IRS-CI

2024

ANNUAL REPORT

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Message from the Chief

It's an extraordinary time to be at the helm of IRS Criminal Investigation (IRS-CI).

The demands of our workforce are greater than ever as we see criminals utilize new venues, revise their techniques, and use emerging technologies to facilitate financial crimes. Luckily, as you'll see in this year's report, our special agents are ready and waiting. I often say that if a criminal ends up on the radar of one of our agents, they are likely going to jail, and that's because our special agents and professional staff are the best at tracing money trails that every crime inevitably has. I hope that our hefty conviction rate — this year at 90% will deter others from committing similar crimes.

Since 1919, our team has been committed to investigating tax crimes, and those crimes are still the focus for our agency. This year alone, professional enablers behind syndicated conservation easement schemes pleaded guilty or were sentenced for their crimes, and our investigative work secured the first ever indictment against a defendant for falsely reporting cryptocurrency gains on a tax return. We have also been heavily invested in combatting fraudulent employee retention tax credits tied to the pandemic. Every tax-related case we investigate puts us one step closer to closing the multi-billion-dollar tax gap from U.S. taxpayers not paying their fair share.

Beyond tax cases, IRS-CI plays an integral role in uncovering financial trails tied to cybercrime, healthcare fraud, and money mule schemes. This year, our investigative work into Binance resulted in the U.S. government securing the largest financial settlement in a criminal case. We've also been heavily invested in combatting fentanyl trafficking, not only by investigating cases, but also through education and outreach. We launched the PROTECT event series, where we meet with members of the financial industry and law enforcement agencies in cities hardest hit by the opioid epidemic to discuss what we're seeing and how we can work together. This series is part of the Treasury Department's Counter-Fentanyl Strike Force, which I co-chair.

We also saw significant results from our commitment to the Joint Chiefs of Global Tax Enforcement (J5). In July, the group published its first report detailing the global impact the J5 has had on tax and financial crimes, and this September, we announced the indictment of a U.S. defense contractor and his wife, who evaded taxes on more than $350 million they made selling jet fuel to the U.S. military.

As we close out fiscal year (FY) 2024, I want you to know that I am heavily invested in making IRS-CI the best yet. This FY, we grew our workforce by nearly 11% — the highest level in nearly a decade – bringing our workforce to nearly 3,500 employees encompassing special agents and professional staff. Heading into FY 2025, our team will continue to focus resources where we can make the most impact for U.S. taxpayers. We are committed to staying at the forefront of technology so our agents can keep pace or stay a step ahead of criminals and to leverage our skills to protect the U.S. tax system. I could not be prouder to lead the IRS-CI workforce into 2025.
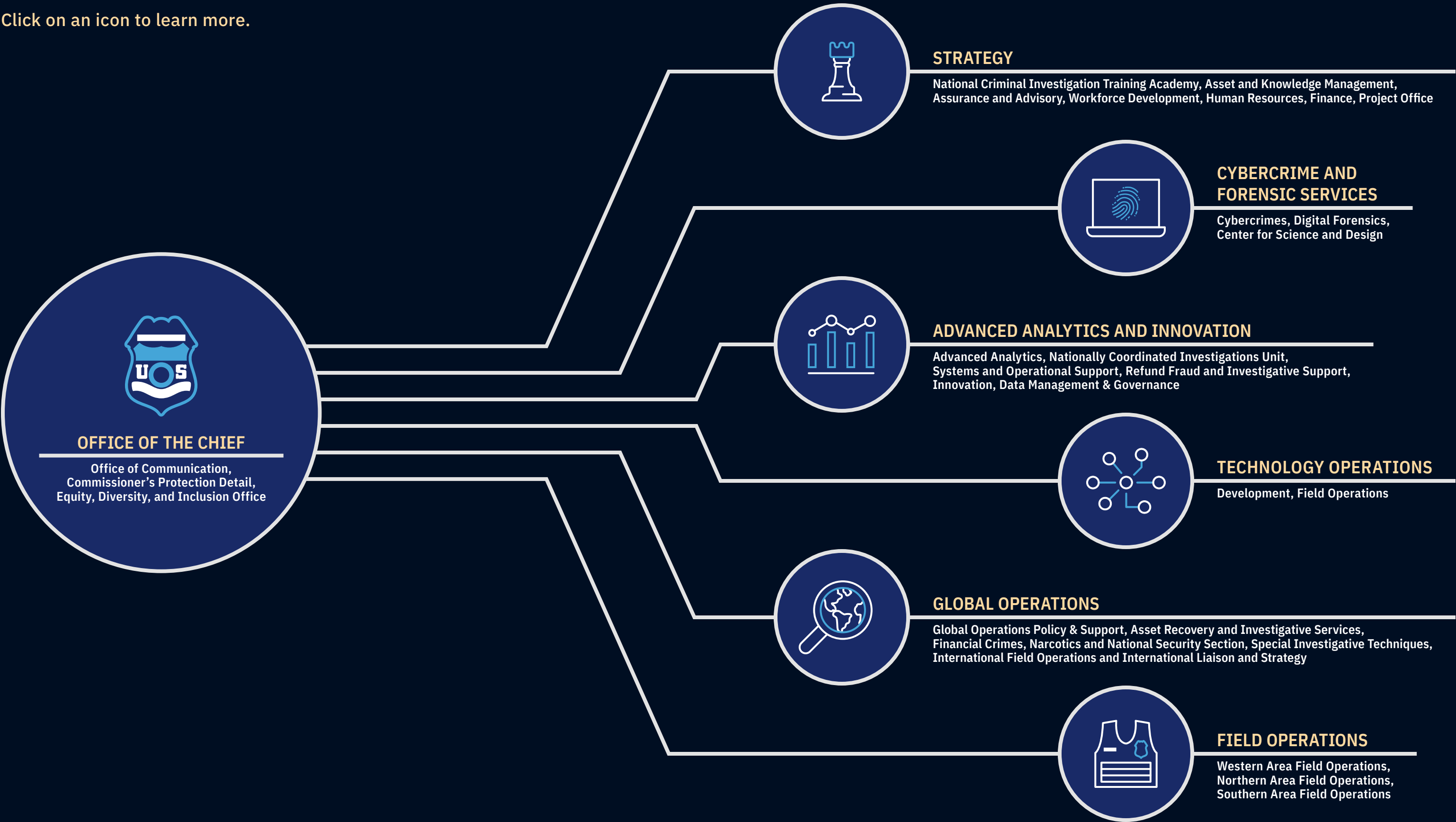
Guy Ficco

Guy Ficco
Chief, Criminal Investigation

Organization Chart of IRS-CI

Click on an icon to learn more.

STRATEGY

National Criminal Investigation Training Academy, Asset and Knowledge Management, Assurance and Advisory, Workforce Development, Human Resources, Finance, Project Office

CYBERCRIME AND FORENSIC SERVICES

Cybercrimes, Digital Forensics, Center for Science and Design

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Office of Communication, Commissioner's Protection Detail, Equity, Diversity, and Inclusion Office

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Advanced Analytics, Nationally Coordinated Investigations Unit, Systems and Operational Support, Refund Fraud and Investigative Support, Innovation, Data Management & Governance

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Western Area Field Operations, Northern Area Field Operations, Southern Area Field Operations

Click on an icon to learn more.

OFFICE OF THE CHIEF

Office of Communication,
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Equity, Diversity, and Inclusion Office

Office of the Chief

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Chief

Guy Ficco is the Chief of IRS Criminal Investigation (IRS-CI). He is responsible for overseeing a worldwide staff of nearly 3,500 CI employees, including almost 2,300 special agents in 20 field offices and 14 foreign countries, who investigate crimes involving tax, money laundering, public corruption, cyber, ID theft, narcotics, and terrorist-financing.

Prior to his selection as Chief, Guy served as the Deputy Chief of IRS-CI. Prior to that, he was the Executive Director of Global Operations, Policy, and Support where he oversaw the agency's international footprint as well as much of IRS-CI's policies as they relate to investigations. Guy previously served as the Special Agent in Charge of the Philadelphia Field Office from April 2018 to March 2020, where he led investigative activities and employees in the states of Pennsylvania and Delaware. Prior to these assignments, Guy served in a number of CI leadership roles, including Supervisory Special Agent in the Washington Field Office, Senior Analyst in both the Financial Crimes and International Operations sections, Assistant Special Agent in Charge for the Washington Field Office, and Director of Special Investigative Techniques and acting Deputy Director of IRS-CI's Strategy section. Guy was also a Congressional Fellow through the Government Affairs Institute at Georgetown University, assigned to the Permanent Subcommittee on Investigations (PSI) in the Senate Homeland Security Committee.

Guy has a Bachelor of Business Administration Degree with a concentration in Accounting from Dominican University in New York. He is a Certified Fraud Examiner and joined IRS-CI in 1995.

Deputy Chief

Shea Jones is the (Acting) Deputy Chief of IRS Criminal Investigation. Prior to his selection as Deputy Chief, Shea was the Executive Director of the Office of Strategy for IRS-CI. In this role he oversaw policy, direction and support of IRS-CI's Finance, Asset and Knowledge Management, Human Resources, Workforce Development, Assurance & Advisory, and National Criminal Investigation Training Academy sections.

During his tenure, Shea served in various positions of leadership throughout IRS-CI, including Executive Director of International Operations, where he oversaw IRS-CI's international activities, narcotics, and national security programs; Acting Executive Director of Operations, Policy and Support; Deputy Director of Strategy; Deputy Director of Technology Operations and Investigative Services; Special Agent in Charge of the St. Paul Field Office; and Assistant Special Agent in Charge, Las Vegas Field Office.

Shea joined IRS-CI in 2001 as a special agent and is a graduate of Ouachita Baptist University.

Follow us for more information and to stay updated on CI.

𝕏 @IRS_CI   🌐 irs.gov/ci

in IRS Criminal Investigation   in Joint Chiefs of Global Tax Enforcement (J5)

▶ IRS-CI   🌐 J5 Website

Office of Communication

The Office of Communication aims to elevate IRS-CI's profile and deepen stakeholder confidence through creative, proactive, and impactful communication strategies to internal and external audiences. These strategies drive deterrence of tax and financial crimes, increase awareness of IRS-CI and the work we do, enhance camaraderie within the workforce, grow partnerships with professional organizations, and keep stakeholders informed about IRS-CI's expertise and capabilities. In FY 2024, the Office of Communication oversaw digital media initiatives with more than 96,500 followers/subscribers, launched internal and external communications campaigns to demonstrate how IRS-CI employees contribute to the agency's mission, conducted media interviews on topics ranging from cryptocurrency to tax fraud, supported more than 375 outreach events, and provided briefings to Capitol Hill staff.

