



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **North Virginia Resident Sentenced to Five Years in Prison for Running Fraudulent “Savvy Bag” Investment Scheme**

*Defrauded Investors of More Than \$1.1 Million and Evaded More than \$200,000 of Tax*

A Richmond, Virginia resident, formerly of Williamsburg, Virginia, was sentenced today to 60 months in prison for defrauding investors of more than \$1.1 million, announced Principal Deputy Assistant Attorney General Caroline D. Ciraolo, head of the Justice Department’s Tax Division, and U.S. Attorney Dana J. Boente of the Eastern District of Virginia.

“Patricia Means enticed her investors with false promises and then stole their funds to finance her lifestyle – evading taxes along the way,” said Principal Deputy Assistant Attorney General Ciraolo. “Her five-year prison sentence sends a clear message to would-be fraudsters – you will be caught and held accountable for your deceptions and fraudulent misrepresentations.”

According to documents filed with the court, Patricia M. Means, 70, was a licensed investment broker from 1983 until 2009 with firms in California and Arizona. Means moved to Virginia in 2006. In or about February 2009, Means developed a scheme to defraud investors by creating a product called “Savvy Bag,” a purported handbag organizer and solicited investments in the product. Sometime in 2010, Means began soliciting additional investments for what she claimed would be an initial public offering, but the shares were never offered to the public.

As part of the scheme, Means started a product website and filed a trademark application that was later abandoned. Means sent numerous emails to investors containing false explanations as to why the investments were not producing returns or being repaid. Means also caused several nominee bank accounts to be opened in the name of a relative in order to receive the investment funds, while Means maintained control over all of the funds in the accounts. Between 2009 and 2014, Means obtained over \$1.1 million from victims of her investment fraud scheme and spent less than \$3,000 to develop, produce or sell the Savvy Bag product. Over that same period, Means spent hundreds of thousands of dollars in investors’ money on trips to casinos, real estate and other personal items. Between 2010 and 2014, Means received taxable income of no less than \$907,827.43, upon which no less than \$201,065.49 in taxes were due and willfully evaded and defeated the income tax due and owing to the United States during each of these years.

“Internal Revenue Service Criminal Investigation (IRS-CI) is diligent in unraveling the fraudulent actions of those, such as Patricia Means, who scheme to defraud investors,” said Acting Special Agent in Charge Thomas Holloman of IRS-CI’s Washington, D.C. Field Office. “Today’s

sentencing is a reminder that there are detrimental consequences for this type of criminal behavior.”

Means pleaded guilty on June 13 to one count of wire fraud and one count of money laundering to conceal. In addition to the term of imprisonment, Senior U.S. District Judge Henry Coke Morgan Jr. for the Eastern District of Virginia sentenced Means to three years of supervised release and ordered her to pay \$1,136,862.32 in restitution, including \$201,065.49 to the IRS.

Principal Deputy Assistant Attorney General Ciralo and U.S. Attorney Boente commended special agents of IRS-CI, who conducted the investigation, and Trial Attorney Robert J. Boudreau of the Tax Division and Assistant U.S. Attorney Brian J. Samuels of the Eastern District of Virginia, who are prosecuting this case.

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