and a \$250,000 fine for each conspiracy count. On Nov. 9, Williams of New London, North Carolina, pleaded guilty to conspiring with Clark to defraud the United States. He faces a statutory maximum sentence of five years in prison and a \$250,000 fine. On Sept. 24, Cheryl Jones of Chicago, Illinois, pleaded guilty to presenting a materially false document to the IRS. Jones submitted false tax returns to the IRS at the direction of Heggins and Clark. She faces a statutory maximum sentence of one year in prison and a \$10,000 fine.

The court has not yet set sentencing dates for any of the defendants.

Acting Assistant Attorney General Ciralo commended special agents of IRS – Criminal Investigation and the FBI, who investigated the case, and Assistant U.S. Attorney Mike Savage of the Western District of North Carolina and Trial Attorney Todd P. Kostyshak of the Justice Department's Tax Division, who prosecuted the case.

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