Commissioner's Protection Detail

The Commissioner's Protection Detail is a specially trained cadre of IRS-CI special agents who provide personal security and protection to the IRS Commissioner. The detail provides protection of the Commissioner within the National Capital Region and while in travel status, including foreign and domestic travel. In a typical year, this team protects the Commissioner on approximately 500 protective movements, 20 domestic trips, and two to three international visits. These special agents are trained in protective service operations with an emphasis on operational planning, motorcade operations, protective intelligence, and preventing and responding to attacks. Protective operations are a team effort and require detailed advanced preparations aimed at identifying and mitigating potential risks, threats, and vulnerabilities.

Equity, Diversity, and Inclusion Office

The Equity, Diversity, and Inclusion Office examines and addresses IRS-CI's employment practices, policies, and procedures to ensure that every employee attains equal opportunity in every facet of IRS-CI's programs, activities, and services. This office's role is to monitor and evaluate the organization's compliance with Equal Employment Opportunity Commission and Treasury guidance to eliminate barriers that hinder equal opportunity. The office aims to achieve and sustain a diverse and inclusive work environment that respects and values all aspects of an employee's diversity, including ideas (how you think), identity (who you are), and information (what you know). The office also supports leadership with building an inclusive environment where employees are motivated to put forth their best effort and are vested in achieving the IRS-CI mission.

Strategy

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National Criminal Investigation Training Academy

The National Criminal Investigation Training Academy, which is located at the Federal Law Enforcement Training Center in Brunswick, Georgia, plays a vital role in training the IRS-CI workforce. This section develops and delivers the Special Agent Basic Training program to special agent trainees. The academy plays a major role in developing and delivering advanced training for special agents in areas like use of force, firearms instruction, defensive tactics, and building entry, and provides professional education courses for the entire IRS-CI workforce focusing on emerging trends and issues affecting law enforcement.

Asset and Knowledge Management

Asset and Knowledge Management ensures the IRS-CI workforce has the necessary assets to accomplish IRS-CI's enforcement objectives, including equipment, vehicles, badges and credentials, radios, body armor, and real estate. It also oversees IRS-CI's Freedom of Information Act (FOIA) and records management programs, as well as an internal knowledge management portal that permits the IRS-CI workforce to crowdsource answers to questions to meet enforcement goals.

Assurance and Advisory

Assurance and Advisory independently reviews, evaluates, and reports on IRS-CI field operations, program areas, and headquarter sections in a fair and objective manner to identify risks, emerging issues, and best practices that affect IRS-CI. The team assesses IRS-CI's leadership effectiveness and ability to manage and mitigate risk and evaluates IRS-CI operations to ensure investigative alignment with agency strategy and established policies.

Workforce Development

Workforce Development ensures that IRS-CI recruits and retains diverse and talented employees to meet IRS-CI's evolving enforcement challenges. This section also helps support and guide special agents and professional staff in accomplishing IRS-CI's mission of deterrence and compliance. Through Workforce Development, IRS-CI employees have access to resources to keep them balanced, engaged, and satisfied in their careers, as well as apprised of future opportunities within the agency.

Human Resources

Human Resources spearheads the development and implementation of hiring plans for IRS-CI, leveraging all relevant hiring authorities. Human Resources executes the Service-wide Human Resources Program Policy, specifically tailored to address the distinct needs of IRS-CI. Additionally, they manage employee recognition, work-life programs, and performance management. Human Resources also enforces compliance with federal employment laws.

Finance

Finance formulates, develops, and executes IRS-CI's financial plan, utilizing sound financial management, laws, regulations, the Internal Revenue Manual, and local and IRS/Treasury policies. The Finance staff implement various Service-wide programs and processes, develop policy unique to the needs of IRS-CI, and provide financial oversight on behalf of IRS-CI.

Project Office

The Project Office manages the implementation of new processes and program areas. They also serve as a valuable resource for significant improvements to existing processes. The Project Office manages many of the contracts that IRS-CI utilizes to accomplish its mission. They often collaborate across IRS-CI and the IRS with other stakeholders.

STRATEGY
National Criminal Investigation Training Academy, Asset and Knowledge Management, Assurance and Advisory, Workforce Development, Human Resources, Finance, Project Office

CYBERCRIME AND FORENSIC SERVICES
Cybercrimes, Digital Forensics, Center for Science and Design

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Cybercrime and Forensic Services

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Cybercrimes

Many aspects of our lives have grown increasingly dependent on technology, and the same holds true for criminals' activities. Nearly every case IRS-CI investigates involves the use of the internet, digital payments, and computer devices. The agency has two Cybercrimes Units (CCU) – one positioned in the Los Angeles Field Office and the other in the Washington, D.C. Field Office, and they focus on multijurisdictional investigations posing the most significant threats to the U.S. tax and financial systems.

IRS-CI's Cybercrimes headquarters component oversees the agency's involvement in cyber-related criminal investigations and provides tools, resources, and training to assist special agents around the globe with cyber investigations. This includes tracking illicit finance and mitigating national security risks posed by cybercrimes, as well as tracking digital assets used to facilitate narcotics trafficking, money laundering, terrorism financing, and more.

Digital Forensics

Digital Forensics consists of Digital Forensic Field Services and the Digital Forensic Lab. Digital Forensic Field Services consists of seven groups of field forensic examiners nationwide that provide advanced forensic support to special agents working criminal investigations. The lab supports field examiners by providing expertise for more complex scenarios, digital forensic research and development, forensic training, acquisition of forensic tools and solutions, and development of forensic processes to keep pace with technological advances.

Center for Science and Design

The Center for Science and Design consists of three sections: Scientific Services, Multimedia and Deception Detection, and Trial and Design Services. These sections forensically process and analyze a wide variety of evidence, deliver expert courtroom testimony, produce visual aids to simplify the presentation of complex evidence, provide electronic enhancements to audio, video, and images introduced as evidence, and assist with polygraph examinations.

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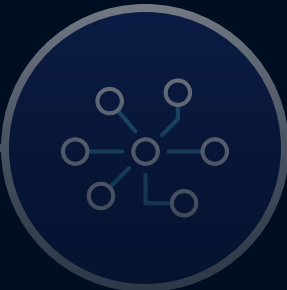
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Advanced Analytics and Innovation

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Advanced Analytics

Advanced Analytics leverages big data and advanced analytical capabilities to make IRS-CI more efficient. The team analyzes data about IRS-CI operations and helps generate leads for field agents by developing queries that identify potential fraud among tax return, tax administration, and Bank Secrecy Act data. In FY 2024, IRS-CI Advanced Analytics completed over 135 lead generation projects, supported 14 Nationally Coordinated Investigations Unit initiatives, and delivered over 5,500 business reports. The team also strives to raise IRS-CI's overall analytical acumen by conducting trainings and sharing data analytic capabilities across IRS-CI.

Nationally Coordinated Investigations Unit

The Nationally Coordinated Investigations Unit uses skilled staff, big data, and strategic threat assessments to identify individuals committing tax crimes. In FY 2024, the unit made 292 investigative referrals to IRS-CI field offices.

Systems and Operational Support

Systems and Operational Support uses systems and partners with business units at IRS to identify emerging trends and quality investigative leads, assists with court testimony, and helps detect, prevent and recover funds from fraudulent tax refunds. It also supports other national programs including the Court Witness Program, the Controls and Unpostables Program, and the Electronic Filing Suitability Program.

Refund Fraud and Investigative Support

Refund Fraud and Investigative Support identifies emerging trends and schemes related to refund fraud and identity theft to support high-impact criminal tax and related financial investigations in IRS-CI field offices across the country.

Innovation

Innovation helps IRS-CI overcome complex challenges by sourcing, tracking, coordinating, analyzing, and enabling innovative research, process, and technology improvements to solve critical needs and improve efficiencies. In FY 2024, Innovation supported 105 projects. These projects leveraged technology, as well as process and policy improvements to deliver increased efficiency throughout IRS-CI.

Data Management & Governance

Data Management and Governance continuously seeks new data sources and converts this data into an actionable format for IRS-CI special agents. The team digitizes records through the Data Processing Center and leverages technology and algorithms to filter large data sets. This enhances IRS-CI's ability to identify fraud and dedicate resources to the most impactful criminal investigations.

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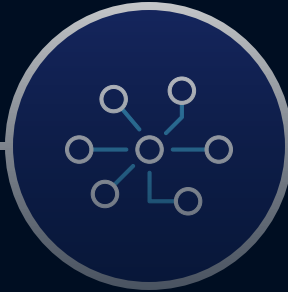
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Organization Chart of IRS-CI

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Technology Operations

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Development

Development includes branches that work together to deliver and maintain IRS-CI's infrastructure and technical applications. The Business Systems Development Branch identifies and manages the delivery of business improvement and IT projects in support of the IRS-CI vision and strategic mission. This branch also oversees many IRS-CI applications, including LCA/Palantir, CIMIS, AFTRAK, and Diary. The Portfolio Management, Acquisitions, and Contracts Branch oversees and governs IT projects and contracts. The Technical Operations Center oversees IRS-CI's infrastructure and provides core IT services, such as remote and in-office network capabilities, application and server administration, enterprise computing center management, and core smartphone and workstation management.

Field Operations

Field Operations supports IRS-CI by securing, delivering, and providing technical support of the agency's IT equipment and services. The Cybersecurity Team oversees security risk management, security engineering, and security operations, in the form of continuous monitoring of IRS-CI's IT systems and resources. This team also provides security risk analysis and advisory services, disaster recovery support, and security policy management and guidance, and leads and facilitates incident response, insider threat, and data spill cleanup processes. Client Management Support Services oversees a portfolio of client hardware and software technologies that enable and enhance IRS-CI's business capabilities. This group governs the development and maintenance of IRS-CI client hardware and software configuration standards and profiles. From client image development and software packaging to license management, testing distribution, inventory, oversight, and standards for end-user hardware and software. User Support provides direct IT support for the field offices, headquarters, and international sites through the IRS-CI Service Desk and field service computer operations administrators, by providing IRS-CI users with access to the network, computers, mobile devices (phones), first-level technical issue resolution, and direct support for all initial hardware, software, and telecommunication questions.

