



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Contact: *CI-HQ-COMMUNICATIONSEDCATION@ci.irs.gov
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Virginia Woman Pleads Guilty to Filing False Tax Return and Using Customer IDs to Make Fraudulent Credit Card Charges

Failed to Report More than \$305,000 in Income

A Haymarket, Virginia woman pleaded guilty today in U.S. District Court in the Eastern District of Virginia to filing a false income tax return and aggravated identity theft, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division and U.S. Attorney Dana J. Boente for the Eastern District of Virginia.

According to documents filed with the court, Karen Holtz worked for JMS Ventures Inc. (JMS), which did business as the Kenyan Collection, and which is a small business that imports and distributes handmade Kenyan goods. Holtz was responsible for taking, processing, and fulfilling customer orders, accepting customer payments, which included charging customer credit cards, preparing customer invoices, keeping track of JMS's inventory, and maintaining JMS's books and records using the accounting software QuickBooks. From at least 2008 through April 2013, Holtz wrote herself unauthorized checks from JMS's bank account and unlawfully diverted customer payments made using PayPal by transferring the payments directly to her personal bank account. Holtz also used JMS customers' personal identification information to make fraudulent charges to their credit cards.

Holtz intentionally did not enter all of the unauthorized checks written to herself in the JMS QuickBooks. She also purposefully did not enter the transfers she made to herself from PayPal. As a result, the JMS's books and records understated Holtz's true income. For tax years, 2008 through 2013, Holtz filed false individual tax returns on which she failed to report more than \$305,000 in income.

Sentencing is scheduled for June 23. Holtz faces a statutory maximum sentence of three years in prison for filing a false return and a mandatory minimum sentence of two years in prison for aggravated identity theft. She also faces a period of supervised release, restitution and monetary penalties.

Acting Deputy Assistant Attorney General Goldberg and U.S. Attorney Boente thanked special agents of the U.S. Secret Service and IRS-Criminal Investigation, and the Loudoun County Sheriff's Office, who conducted the investigation, and Assistant U.S. Attorney Katherine L. Wong and Trial Attorney Kimberly G. Ang of the Tax Division, who prosecuted the case.

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