



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
Jose A. Gonzalez, Special Agent in Charge

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Contact: Special Agent Linda Lowery, Public Information Officer
IRS – Criminal Investigation
300 North Los Angeles Street, Room 5016
Los Angeles, CA 90012
Email: linda.lowery@ci.irs.gov
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Final Defendants Sentenced to Federal Prison for Participating in Identity Theft Scam

LOS ANGELES – The final two defendants charged in relation to an identity theft scam that used identities stolen from the Los Angeles County Department of Public Social Services to file fraudulent tax returns were sentenced today to federal prison.

Michael Williams, 43, of Palmdale, was sentenced to 33 months imprisonment; Mike Niko, 35, of Los Angeles, was sentenced to 15 months imprisonment. The defendants were further ordered by United States District Judge Dale S. Fischer to pay restitution to the government of \$787,086 and \$104,662, respectively.

The defendants previously sentenced in this case are:

- Thomas Marshall, 38, of Lancaster, was sentenced in April to 57 months in prison and ordered to pay restitution in the amount of \$1,245,637;
- Mao Niko, 41, of Lynwood, was sentenced in April to 24 months in prison and ordered to pay restitution in the amount of \$285,102;
- Veronica Niko, 37, of Lancaster, was sentenced in July to 18 months in prison and ordered to pay restitution in the amount of \$357,705.

According to documents filed with the court, from May 2008 through July 2010, co-defendant Thomas Marshall, along with co-conspirators Michael Williams, Veronica Niko, Mao Niko, and Mike Niko conspired to defraud the United States by using the

personal identifying information of various individuals to file false tax returns claiming fraudulent tax refunds.

Veronica Niko stole names and social security numbers from the California Department of Public Social Services (DPSS) computer system. Marshall then gave the personal identifying information obtained from Veronica and others to co-conspirators to file fraudulent tax returns with the IRS. The fraudulent returns claimed the First Time Homebuyer Credit and/or Earned Income Credit, earning defendants as much as \$8,000 per return, even though the individuals whose identities were used did not authorize or know about the filings.

Purporting to be tax preparers, Williams, Mao Niko and Mike Niko established bank accounts for the purpose of receiving the refunds claimed on the false tax returns. The refunds received were used for their own personal benefit and as compensation for Marshall and other co-conspirators.

All five defendants pleaded guilty to their various roles in the scheme. Defendants Marshall, Williams, Mao Niko, and Mike Niko pleaded guilty to conspiracy to submit false claims to the IRS. Defendant Veronica Niko pleaded guilty to one count of transfer/use of means of identification to commit an unlawful activity. In total, the United States Treasury paid more than \$1.245 million in refunds to the defendants in response to fraudulent returns filed as part of the scheme.

This investigation was conducted by IRS Criminal Investigation special agents.

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United States Attorney's Office contact:

Assistant United States Attorney Keri Curtis Axel
Major Frauds Section
(213) 894-5421