Global Operations

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Global Operations Policy & Support

Global Operations Policy and Support is the largest IRS-CI division, consisting of Asset Recovery and Investigative Services, Financial Crimes, the Narcotics and National Security Section, Special Investigative Techniques, International Field Operations, and International Liaison and Strategy.

Asset Recovery and Investigative Services

Asset Recovery and Investigative Services uses forfeiture authority as an investigative tool to disrupt and dismantle criminal enterprises. The program deprives criminals of property used in, or acquired through, illegal activities. Following forfeiture of seized assets, forfeited funds are routed to the Treasury Forfeiture Fund managed by the Treasury Executive Office for Asset Forfeiture. Forfeited funds are often returned to victims of criminal activity and are also used to reimburse law enforcement agencies for expenses like enhanced training, equipment, and costs associated with conducting significant investigations. In addition, the fund shares a portion of forfeited monies with other federal, state, and local law enforcement agencies.

Financial Crimes

Financial Crimes provides policy guidance and operational support to field offices on tax crimes, illegal source financial crimes, and money laundering violations. It oversees a host of investigative priorities, including abusive tax schemes, fraud referrals, and Bank Secrecy Act violations. In addition, in compliance with an Executive Order, Financial Crimes recently implemented IRS-CI's Body Worn Camera Program.

Narcotics and National Security Section

The Narcotics and National Security Section contributes to the success of U.S. national security programs by investigating the finances of transnational criminal organizations involved in narcotics trafficking, human trafficking, terrorism financing, economic espionage, and money laundering. Liaison officers assigned to the section support a government-wide approach to address national security threats. The unit also focuses heavily on narcotics and financial investigations related to high-priority targets identified by Organized Crime Drug Enforcement Task Forces (OCDETF).

Special Investigative Techniques

Special Investigative Techniques provides oversight of IRS-CI's undercover activities. CI maintains a cadre of undercover agents that utilize sophisticated means to initiate contact with individuals perpetrating tax crimes and other financial crimes, to gain evidence needed for prosecution of those crimes. This section provides training to those involved in the undercover program and support to field offices in their planning and approval of undercover activities.

International Field Operations and International Liaison and Strategy

International Field Operations oversees IRS-CI's international footprint, including overseeing staff located at 14 attaché posts at embassies or consular offices in Australia, the Bahamas, Barbados, Canada, China, Colombia, England, Germany, the Netherlands, Mexico, Panama, Singapore, and the United Arab Emirates. IRS-CI attachés build partnerships and investigate financial crimes with countries in their areas of responsibility. IRS-CI's International Training Team often works with attachés to deliver trainings to law enforcement counterparts, so they have the necessary tools to combat financial crimes. This year, IRS-CI added a Caribbean attaché post in Nassau, Bahamas, as well as a Cyber Attaché Post in Singapore, to expand IRS-CI's global presence.

IRS-CI also has domestic specialty groups in the United States that carry out our international mission, including cybercrime units, the International Tax and Financial Crimes Group, the Global Illicit Financial Team, and the J5 Group, and our headquarters staff work regularly with foreign embassy personnel based in Washington, D.C.

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2024 Snapshot

$2.12B
TAX FRAUD IDENTIFIED

$7.03B
OTHER IDENTIFIED FINANCIAL CRIMES

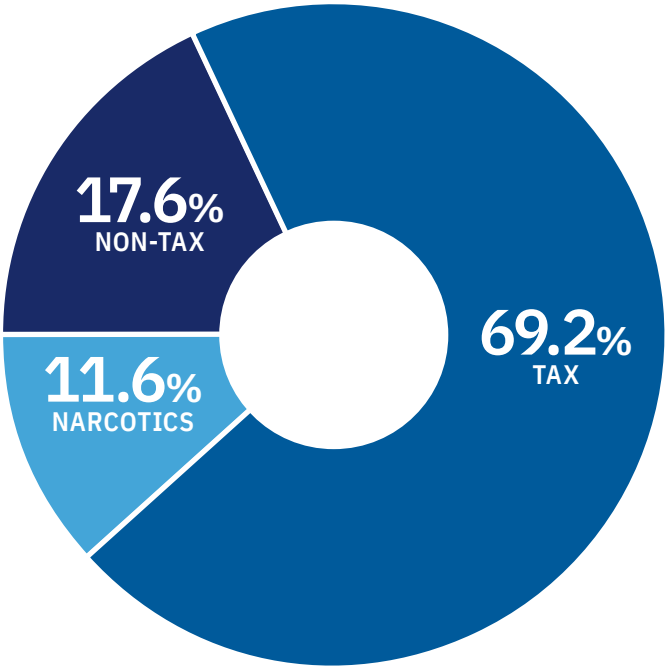**1154**
WARRANTS EXECUTED

1794
REFERRED FOR PROSECUTION

90%
CONVICTION RATE

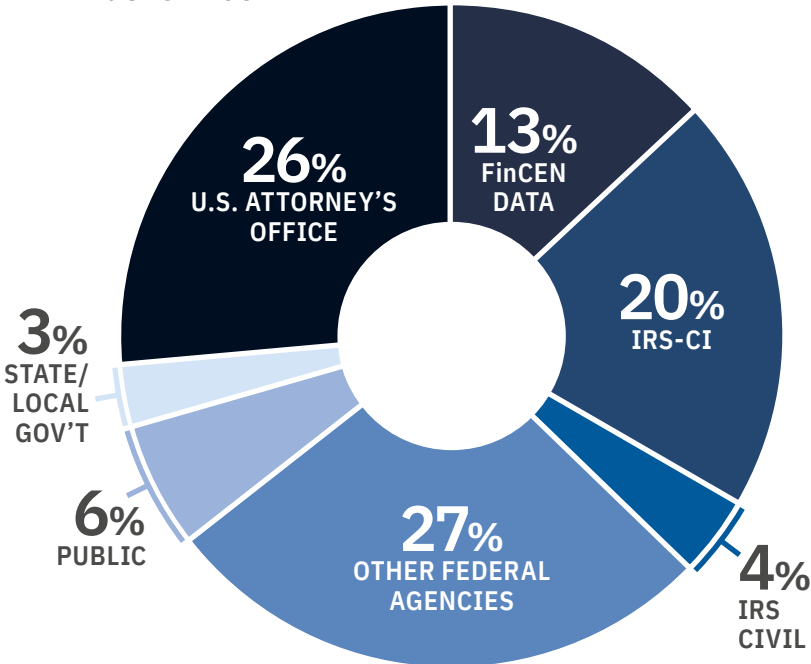**1571**
CONVICTIONS

1.47
PETABYTES OF DIGITAL DATA

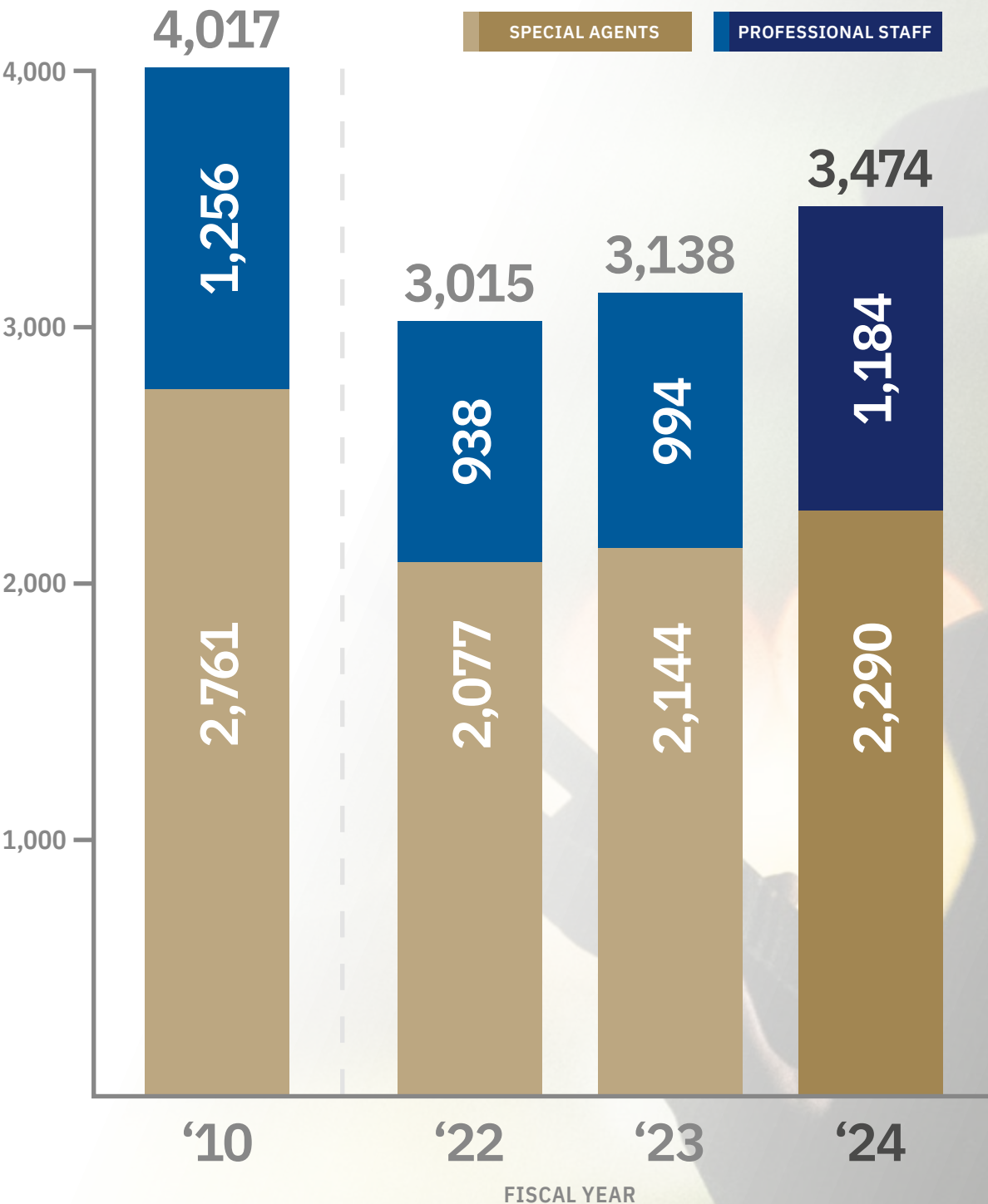## DIRECT INVESTIGATIVE TIME SPENT*

*1.6% UNCATEGORIZED

- 69.2% TAX
- 17.6% NON-TAX
- 11.6% NARCOTICS

INVESTIGATION SOURCES**

**1% UNCATEGORIZED

- 26% U.S. ATTORNEY'S OFFICE
- 13% FinCEN DATA
- 20% IRS-CI
- 4% IRS CIVIL
- 27% OTHER FEDERAL AGENCIES
- 6% PUBLIC
- 3% STATE/LOCAL GOV'T

STAFFING***

***IRS-CI'S STAFFING LEVELS ARE BY FISCAL YEAR AND REFLECT AN ACTUAL COUNT OF EMPLOYEES BASED ON THE EMPLOYEE MASTER DATABASE AS OF PP19.

