



PRESS RELEASE

Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

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LOCAL WOMAN SENTENCED IN INCOME TAX REFUND SCAM

CINCINNATI, OHIO – Mariamne McKinstry, 38, of Cincinnati, Ohio was sentenced to 33 months in prison, followed by three years of supervised release, and was ordered to pay \$136,315 in restitution to the Internal Revenue Service (IRS) for filing false claims for income tax refunds with the IRS. McKinstry previously pleaded guilty to this charge on June 21, 2016.

Benjamin C. Glassman, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office announced the sentence handed down today by U.S. District Court Judge Timothy S. Black.

According to court documents, between 2010 and 2013 McKinstry prepared and electronically filed 192 false claims for income tax refunds with the IRS through the filing of fraudulent income tax returns during the 2009 through 2012 income tax years. The false claims for income tax refunds totaled \$1,169,069, and as a result of this conduct, McKinstry caused a loss to the IRS in the approximate amount of \$136,315.

The fraudulent income tax returns either contained fictitious Schedule C's (Profit or Loss from Business) that primarily reported income only and little to no expenses, or fictitious Forms W-2 that claimed false wages and income tax withholdings. McKinstry carefully chose the income amounts in order to maximize the various tax credits, including the Earned Income Tax Credit, Additional Child Tax Credit, and the American Opportunity Credit, which resulted in larger income tax refunds. Most of the individuals for whom McKinstry prepared the fraudulent income tax returns had little to no legitimate income, and they were unaware of the false information she reported on their income tax returns.

During the execution of a search warrant at McKinstry's residence, IRS special agents found a total of 227 personal identifiable information ("PII") items, consisting of Social Security numbers, names, dates of birth, and addresses, which were written in notebooks and on loose sheets of paper. McKinstry used the PII to prepare the fraudulent income tax returns, often without permission. At times, an individual would authorize McKinstry to prepare an income tax return for a particular year; however, McKinstry would retain the PII information in order to file income tax returns for subsequent years without the individuals' knowledge. McKinstry retained the false income tax refunds from the victims of the identity theft and used the funds for her personal use. In addition, IRS special agents recovered 189 prepaid debit cards in the names of other individuals at her residence.

“Ms. McKinstry perpetrated a scheme to systematically defraud the government and the taxpaying public,” said Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. “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 was prosecuted by Assistant United States Attorney Deborah D. Grimes and was investigated by special agents of IRS-Criminal Investigation.

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