



# PRESS RELEASE

Internal Revenue Service - Criminal Investigation  
St. Paul, Minnesota  
*Kelly R. Jackson, Special Agent in Charge*

August 28, 2014  
For Immediate Release

Contact: Vicki M. Petricka  
IRS – Criminal Investigation  
30 East 7th. Street, Suite 1004  
St. Paul, MN 55101 Vicki.Petricka@ci.irs.gov  
CI Release #: STPFO-2014-07

## **Three Sentenced and One Awaiting Sentencing for Attempting to Obtain Over \$2 Million in False Tax Refunds**

MINNEAPOLIS, MN – Earlier this week, Seth Mogollon-Flores was sentenced to 18 months in federal prison and ordered to pay \$930,767 in restitution by U.S. District Judge Patrick J. Schiltz. Mogollon-Flores and others conspired to defraud the United States by filing false tax returns with the Internal Revenue Service to receive tax refunds. The scheme resulted in the submission of false claims to the IRS seeking more than \$2 million in fraudulent U.S. Treasury refund checks.

Since 2009, Maria Teresita Alvarez-Mateos owned and operated a tax preparation business located in south Minneapolis called Express Income Tax. From May 2010 until April 2013, Alvarez-Mateos conspired with Yossimar Alcaron-Patino to defraud the United States by filing false tax returns with the Internal Revenue Service to receive tax refunds. Alvarez-Mateos and Alarcon-Patino conspired with others, including Mogollon-Flores, to execute a fraudulent tax refund scheme by filing false income tax returns, which reported false income and fictitious dependents, in order to claim fraudulent refundable child tax credits. The false returns generated numerous refund checks payable to the individuals whose names appeared on the false tax returns.

Other co-conspirators obtained and generated identification information from undocumented workers living and working in the United States, as well as from individuals living in Mexico. This information was used to obtain Individual Taxpayer Identification Numbers, or "ITINs," for these individuals from the IRS. The ITINs allowed the defendants to prepare and file false income tax returns in the names of some of those individuals, as well as to report fraudulently some of those individuals as dependents of the individuals in whose names the false income tax returns were filed. Yossimar Alarcon-Patino paid money to Seth Mogollon-Flores to obtain W-2 information from working individuals, most of them located in western Minnesota, for their Form W-2 information.

Both Maria Teresita Alvarez-Mateos and Seth Mogollon-Flores pleaded guilty to one count of conspiracy to defraud the government. On August 15, 2014, Judge Schiltz sentenced Maria Teresita Alvarez-Mateos to two years in federal prison and ordered her to pay \$1,733,679.08 in restitution.

Yossimar Alarcon-Patino pleaded guilty to charges of conspiracy and money laundering conspiracy, and is scheduled to be sentenced on October 7, 2014.

A related defendant, Yuliana Alvarez-Mateos, was also charged in the investigation with lying to federal agents regarding the purchase of a Ford Mustang. The defendant falsely told the agents that the

Mustang was her car, that she purchased it with her savings and that she paid for it with cash that she kept at her apartment. However, she purchased and paid for the Mustang from the proceeds of the fraudulent tax refund scheme and agreed to title the automobile in her name rather than in the name of Alarcon-Patino in order to conceal the true ownership of the automobile. She pleaded guilty in May 2014 to one count of making a materially false statement to federal agents, and was sentenced by Judge Schiltz to two years of probation.

“Investigating refund fraud and identity theft is a top priority for IRS Criminal Investigation,” said Special Agent in Charge Kelly R. Jackson of the St. Paul Field Office. “The defendants who perpetrated this scheme systematically defrauded the government and the taxpaying public,” said. “At the IRS, protecting taxpayer money is a matter we take very seriously. IRS Criminal Investigation will continue to vigorously pursue those who unjustly enrich themselves by preparing false claims for refunds.”

This case is the result of an investigation by IRS-Criminal Investigation, the Federal Bureau of Investigation, and the U.S. Postal Inspection Service, with assistance from the U.S. Department of the Treasury – Office of Inspector General and the Social Security Administration – Office of Inspector General. It is being prosecuted by Assistant United States Attorney William Otteson.

###