Legend: SPECIAL AGENTS | PROFESSIONAL STAFF

FISCAL YEAR	Special Agents	Professional Staff	Total
'10	2,761	1,256	4,017
'22	2,077	938	3,015
'23	2,144	994	3,138
'24	2,290	1,184	3,474

Thwarting Tax Evasion

IRS-CI is the only federal law enforcement agency with the jurisdiction to investigate federal tax crimes.

IRS-CI special agents and professional staff investigate the most egregious tax cheats and partner with the Department of Justice to prosecute violations of federal law. Every few years, the IRS estimates the tax gap, the amount of taxes paid compared to what should have been paid. In a report published in October 2024, the IRS estimated the tax gap at $696 billion for the 2022 tax year.

IRS-CI plays an important part in closing the tax gap by investigating impactful criminal cases to discourage other taxpayers who may be interested in evading taxes or committing other similar criminal violations. We focus our efforts in three main areas including traditional tax crimes, tax-related financial crimes (i.e. money laundering, public corruption, counterterrorism, etc.), and narcotics-related financial crimes.

These cases may include business owners evading income taxes or fraudsters and drug traffickers not paying tax on proceeds from their criminal activities. In the eyes of the tax code, all income from whatever source derived is taxable, even if it is from criminal activity.

Often, we use special investigative techniques like undercover operations to gather evidence of a crime. These techniques were integral in a recent case out of Virginia where undercover agents obtained evidence that a restaurant owner was maintaining two sets of financial books and records tied to his business; this evidence resulted in him pleading guilty to tax evasion charges and being sentenced to 14 months in prison. Field agents often rely heavily on special investigative techniques to strengthen existing cases and identify new targets. In FY 2024, we conducted 474 undercover operations.

Like the proceeds from a business, money obtained through fraud or embezzlement is also taxable. A recent investigation out of the Houston Field Office resulted in a U.S. Army employee being convicted and sentenced to 180 months in prison for filing false tax returns. Janet Yamanaka Mello worked as a financial program manager for the Army and used her position to fraudulently secure over $108 million in funds intended for the care of children. She then used that money to fund her lavish lifestyle, where she purchased houses, more than 80 vehicles, and over 1,500 pieces of jewelry. She was ordered to pay $31.8 million in restitution to the IRS.

Our tax investigations continue to evolve as we see more and more taxpayers engaging in the use of cryptocurrency. In the first ever indictment solely for failing to report or the underreporting of cryptocurrency earnings and gains on their tax return, Frank Ahlgren III was indicted in February of 2024 for filing false tax returns related to the sale of $4 million in bitcoin which resulted in substantial capital gains. He allegedly used the proceeds from the sale to purchase a residence and filed a false 2017 federal tax return that inflated the price he originally paid for the bitcoin, underreporting his capital gain. He also failed to report sales of bitcoin in 2018 and 2019 of more than $650,000 on his tax returns. His sentencing was scheduled for December of 2024.

In FY 2024, IRS-CI identified over $2.1 billion in tax fraud and saw 615 subjects sentenced to an average of 27 months in federal prison for violating U.S. tax laws. While lengthy prison terms can serve as a deterrent to committing tax fraud, most subjects are also required to pay restitution to the IRS for taxes owed. Restitution can amount to millions of dollars in some cases.

TAX CRIMES

1373 INVESTIGATIONS INITIATED

674 PROSECUTIONS RECOMMENDED

615 DEFENDANTS SENTENCED

Tracing Funds and Illicit Proceeds

Money Laundering

While IRS-CI is the only federal law enforcement agency with jurisdiction over federal tax crimes, we are often called on to investigate other financial crimes due to our financial forensic capabilities and our financial expertise. IRS-CI is a key player in money laundering investigations, where criminals disguise the illicit nature of their funds by making them appear as legitimate sources. In FY 2024, IRS-CI special agents spent roughly 29% of their time investigating non-tax crimes involving suspected money laundering violations including drug trafficking, fraud schemes, and public corruption, and identified over $7 billion in fraud from non-tax crimes.

Money laundering has become more sophisticated as technology becomes more advanced. Criminal enterprises often rely on professional enablers and third-party money launderers to help facilitate the transactions. Third-party facilitators place illicit proceeds into businesses, financial institutions, brokerage firms, and physical assets to conceal the nature of the illicit profits. By utilizing data analytics and focusing on complicit Money Service Businesses (MSB), IRS-CI has developed high impact third-party money laundering, referred to as 3PML, investigations across the United States.

Jesus Vazquez Padilla, of Tijuana, Mexico, operated an illegal unlicensed money transmitting business and laundered the proceeds of drug sales, using 22 shell corporations and 85 corporate bank accounts at various U.S. banks. Vazquez Padilla offered money transmitting services to the public for a fee. He deposited cash from his customers to corporate bank accounts held at financial institutions throughout the United States, then transferred money to Mexico on behalf of the third parties. In total, Vazquez Padilla's business deposited more than $42 million into the U.S. financial system, and most of those funds were transferred to third-party bank accounts in Mexico. In February 2024, he was sentenced to 40 months in prison for his crimes.

Modern-day technologically has also increased criminal activity in global financial crimes. Complex webs of offshore holdings and anonymous transactions aid criminals in laundering money through a wide variety of institutions, including banks, money transmitters, stock brokerage houses, casinos, and virtual currency exchanges.

In January 2024, Virak Prum, a leader of the Massachusetts-based gang One Family Clique (OFC), was sentenced to 96 months in prison for conspiring with fellow OFC gang members to launder millions of dollars in drug proceeds through casinos in Canada. Prum used the U.S. Postal Service to receive shipments of illegal narcotics and shipped cash proceeds to the sources of supply.

Fighting the Fentanyl War

In December 2023, the U.S. Department of Treasury announced the launch of the Counter-Fentanyl Strike Force to combat the trafficking of illicit fentanyl. The strike force is jointly led by Treasury's Office of Terrorism and Financial Intelligence (TFI) and IRS-CI. Under the strike force, IRS-CI leverages Treasury's expertise from various Treasury components to investigate financial crimes, counter illicit finance and disrupt transnational criminal organizations that traffic these drugs. Under the PROTECT series, IRS-CI advances Treasury's work with the private sector and law enforcement partners through collaborative FinCEN Exchanges that allow the private sector to provide vital leads and information so law enforcement can identify risks and take action to combat illicit fentanyl trafficking.

Our agents are members of Organized Crime Drug Enforcement Task Forces (OCDETF), using their specialized financial investigative skills to combat money laundering and drug trafficking by tracing profits from illegal activity back to criminals who are funding the U.S. fentanyl crisis. We spent 11.6% percent of our investigative time in fiscal year 2024 investigating narcotics related cases.

Ivan Rodriguez Sr. and his son, Ivan Rodriguez Jr. are behind one of the criminal organizations fueling the fentanyl trade. They both received 10 years in federal prison for conspiring to distribute fentanyl, possession with intent to distribute fentanyl, and money laundering. The Rodriguez drug trafficking organization distributed fentanyl and a mixture of fentanyl/heroin in and around Oneida County, New York and elsewhere. Special Agents seized over 13 kilograms of fentanyl during the investigation. Seven additional members of the organization were sentenced from between 3.5 to 10 years in prison.

Similarly, Jonathan King, the leader of a fentanyl trafficking conspiracy received a 10-year sentence. He distributed and possessed enough fentanyl to create more than two million potentially lethal doses of the drug. King arranged for the sale and delivery of thousands of fentanyl-laced pills in Rhode Island.

Lastly, Branea Bryant was sentenced to more than 24 years for fentanyl trafficking conspiracy and money laundering. IRS-CI's investigation revealed Bryant's company, ADF3 Investments, owned several high-end vehicles connected to a drug conspiracy, including two Range Rovers purchased with drug money and a Jaguar F-Type used to facilitate drug deals. ADF3 did not file any state or federal tax returns nor appear to have any legitimate business activity.

NON-TAX CRIMES

1294 INVESTIGATIONS INITIATED

1120 PROSECUTIONS RECOMMENDED

967 DEFENDANTS SENTENCED

Catching Cyber Criminals

Crimes investigated by IRS-CI increasingly include a cyber component, and we continue to be a leader in this realm, both domestically and across the globe.

Whether the crime relies on the internet to effectuate the scheme, or whether it drastically increases the scale of the scheme by using computers, computer networks, and other forms of communication, IRS-CI is on the cutting edge of cybercrime investigations. Our cybercrime cases are often some of our largest and most complex cases, which often come with lengthy prison sentences and some of the largest forfeiture and seizure judgments in our nation's history.

Cybercrime investigations are a priority for IRS-CI, and convictions often result in some of our most impactful sentences, with an average of 61 months imprisonment. In FY 2024, IRS-CI initiated 111 cyber-related investigations, seized more than $925,728,496 in assets, and recommended 72 investigations for prosecution. Notable indictments this fiscal year include "Bitcoin Jesus," an early investor in bitcoin who allegedly concealed information from his accountant causing at least a $48 million tax loss to the IRS, and three crypto fraudsters, who allegedly defrauded investors of approximately $1.89 billion by fraudulently promising substantial returns from cryptocurrency mining operations that did not exist. In November 2023, IRS-CI and the U.S. Treasury announced the largest settlement in our nation's history against the world's largest crypto exchange, Binance for violating U.S anti-money laundering and sanctions laws.

