



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Virginia Woman Indicted for Wire Fraud, Aggravated Identity Theft and Filing False Tax Returns

A federal grand jury sitting in Alexandria, Virginia returned an indictment on Oct. 26 that was unsealed today, charging a Haymarket, Virginia woman with wire fraud, aggravated identity theft, and filing false tax returns, announced Principal Deputy Assistant Attorney General Caroline D. Ciralo, head of the Justice Department's Tax Division, and U.S. Attorney Dana J. Boente for the Eastern District of Virginia.

According to charging documents, Karen Holtz worked for JMS Ventures, Inc (JMS), d/b/a the Kenyan Collection, a small business that imported and distributed handmade Kenyan goods, including dog collars. Between 2008 and 2013, Holtz fraudulently diverted funds from JMS, by writing herself unauthorized checks from the JMS bank account and using PayPal to transfer customer payments directly to her personal bank account. The indictment further alleges that Holtz defrauded JMS's customers by using their personal identifying information, including names and credit card numbers, to make fraudulent charges to their credit cards. Holtz is alleged to have obtained at least \$350,000 from the fraud scheme. The indictment further alleges that Holtz filed false federal individual income tax returns for tax years 2010 through 2013, which failed to report all the income that she received in those years. In an attempt to conceal the fraud, Holtz also allegedly altered and destroyed records, including evidence of the fraud.

Holtz was arrested this morning and had her initial appearance this afternoon at the U.S. District Court in the Eastern District of Virginia in Alexandria in front of Magistrate Judge John F. Anderson.

If convicted, Holtz faces a statutory maximum sentence of 20 years in prison for each count of wire fraud, three years in prison for each count of filing false returns and a mandatory sentence of two years in prison for each count of aggravated identity theft. In addition, Holtz faces a term of supervised release, restitution and monetary penalties.

An indictment merely alleges that crimes have been committed and defendants are presumed innocent until proven guilty beyond a reasonable doubt.

Principal Deputy Assistant Attorney General Ciralo and U.S. Attorney Boente thanked the Loudoun County Sheriff's Office, U.S. Secret Service, and special agents of the Internal Revenue Service-Criminal Investigation, who conducted the investigation, and Assistant U.S. Attorney Katherine L. Wong of the Eastern District of Virginia and Trial Attorney Kimberly G. Ang of the Tax Division, who are prosecuting the case.

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