



PRESS RELEASE

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Maryland Man Pleads Guilty for Role in Massive Identity Theft and Tax Fraud Scheme

Stole Identities from D.C. Government Agency for Use in Filing False Tax Returns

A resident of Bowie, Maryland, pleaded guilty today to federal charges for his involvement in a far-reaching identity theft and tax fraud scheme in which he assisted in the filing of fraudulent federal income tax returns seeking more than \$4.4 million in refunds, announced Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division, U.S. Attorney Channing D. Phillips for the District of Columbia, Special Agent in Charge Thomas Jankowski of the Washington Field Office of the Internal Revenue Service-Criminal Investigation (IRS-CI), Inspector in Charge David G. Bowers of the U.S. Postal Inspection Service's (USPIS) Washington, D.C., Division and Assistant Inspector General for Investigations John L. Phillips of the U.S. Department of the Treasury.

Marc A. Bell, 49, admitted taking part in a massive and sophisticated identity theft and false tax return scheme that involved an extensive network of more than 130 people, many of whom were receiving public assistance. According to court documents, the scheme involved the filing of at least 12,000 fraudulent federal income tax returns that sought refunds of at least \$40 million from the U.S. Treasury. The false tax returns sought refunds for tax years 2005 through 2013 and were often filed in the names of people whose identities had been stolen, including the elderly, people in assisted living facilities, drug addicts and incarcerated prisoners. In other cases, the refunds were sent to people who were willing participants in the scheme. The refunds listed more than 400 "taxpayer" addresses located in the District of Columbia, Maryland and Virginia. Bell is one of approximately 15 people who have pleaded guilty in the U.S. District Court for the District of Columbia for their role in this scheme.

"The prosecution of Stolen Identity Refund Fraud is one of the Tax Division's top priorities," said Acting Assistant Attorney General Ciraolo. "In addition to costing taxpayers millions of dollars in fraudulent refund claims each year, the perpetrators of these crimes often prey on our country's most vulnerable citizens. This case is a prime example of the concerted and coordinated efforts of the department, the Internal Revenue Service, the Taxpayer Inspector General for Tax Administration, and our other federal and state law enforcement partners that are essential to combatting this epidemic of fraud."

"This investigation has successfully targeted two serious crimes that cause great financial harm: identity theft and tax fraud," said U.S. Attorney Phillips. "This defendant abused his position as a government employee to steal identifying information from young people who had no idea that their names were being used on fraudulent income tax returns. Like the many others prosecuted in this case, he was apprehended by law enforcement and brought to justice."

"Mr. Bell was a public servant who was trusted to serve the taxpayers of the District of Columbia," said Special Agent in Charge Jankowski. "He violated that trust by stealing the identities of at least 645 youth and then passing the information to his partners in crime who filed over 12,000 federal income tax returns

claiming refunds of over \$40 million. Aside from the terrible harm done to the Government by receiving over \$4 million in refunds before the scam was stopped, Mr. Bell has caused immeasurable harm to the financial well-being of the youth whose identities he stole. IRS-Criminal Investigation will continue to relentlessly pursue those who prey on innocent taxpayers to satisfy their greed and cheat the honest taxpayers who comply with the tax laws of our nation.”

“Identity theft is an increasing problem,” said Inspector in Charge Bowers. “The U.S. Postal Inspection Service aggressively investigates this type of criminal conduct, especially when it involves the U.S. Mail, and it will not be ignored. This case serves as another example of the significant results of collaborating with our law enforcement partners to achieve justice.”

“This plea agreement reinforces the commitment of Treasury’s Office of Inspector General and its law enforcement partners to pursue criminal charges against individuals and groups that prey on the public by stealing identities and fraud committed against the U.S. taxpayer and Treasury Department in their criminal schemes,” said Assistant Inspector General Phillips.

According to documents filed with the court, from 2005 to 2013, Bell was employed as a program manager, program officer, or placement expeditor at the District of Columbia’s Department of Youth Rehabilitation Services (DYRS). The agency is responsible for the supervision, custody and care of young people charged with a delinquent act in the District of Columbia and either detained in a DYRS facility while awaiting adjudication or committed to DYRS by a District of Columbia Family Court judge following adjudication. In his various capacities at DYRS, Bell had access to the agency’s database system, which contained the personal identifying information of DYRS youth, including their names and social security numbers. Bell admitted that between approximately May 2010 and April 2013, he used his computer access to obtain the personal identifying information of at least 645 then-current and former DYRS youth. Bell admitted that he provided this information to other scheme participants, who used the names and Social Security numbers to file at least 1,160 fraudulent federal income tax returns that claimed refunds of approximately \$4,441,194. The IRS issued approximately 700 U.S. Treasury checks, totaling approximately \$2,422,211, in the names of the DYRS youth in whose names the tax returns were filed. Bell received financial compensation from co-conspirators for providing the stolen identities.

For his role in the scheme, Bell pleaded guilty to three charges: conspiracy to defraud the government with respect to claims; aiding and abetting in the filing of fictitious or false claims; and aiding and abetting fraud and related activity in connection with identification documents. U.S. District Judge Ellen S. Huvelle set sentencing for April 20. Bell faces a statutory maximum sentence of up to 10 years in prison for the conspiracy charge, up to five years in prison for the false claims charge and up to 15 years in prison for the charge of fraud related to identification documents. As part of his plea agreement, Bell has also agreed to pay restitution to the IRS in the amount of \$1,972,710.

Acting Assistant Attorney General Ciruolo, U.S. Attorney Phillips, Special Agent in Charge Jankowski, Inspector in Charge Bowers and Assistant Inspector General Phillips commended those who investigated the case. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney’s Office for the District of Columbia, including former Assistant U.S. Attorney Sherri L. Schornstein, Paralegal Specialists Donna Galindo, Corinne Kleinman and Julie Dailey and Legal Assistant Angela Lawrence. Finally, they thanked Assistant U.S. Attorney Ellen Chubin Epstein of the District of Columbia’s Fraud and Public Corruption Section and Trial Attorneys Jeffrey B. Bender and Thomas F. Koelbl and former Trial Attorney Jessica Moran of the Tax Division, who prosecuted the case.

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