In January 2024, Mark Scott, a former law partner in a prominent international firm, was sentenced to 10 years in prison for laundering $400 million of OneCoin proceeds. Much like a "traditional" Ponzi-scheme, OneCoin was deemed the largest fraud scheme ever perpetrated, selling fraudulent cryptocurrency to millions of victims around the world. OneCoin leadership marketed its fake cryptocurrency through a global multilevel marketing network. In early 2016, Scott was introduced to Ruja Ignatova of Bulgaria, who was the one of the founders of OneCoin. Scott formed a series of fake investment funds overseas, disguised incoming transfers (OneCoin fraud proceeds) as investments from wealthy European families, then layered the funds through various offshore accounts to conceal their origin. He eventually, returned the funds to Ignatova and other associates. Scott earned more than $50 million for his money laundering services, which he used to purchase a 57-foot yacht, a Ferrari, several Porsches, and a $3 million seaside home in Cape Cod. In addition to his prison sentence, Scott was ordered to forfeit $392.9 million, his yacht, Porsches, and four real estate properties. Ignatova also known as the Cryptoqueen, went into hiding in 2017 and remains a U.S. fugitive.

Banmeet Singh from India created vendor marketing sites on dark web marketplaces, such as Silk Road, Alpha Bay, and others, to sell controlled substances like fentanyl, ecstasy, and ketamine. His customers paid with cryptocurrency, and he utilized the U.S. mail and other shipping services to send the illicit narcotics from Europe to the United States. Singh established a drug enterprise that laundered millions in cryptocurrency accounts valued at approximately $150 million. He was arrested in London and extradited to the United States, where he was sentenced to five years in prison and ordered to forfeit his illicit proceeds.

We have two Cybercrimes Units, located in Los Angeles and Washington, D.C., where specially trained agents, professional staff, and expert contractors work exclusively on cybercrime cases. In addition, IRS-CI deployed cyber attachés to overseas posts in FY 2023, as part of a pilot program to respond to the increasing need for support on international cyber investigations. Cyber attachés are strategically positioned on four continents to support cyber-related investigations, build relationships, train foreign partners, and identify investigative leads for criminal investigations. This fiscal year, we added a permanent cyber attaché post in Singapore based on the the success of the pilot program there.

CYBER CRIMES

68 CONVICTIONS

61 Mos AVERAGE SENTENCING

>$925M ASSETS SEIZED

Securing Settlements and Seizures

Asset forfeiture is an investigative tool to dismantle criminal organizations and prevent fraudsters from reaping the benefits of their illicit activity. Illicit proceeds seized are forfeited to the Treasury Forfeiture Fund, which is managed by the Treasury Executive Office for Asset Forfeiture (TEOAF). Forfeited funds are returned to the victims of crime whenever possible, while the remaining proceeds fund investigative and enforcement efforts for partner agencies, including those from state and local governments.

IRS-CI led the criminal investigation into Binance, the world's largest cryptocurrency exchange, which admitted to prioritizing growth of the company and profits over compliance with U.S. anti-money laundering laws. Binance started in 2017 and quickly became the largest cryptocurrency exchange in the world with their largest customer base in the United States. Binance was required to register with the U.S. government as a money services business but chose not to comply with U.S. law and failed to implement anti-money laundering procedures. They also allowed U.S. customers to conduct transactions with customers in sanctioned jurisdictions, in violation of the IEEPA. Binance settled with the U.S. Treasury for a penalty of over $4 billion.

Due to Binance's failure to implement an effective anti-money laundering program, criminals used Binance's cryptocurrency exchange to disguise the source and ownership of illicit proceeds, conduct transactions with known terrorist organizations and transfer proceeds of darknet market transactions. Additionally, Binance assisted U.S. customers in evading U.S. Sanctions of Iran. Between January 2018 and May 2022, Binance willfully caused over $898 million in trades between U.S. users and Iranian-based users.

In FY 2024, we saw forfeitures ordered in a variety of cases, including a $9.6 million forfeiture where a Brooklyn man laundered proceeds from a healthcare scheme. He concealed over $18 million of criminal proceeds by funneling money through several shell companies, including sham pharmacy wholesale companies designed to look like legitimate wholesalers. The funds were sent to companies in China for distribution to individuals in Uzbekistan, and the defendant received some of these funds in cash.

Daniel Hurt was ordered to forfeit $30 million of proceeds from the sale of a yacht he purchased from kickbacks and proceeds of his healthcare schemes. During the conspiracy, he sent thousands of medically unnecessary prescriptions to a co-conspirator pharmacy, which billed patients' insurance plans thousands of dollars for the compounded medications. Once the pharmacy received payment for the prescriptions, the pharmacy paid a kickback to Hurt.

During FY 2024, IRS-CI seized more than $1.2 billion in assets and forfeited approximately $196.4 million in ill-gotten proceeds. In addition, more than $1 billion was refunded as part of our asset recovery efforts.

International Impact

IRS-CI's international footprint plays an integral role in ensuring the agency can combat criminal activity on a global level. Special agents based in the United States work with attachés and professional staff stationed overseas to gather and share information and conduct training for our foreign partners.

IRS-CI remains heavily involved with the Joint Chiefs of Global Tax Enforcement (J5), which was launched in 2018 and consists of the five chiefs of the tax enforcement bureaus of Australia, Canada, the Netherlands, the United Kingdom, and the United States. This year, the group published their first report detailing the successes of the partnership. The report highlights significant accomplishments, including lead generation, seizures of millions of dollars in criminal proceeds, and the issuance of advisory notices to financial institutions. As a result of the J5 partnership, three individuals were charged in the United States for their roles in a $1.89 billion cryptocurrency scheme that involved alleged false representations made to investors in a cryptocurrency mining operation that did not exist.

Operation Jetsetter emerged as one of the J5's important successes. U.S. Department of Defense contractor, Douglas Edelman, and his wife, Delphine Le Dain, engaged in a decades-long scheme to defraud the United States and evade taxes on more than $350 million in income Edelman made as a defense contractor during U.S. post-9/11 military efforts. From 2003 to 2020, Edelman allegedly owned 50% of a defense contracting business that received more than $7 billion in government contracts to provide jet fuel to U.S. troops in the Middle East. According to the indictment, Edelman concealed his profits using foreign bank accounts, false documents, and false claims that Le Dain, a French citizen residing abroad, did not have U.S. tax obligations and was the founder/owner of the contracting business. Edelman and Le Dain are charged with conspiring to defraud the United States and 15 counts of tax evasion. Edelman is also charged with two counts of making false statements to the United States and 12 counts of willfully violating his foreign bank account reporting obligations.

A large part of IRS-CI's role abroad includes providing trainings for international partners. During FY 2024, our international training team delivered more than 30 trainings to over 930 participants from more than 70 countries, playing a critical role in maintaining foreign partnerships.

IRS-CI also has specialty groups that carry out our international mission, including Cybercrime Units, the International Tax and Financial Crimes Group, the Global Illicit Financial Team, and the J5 Group. IRS-CI currently has 14 overseas posts at embassies or consular offices around the world. This year, IRS-CI added a Caribbean attaché post in Nassau, Bahamas, as well as a cyber attaché post in Singapore, to expand our global presence.
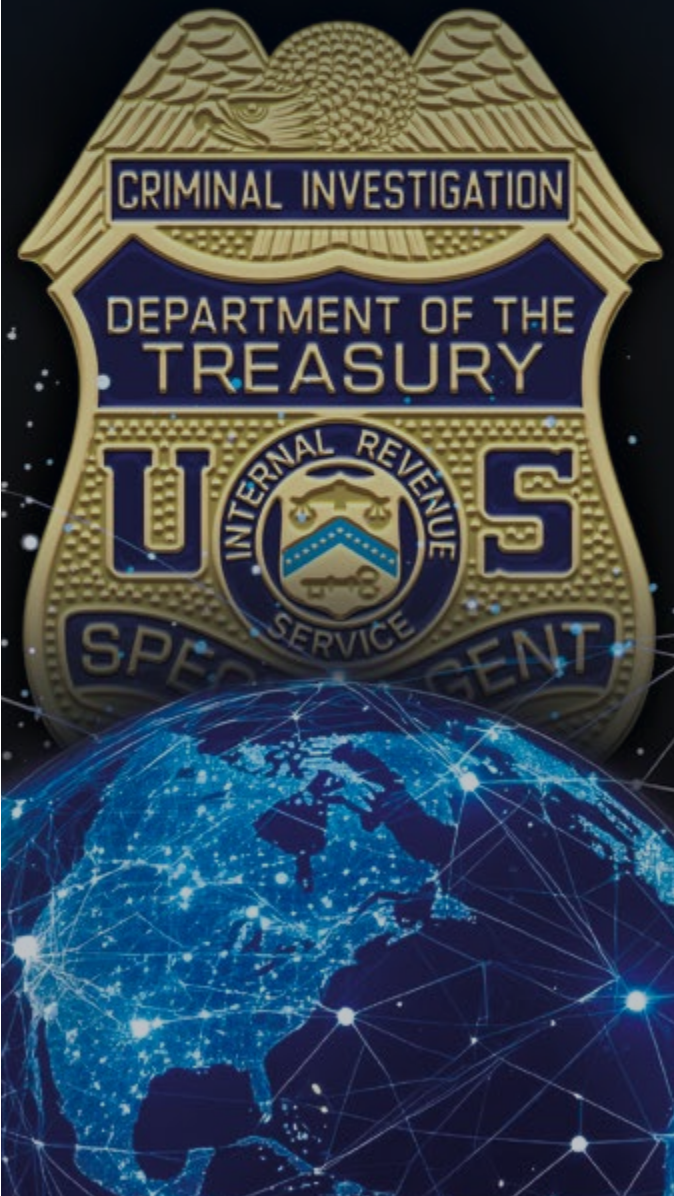
Enhancing Field Operations Through Data and Technology

The Advanced Analytics and Innovation section is a critical component of IRS-CI, transforming how financial crimes are detected, investigated, and prosecuted.

Advanced Analytics and Information harnesses the power of data analytics, machine learning, and emerging technologies to enhance IRS-CI's investigative capabilities, providing tools and methodologies that help the agency stay ahead of increasingly complex financial crimes. As the digital landscape evolves, AAI's role within IRS-CI will only grow, making it a continued indispensable asset in the fight against financial crime.

The section's primary function is to develop and deploy advanced algorithms to analyze vast amounts of data and to uncover patterns and anomalies indicative of criminal activity. This is particularly important for investigating tax fraud, money laundering, and cybercrimes, where illicit activities are often concealed among legitimate financial transactions. AAI also integrates new technologies, such as machine learning, into IRS-CI's operations, enabling agents to trace illicit funds, identify perpetrators, and build stronger cases more effectively.

The Nationally Coordinated Investigations Unit uses data mining and analysis to identify potential targets from a variety of potential tax evasion schemes. These leads are provided to the field for further investigation. In FY 2024, the NCIU provided 292 referrals to field offices around the country.

