



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Chief Richard Weber

Date: January 24, 2017

Contact: *CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov
IRS – Criminal Investigation

CI Release #: CI-2017-01-24-C

California Man Convicted for Stealing Prisoner Identities and Filing Fraudulent Tax Returns

A Marin County, California man was convicted today by a federal jury in the Northern District of California of identity theft and conspiring to file fraudulent income tax returns, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and U.S. Attorney Brian J. Stretch for the Northern District of California.

"As the IRS filing season begins this week, today's conviction sends a clear message to those contemplating stealing identities and using the information to obtain fraudulent refunds – plan on getting caught and facing significant jail time," said Acting Deputy Assistant Attorney General Stuart M. Goldberg.

"Today's guilty verdict brings a just end to Mr. Webber's scheme to defraud the United States," said U.S. Attorney Stretch. "This office will continue to devote its resources to ensure that those who enrich themselves by using the identities of others and filing false tax returns are apprehended and prosecuted."

According to the evidence presented at the two week trial, from June 2010 through January 2012, Howard Webber, 52, conspired with Clifford Bercovich to obtain the names and social security numbers of fellow inmates while Webber was incarcerated at various prisons and jails, including San Quentin State Prison and Santa Clara County jail in California, and the Milwaukee Secure Detention Facility in Milwaukee, Wisconsin.

Webber and Bercovich convinced inmates to give them their names and social security numbers by explaining that they could help the inmates take advantage of government stimulus programs or secret tax loopholes. Webber and Bercovich recruited certain inmates to help them solicit the identities of other inmates, and created a limited-liability company, Inmate Assets Recovery and Liquidation Services LLC, to make their scheme appear legitimate.

Webber and Bercovich then used these identities to file false federal income tax returns with the Internal Revenue Service (IRS). The returns falsely represented that the individuals earned wages or other income and fraudulently claimed refunds. Webber and Bercovich opened a post office box, which they listed as the taxpayer address on each false return and used to receive the fraudulently obtained refund checks. In some cases, they also directed that the refunds be wired to bank accounts, which they opened and controlled. According to the evidence presented at trial, Webber and Bercovich filed more than 700 false returns and received over \$600,000 in fraudulently obtained income tax refunds.

"We want everyone who files a tax return to take advantage of the deductions and credits to which they are entitled by law," said Assistant Special Agent in Charge Tyrone W. Blanchette of IRS Criminal Investigation (CI). "However, no one is entitled to defraud the United States and the American taxpayers. Today's guilty verdict should send a clear message that those involved in these types of schemes will be held accountable for their crimes."

Webber is scheduled to be sentenced on May 16 before U.S. District Court Judge Richard Seeborg. Webber faces a statutory maximum sentence of 20 years in prison for conspiracy to commit mail and wire fraud and mail fraud and a mandatory minimum of two years in prison for aggravated identity theft, as well as a period of supervised release, restitution and monetary penalties. Bercovich pleaded guilty in December 2016 to conspiracy, mail fraud and aggravated identity theft. He is scheduled to be sentenced on April 11.

Acting Deputy Assistant Attorney General Goldberg and U.S. Attorney Stretch thanked special agents of IRS-CI, who conducted the investigation, and Assistant U.S. Attorney William Frentzen and Trial Attorneys Gregory Bernstein and Arthur J. Ewenczyk of the Tax Division, who are prosecuting the case.

#