In one example, the NCIU identified a Texas man who evaded paying income taxes on over $4.75 million income. Peter Tignini worked in the United Arab Emirates and Qatar and reported income of approximately $100,000 per year, which is near or below the amount that U.S. citizens who live and work abroad can exclude from their taxable income on their U.S. tax returns. He was sentenced to 41 months in prison, three years of supervised release, and was ordered to pay nearly $1.17 million in restitution.

Field-based special agents also rely on the digital forensics team, part of the agency's Cyber and Forensic Services Section, to process data and analyze digital evidence. These teams consist of forensic scientists, special agent computer investigative specialists, and computer investigative forensic analysts. They employ cutting-edge tools and techniques to uncover digital evidence of financial crimes, a critical capability as crimes increasingly involve online transactions, cryptocurrency, and cyber fraud. Our digital forensic specialists accompany field agents at search warrants and specialize in the preservation of electronic evidence. They meticulously document the scene, maintain chain-of-custody logs for every piece of electronic evidence, and follow strict protocols to ensure data integrity. In FY 2024, IRS-CI's team has

responded to approximately 700 requests and seized 1.47 petabytes of data from over 3,000 computer devices in support of investigations.

In the Michael J. Miske Jr. investigation, an IRS-CI digital forensics special agent analyzed terabytes of data, including hundreds of emails, and conducted extensive timeline and metadata analysis to uncover evidence of fraudulent documents that assisted in concealing a racketeering enterprise. An IRS-CI digital forensic special agent testified at trial, which resulted in Miske's conviction for racketeering conspiracy, murder, and 11 other felony charges.

In the Binance investigation, one of the largest cases in the agency's history, digital forensic specialists from around the country participated in search warrants, processed digital evidence, and assisted IRS-CI's Los Angeles-based Western cybercrimes unit to investigate the case. Once again, our digital forensics team played an integral role in the investigation, including the seizure and imaging of a laptop and mobile phone and the review of emails and other digital evidence.

STAFFING

1184 PROFESSIONAL STAFF

2290 SPECIAL AGENTS

3474 TOTAL STAFFING

Protecting Our Financial System

In 1970, the Bank Secrecy Act (BSA) was enacted to fight money laundering in the United States. The BSA authorizes the U.S. Treasury Department to require financial institutions to keep records of cash transactions, to report suspicious activity that may signify crimes such as money laundering, tax evasion, or other criminal activity, and to gather information about their customers to prevent our financial system from being exploited for criminal purposes.

IRS-CI is one of the largest consumers of BSA data each year, and we use that information to identify new investigative leads and to uncovering previously unknown assets or bank accounts in current cases.

Circumventing BSA regulations allows criminals to disguise proceeds from their criminal activities or to commit tax evasion. We help secure the nation's financial system by holding individuals accountable for intentionally violating BSA regulations. A business owner was convicted in July 2024 for a multi-year scheme, where he operated an unlicensed money services business out of a lumber company. He earned millions by cashing "off-the-books" payroll checks for employees. These "customers" paid a higher fee knowing he would not file the appropriate reports with FinCEN, which would allow their activities to go unnoticed.

Casinos are also subject to many of the same provisions under the BSA. The former president of MGM Grand Casino in Las Vegas pleaded guilty and was sentenced for violating the BSA after allowing a casino patron to gamble with illicit proceeds from an illegal bookmaking business. The casino executive not only turned a blind eye to the laundering of these proceeds, but he authorized numerous complimentary benefits, including meals, free lodging, and golf trips with senior executives, where he solicited new customers for his illegal gambling business.

The MGM Grand and The Cosmopolitan casinos also entered settlement agreements with the Department of Justice to resolve the allegations of money laundering and violations of the BSA. Each casino accepted responsibility for the laundering of these illicit funds, totaling over $4 million at the MGM Grand and $900,000 at The Cosmopolitan. The casinos admitted to failing to properly file BSA reports, agreed to pay a combined $7.45 million fine.

We participate in Suspicious Activity Report Review Teams and Financial Crimes Task Forces in 92 federal judicial districts. Through these efforts, IRS-CI special agents and investigative analysts collaborate with federal, state, and local law enforcement partners across the country to identify and investigate financial crimes. In FY 2024, at least 440 investigations originated as a lead from BSA data.

Combatting CARES Act Fraud

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide emergency financial assistance to Americans affected by the economic impact of the COVID-19 pandemic. Criminals saw the CARES Act as an opportunity to defraud the government by submitting false claims. IRS-CI has dedicated extensive resources to fighting this fraud since the early days of the pandemic.

A relatively new area of concern arose in 2023 when fraudsters turned their attention to the Employee Retention Credit (ERC). This credit is a refundable tax credit for businesses who continued to pay employees while being shut down due to lockdowns and other restrictions. The ERC became a target for scammers, who used aggressive marketing tactics and falsely touted they were tax credit experts to entice individuals and businesses to file for the credit.

In 2023, tax professionals and IRS personnel noticed an extremely high rate of improper ERC claims being filed. Third-party ERC promoters provided taxpayers with misinformation about the program and their businesses' ability to meet the qualification criteria. However, the promoters did not evaluate the businesses' eligibility and merely filed the additional ERC claims to gain a profit by charging fees related to those claims. As a result, ERC fraud victims risked having their claims denied or being faced with repaying the credit.

In September 2023, the IRS announced a moratorium on the processing of new ERC claims due to unprecedented fraud. This allowed the agency to implement stricter compliance reviews and audits. The IRS began processing ERC claims once again in August 2024 and has identified 50,000 valid ERC claims, which are being processed for payment.

In FY 2024, IRS-CI initiated 493 investigations involving more than $5.5 billion of potentially fraudulent ERCs related to tax years 2020, 2021, 2022, and 2023. Of these investigations, 42 have resulted in federal charges to date.

Bradford Fishback, of St. George, Utah was sentenced in May 2024 to 29 months in prison for wire fraud, money laundering, and filing false claims. He was ordered to pay more than $685,000 in restitution. The business owner submitted 22 false Forms 941, Employer's Quarterly Federal Tax Returns, and received over $480,000 from the IRS. Lonnise Andrews, from Macon, Georgia, was sentenced in January 2024 to serve 51 months in prison and to pay restitution to the IRS of $331,758 for filing false claims with the IRS.

CI continues to pursue criminals who stole CARES Act funds by exploiting the Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL).

Unraveling Billion-Dollar Abusive Tax Shelters

An abusive tax scheme can undermine the integrity of the U.S. tax system. These schemes often start with a legitimate tax-planning strategy but are then distorted by a promoter to offer benefits that are too good to be true.

The IRS is actively working to combat abusive tax schemes, including pursuing criminal prosecution against those involved.

In the Tax Reform Act of 1976, a provision was passed in the tax code that allowed land owners to deduct the value of a donated easement from their federal income taxes. This act recognized the importance of incentivizing private land conservation, commonly referred to as conservation easements. A conservation easement is a voluntary legal agreement between a land owner and a conservation organization or government entity that restricts certain land uses to protect its natural scenic or agricultural values. While the land owner retains ownership, the easement places a permanent or long-term limit on the activity, like development or industrial use, to ensure the land is preserved for conservation purposes. In exchange, the land owner may receive tax benefits, and the easement holder is responsible for monitoring and enforcing the agreement. The tax deductions are based on the difference between the land value before and after the easement was placed, reflecting the land's reduced development potential.

A conservation easement becomes syndicated when it is part of a structured investment designed to allow multiple investors to purchase interest in the land with the primary goal of taking advantage of the tax deduction associated with donating the easement. In abusive arrangements, promoters are syndicating easement transactions that purport to give an investor the opportunity to claim charitable contribution deductions and corresponding tax savings that significantly exceed the amount the investor invested.

In 2022, the SECURE 2.0 Act was passed, which introduced significant changes to conservation easements by targeting abuses in syndicated conservation easement transactions. These changes aim to prevent fraud, ensuring that conservation easements serve legitimate environmental purposes rather than functioning as tax shelters for investors.

In January 2024, Jack Fisher, a certified public accountant (CPA), and James Sinnott, an attorney, were sentenced to 25 years and 23 years in prison, respectively, for their roles in a syndicated conservation easement tax scheme. For more than a decade, Fisher and Sinnott designed, marketed, and sold more than $1.3 billion in abusive syndicated conservation easement tax shelters. They inflated the value of the easements so their clients could claim fraudulently inflated tax deductions, which resulted in over $450 million in tax losses to the IRS. Fisher and Sinnott were convicted of conspiracy to defraud the United States, conspiracy to commit wire fraud, aiding and assisting the filing of false tax returns, and subscribing to false tax returns arising out of their fraudulent tax shelter scheme related to syndicated conservation easements. To date, at least seven additional defendants have pleaded guilty to criminal conduct related to Fisher's syndicated conservation easement tax shelters.

The appraisers also serve as key components in these schemes. Walter "Terry" Douglas Roberts II, a licensed appraiser in North Carolina, inflated the values of at least 18 conservation easements by not following normal appraisal methods, making false statements, and either personally manipulating or relying on knowingly manipulated data to reach a targeted appraisal value, resulting in the desired tax deduction amount. Roberts admitted he inflated some of his appraisals by at least 600%. The inflated appraisals for these 18 conversation easements resulted in more than $466 million in tax deductions and a tax loss to the IRS of over $129 million.

Safeguarding Our National Security

IRS-CI plays a significant role in combating both domestic and international terrorism. IRS-CI's Narcotics and National Security Section collaborates with federal law enforcement partners to identify, disrupt, deter, and defeat terrorism, espionage, and other intelligence activities undertaken on behalf of our nation's adversaries. We play a critical role in the national security of our nation through our participation in the National Joint Terrorism Task Force and the National Counterintelligence Task Force.

In January 2024, U.S. Navy service member Petty Officer Wenheng Zhao was sentenced to 27 months in prison for transmitting sensitive U.S. military information to an intelligence office of the People's Republic of China in exchange for bribery payments. Zhao worked at Naval Base Ventura County in Port Hueneme, California. Between August 2021 through May 2023, Zhao received payments in exchange for sensitive, non-public information regarding U.S. Navy operational security and critical infrastructure.

An IRS-CI investigation led to the indictment of Jason Brown who pleaded guilty in December 2023 to trafficking fentanyl and other drugs in an attempt to support the Islamic State of Iraq and al-Sham, aka ISIS. According to Brown's plea agreement, on at least three occasions, Brown provided cash to be wired to an ISIS soldier engaged in terrorist activity in Syria. Unbeknownst to Brown, the purported ISIS fighter was actually an undercover law enforcement officer.

In December 2023, Johnny Paul Tourino was sentenced to 18 months in prison and ordered to forfeit approximately $2 million. Tourino conspired to procure and illegally ship high-end computer servers from the United States to Iran, in violation of the International Emergency Economics Powers Act (IEEPA) and U.S. sanctions against Iran. When the manufacturer of the servers asked Tourino where he planned to send the servers, he falsely stated they were "NOT going to Iran" and that they were destined for a bank in Africa. When the Department of Treasury blocked funds from Iran that Tourino used to pay for the servers, he falsely conveyed to government officials that the servers were destined for Slovenia.

Judy Grace Sellers, a self-proclaimed sovereign citizen, was sentenced to nine years in prison for a $3.4 million tax fraud scheme, filing a false lien, and absconding. Sellers operated the website commercialredemption.com, where she promoted the use of IRS Forms 1099-OID to commit tax fraud. Sellers falsely purported that the U.S. Treasury maintains secret accounts attributed to every U.S. citizen that can be accessed by completing a series of bogus documents, including IRS Forms 1099. These fraudulent returns sought massive refunds based on non-existent 1099-OID income and withholdings.

Preserving Public Trust

Trust in those in public service is essential to our democracy. It is the comfort that no matter what position of power an individual might hold, no one is above the law. When someone in a public position is bribed, receives kickbacks, or embezzles funds, all taxpayers lose. Whether the position is at the local, state, or federal level, individuals in public service are accountable to the American public, and IRS-CI ensures those who abuse their power by committing financial crimes are brought to justice.

When political figures violate the law, it erodes the public's faith in the electoral process. IRS-CI investigations resulted in the conviction of Senator Robert Menendez for corruption and bribery offenses, former Congressman George Santos pleading guilty to filing fraudulent Federal Election Commission (FEC) reports and embezzling funds from campaign donors, and Abhijit Das, a candidate for the U.S. House of Representatives, receiving 21 months in prison. Individuals contributed approximately $125,000 to Das campaign, he structured the contributions as personal loans to a family member to circumvent FEC reporting requirement and contribution limits.
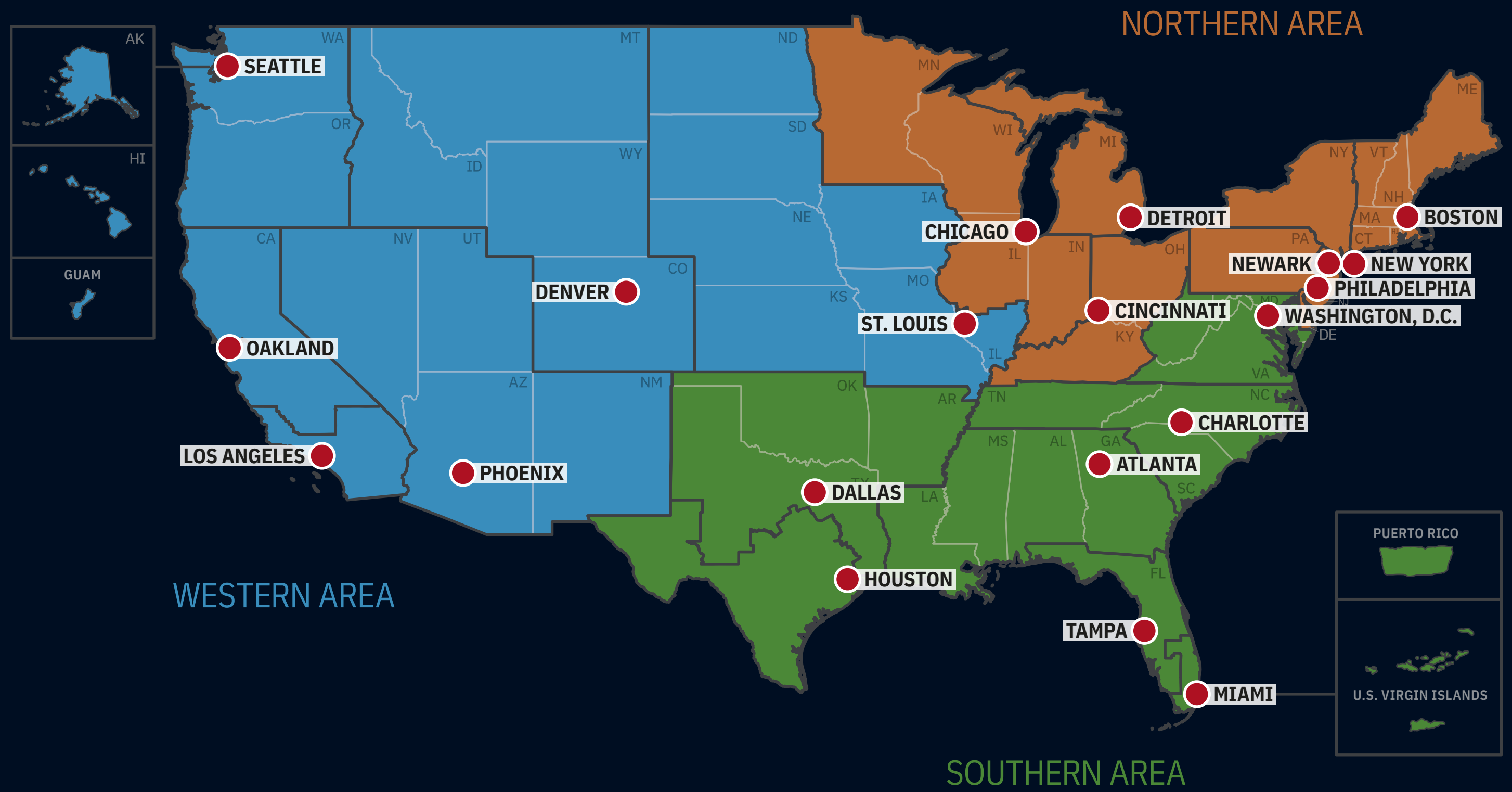
Unfortunately, corruption is not limited to national political positions and can happen in any community. For years, former Los Angeles City Council member José Luis Huizar abused his position to operate a pay-to-play scheme that sought nearly $2 million worth of bribes from real estate developers; he was sentenced to 156 months in prison. A former city of Newark official, who served as deputy mayor, also admitted to violating his duties by accepting bribes to advance and influence private real estate interests.

IRS-CI safeguards public trust and the integrity of law enforcement by investigating individuals who swore to uphold the law but instead violated it. A jury found a rogue Homeland Security Investigations agent guilty of tax fraud, structuring, and concealment offenses and sentenced him to 74 months in prison. A former Massachusetts State Police lieutenant Daniel J. Griffin was sentenced to five years for conspiring to steal thousands of dollars in federally funded overtime and hiding over $700,000 of his revenue from his security business from the IRS. Griffin made and approved false entries on forms and other documentation to conceal and perpetuate the fraud. A former New York state trooper and president of the Law Enforcement Employees Benevolent Association (LEEBA) was sentenced to 40 months in prison for an embezzlement fraud scheme, personal income tax evasion, and employment tax fraud. For at least eight years, he participated in a scheme to steal, embezzle, and misappropriate money from the Annuity Fund and individual members' retirement accounts.

Public trust positions were created to serve the public, not defraud or dishearten the public's confidence in the government. IRS-CI is uniquely qualified to investigate corruption of all types, because, at its core, corruption is a crime of greed, often involving bribery, extortion, embezzlement, kickbacks, tax fraud, and money laundering.

Field Office Map

Click on a city to go to that Field Office.

NORTHERN AREA

WESTERN AREA

SOUTHERN AREA

SEATTLE
OAKLAND
LOS ANGELES
PHOENIX
DENVER
ST. LOUIS
DALLAS
HOUSTON
CHICAGO
DETROIT
BOSTON
NEWARK
NEW YORK
PHILADELPHIA
CINCINNATI
WASHINGTON, D.C.
CHARLOTTE
ATLANTA
TAMPA
MIAMI

AK
HI
GUAM
PUERTO RICO
U.S. VIRGIN ISLANDS

Denver

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THE DENVER FIELD OFFICE covers a vast and diverse area encompassing approximately 432,500 square miles that includes the states of Colorado, Idaho, Montana, and Wyoming. Our special agents are based in twelve cities throughout the region and specialize in investigating sophisticated financial crimes involving evading federal income or payroll taxes, money laundering, and COVID-19 relief scams. Denver Field Office special agents focus on financial crimes in our region and lead investigations all over the world. When other law enforcement agencies identify any financial aspect of an investigation, they rely on our agents' unmatched financial investigative expertise to present the most thorough investigation possible to federal prosecutors. These investigations often involve the Organized Crime Drug Enforcement Task Forces (OCDETF) and lead to dismantling drug operations by disrupting the flow of money throughout the organization. Denver's team also includes our professional staff who provide critical support to our investigations.

📷 **View FO Photo Gallery**

Husband and Wife Sentenced for Defrauding an Elderly Victim and Obstruction of Justice

Between 2015 and 2017, James Dougherty and his wife, Jessica Dougherty, engaged in a scheme to defraud an elderly victim. In early 2015, the Doughertys moved into a building on their victim's 46-acre ranch in Boise, Idaho, to provide assistance in exchange for free rent. Over time, James gained control of the victim's affairs, including being named as the victim's power of attorney for finances. Shortly after obtaining power of attorney privileges, the ranch was transferred to the Doughertys through a trust. In late 2015, the victim's health deteriorated. When the victim was declared incapacitated, James was appointed sole trustee of the trust. In 2015 and 2016, the Doughertys began to transfer funds from the victim's bank accounts for their own use. In 2017, the Doughertys entered into an agreement to purchase the ranch from the trust for far less than market value, which James executed as trustee. During the investigation, Jessica admitted to knowingly destroying records on a laptop that were relevant to the investigation. In August 2024, James was sentenced to 41 months in prison for wire fraud involving a scheme to defraud an elderly victim, and Jessica was sentenced to three years of probation for obstruction of justice.

Learn more about this case.

Final Conspirator in Drug Trafficking Operation Sentenced to Over 15 Years in Prison

While incarcerated for other illegal activity, Michael Osborn, of Boise, Idaho, used a contraband cell phone to communicate with members of a conspiracy to purchase and distribute "bath salts," also known as alpha-pyrrolidinohexanophenone (a-PHP). From October 2019 to March 2021, Osborn's co-conspirators received shipments containing the drugs from outside the United States and converted the profits to bitcoin to conceal the nature and source of the proceeds. During the investigation, the government seized a bitcoin wallet valued at approximately $280,000. In 2023, Osborn was sentenced to 188 months in prison and three years of supervised release and was ordered to forfeit the seized bitcoin wallet. Osborn's co-conspirators received a collective sentence of 16 years and four months.

Learn more about this case.

Denver Man Conspired to Commit COVID Fraud

Between March and October 2020, Chandler Simbeck conspired with Russell Foremen to submit loan applications with false information to the Small Business Administration (SBA) for himself and various businesses. Soon after, Simbeck and Foreman created a limited liability company and applied for an Economic Injury Disaster Loan (EIDL). However, the company never engaged in any business activity. On the loan applications, the duo submitted fraudulent figures for the gross revenue and cost of goods sold. After Simbeck received $149,900 from the EIDL application, he wired $50,000 to Foreman. In December 2023, Simbeck was sentenced to 37 months in prison and was ordered to pay $151,000 in restitution for his role in a conspiracy to defraud the U.S. government. Earlier in 2023, Foreman was sentenced to 66 months in prison for a similar scheme involving falsified COVID relief applications.

Learn more about this case.

Owner of Online Luxury Baby Boutique Sentenced to 90 Months for Defrauding COVID-19 Relief Programs

Shambrica Washington, owner of Tiny Toes and Tiaras based in Colorado Springs, obtained loans from the Small Business Administration for two Economic Injury Disaster Loans (EIDL) and two Paycheck Protection Program (PPP) loans for a total of $485,749.00 between March of 2020 and July of 2020. To obtain the fraudulent loans, Washington misrepresented how many people were employed by her business and the business's wages, revenues, and costs of operation. She used the funds to purchase a car and a custom-built home, to pay for elective surgery, and to pay credit card debt and other bills. She then applied for millions of dollars in additional loans, grants, and tax credits, including by applying for advance tax credits from the IRS and a $6 million grant through a Small Business Administration program intended for shuttered concert venues. Washington was found guilty by a federal jury on 31 counts including wire fraud, bank fraud, money laundering, and false claims offenses. She was sentenced to 90 months in federal prison followed by three years of supervised release and ordered to pay $542.924.45 in restitution.

Learn more about this case.

Former Farm Foreman Sentenced to Federal Prison for Extorting Agricultural Workers and Tax Fraud

Ernesto Garza worked as a supervisor and foremen for farm workers at an agricultural services company that operates throughout Idaho. While serving as the supervisor, he prepared and submitted timesheets for the workers but regularly falsified those timesheets by adding extra hours and asked the workers to return cash to him for the extra hours. Between at least 2014 and 2019, Garza also charged the workers an unauthorized flat fee ranging from $750 to $2,500 to work for the company. Between 2013 and 2019, Garza also deposited approximately $493,153 in unreported income into his personal bank accounts. The income was derived from the extortion described above, as well as a separate scheme to defraud the farm. Garza filed false tax returns for the years 2013 through 2019, when he did not disclose the additional income on the returns. Garza was sentenced to 27 months in federal prison and was ordered to pay $621,724 in restitution to his many victims.

Learn more about this case.

Western Area

COLORADO: Colorado Springs, Denver, Durango, Fort Collins, Grand Junction, Westminster | **IDAHO:** Boise, Coeur D'alene | **MONTANA:** Billings, Helena, Missoula | **WYOMING:** Cheyenne

2024 | IRS-CI ANNUAL REPORT 🏠 🕐 💁 📄 **20**

Denver

DenverFieldOffice@ci.irs.gov

THE DENVER FIELD OFFICE covers a vast and diverse area encompassing approximately 432,500 square miles that includes the states of Colorado, Idaho, Montana, and Wyoming. Our special agents are based in twelve cities throughout the region and specialize in investigating sophisticated financial crimes involving evading federal income or payroll taxes, money laundering, and COVID-19 relief scams. Denver Field Office special agents focus on financial crimes in our region and lead investigations all over the world. When other law enforcement agencies identify any financial aspect of an investigation, they rely on our agents' unmatched financial investigative expertise to present the most thorough investigation possible to federal prosecutors. These investigations often involve the Organized Crime Drug Enforcement Task Forces (OCDETF) and lead to dismantling drug operations by disrupting the flow of money throughout the organization. Denver's team also includes our professional staff who provide critical support to our investigations.

📁 **View FO Cases**

Western Area

Denver field office members participate in career fair.

Assistant Special Agent in Charge interviewed for a television broadcast.

Special agents conduct firearms training.

Denver field office holds Citizen Academy for students.

Members of Denver field office at annual training.

COLORADO: Colorado Springs, Denver, Durango, Fort Collins, Grand Junction, Westminster | **IDAHO:** Boise, Coeur D'alene | **MONTANA:** Billings, Helena, Missoula | **WYOMING:** Cheyenne

Los Angeles

LosAngelesFieldOffice@ci.irs.gov

THE LOS ANGELES FIELD OFFICE is the nation's largest field office by population serving nearly 24 million people, stretching over nine counties from San Luis Obispo to the border between United States and Mexico. The Los Angeles Field Office covers two judicial districts in California, the Central and the Southern Judicial Districts. The Los Angeles Field Office works a diverse mix of financial investigations across this geographic area, including cybercrime, international tax fraud, identity theft, public corruption, and Bank Secrecy Act violations. We play crucial roles in the U.S. Attorney's priority task forces, including JTTF and OCDETF.

📷 View FO Photo Gallery

Orange County Heroin Home-Delivery Orchestrators Sentenced to 24 Years

From 2003 through July 2021, brothers Victor and Julio Martinez masterminded a complex drug trafficking operation supplying primarily heroin to customers in Orange County, which resulted in at least one user's death. To mask their operations, the brothers operated call centers customers could call to coordinate meetings with a street dealer to exchange cash for narcotics. To further conceal their activities, the Martinez brothers directed others to deposit drug proceeds into bank accounts held by co-conspirators with specific instructions to structure deposits at various banks in amounts less than $10,000 to evade the banks' federal reporting requirements. Victor and Julio Martinez each plead guilty to one count of conspiracy to distribute heroin. In December 2023, each of the Martinez brothers was sentenced to 288 months in prison. This case was part of an Organized Crime Drug Enforcement Task Force (OCDETF) investigation targeting all levels of the international drug trafficking organization led by the Martinez brothers.

Learn more about this case.

Granada Hills Man Sentenced to 17½ Years for COVID Related Benefits Scam and Stealing Dozens of Car Titles

From 2020 to September 2022, Eduard Gasparyan stole dozens of identities to fraudulently obtain more than $1.5 million in COVID-19 related unemployment insurance benefits from the California Employment Development Department (EDD) and used debit cards to withdraw the fraudulently obtained benefits at ATMs. Gasparyan used those same stolen identities to steal dozens of vehicle titles and to purchase vehicles with fraudulent checks or bank account numbers. Gasparyan also stole vehicles by using stolen identities to rent the vehicles and later used forged documents to convince DMV employees to remove the rental car companies as the registered owners.

Gasparyan pleaded guilty to one count of conspiracy to commit wire fraud and was sentenced in February 2024 to 210 months in prison and was ordered to pay $2,232,767 in restitution. His co-conspirator and then-fiancée, Angela Karchyan, was sentenced in February 2023 to 41 months in prison and ordered to pay restitution of the same amount.

Learn more about this case.

Former Malibu Resident Receives 15½ Years for Running Fraudulent Investment Scheme

From November 2013 to April 2015, Frank Harold Rosenthal, formerly of Malibu but most recently of New York City, lured victims into a fraudulent investment opportunity, accumulating more than $3 million from trusting investors. Rosenthal convinced his victims he had inside connections at Goldman Sachs that provided him special access to purchase shares of Alibaba, a Chinese e-commerce company, at a discount before its initial public offering. Rosenthal negotiated and drafted fraudulent loan agreements and promissory notes with the victims, promising significant returns on their loans and investments. Instead of delivering on his promises, Rosenthal used his victims' investments to fund a lavish lifestyle, which included the $16,000 monthly rent of a Malibu home. Rosenthal pleaded guilty to two counts of wire fraud, and he was sentenced in November 2023 to 188 months in prison and ordered to pay $1,182,500 in restitution to his victims.

Learn more about this case.

Westwood Man Sentenced to More Than 9 Years in Prison for Long-Running Surety Bond Scam

From September 2016 to September 2019, Tommy Lester Watts of Westwood defrauded victims out of more than $5 million by claiming he could provide surety bonds and other financial guarantees for large-scale projects. Watts convinced victims that he could help them obtain financing for their projects via his various companies, including the Sherman Oaks-based Source One Surety LLC. Watts falsely claimed the bonds or guarantees were underwritten by well-known companies and banks and were backed by assets in the millions or billions of dollars. Neither Watts nor any of his companies were licensed to sell such bonds in California. He laundered the proceeds through accounts in the names of unregistered corporations and fake taxpayer identification numbers. He spent his falsely obtained proceeds on a lavish lifestyle, including classic and luxury cars, rent for high-end apartments, and the purchase of luxury retail goods. Watts pleaded guilty to one count of transactional money laundering and one count of tax evasion. In November 2023, he was sentenced to 110 months in prison and was ordered to pay $8,995,879 in restitution, $4,226,535 of which is to the IRS.

Learn more about this case.

Binance CEO Plead Guilty to Federal Charges, Agreed to $4 Billion Resolution

Binance Holdings Limited, the entity that operates the world's largest cryptocurrency exchange, Binance.com, admitted in November 2023 to violations of U.S. anti-money laundering and sanctions laws that protect American national security and the integrity of the international financial system. Binance willfully operated as an unregistered money services business in an attempt to skirt Financial Crimes Enforcement Network (FinCEN) requirements to submit suspicious activity reports on questionable transactions. Between August 2017 and October 2022, Binance executed more than 1.67 million virtual currency trades on its Binance.com platform between U.S. citizens, users in sanctioned jurisdictions, and blocked users. As part of the plea agreement, Binance agreed to forfeit $2,510,650,588 and to pay a criminal fine of $1,805,475,575 for a total financial penalty of $4,316,126,163. In addition to the financial resolution, Binance's founder and chief executive officer, Changpeng Zhao, a Canadian national, pleaded guilty to failing to maintain an effective anti-money laundering program. Zhao resigned as Binance's CEO and was sentenced to four months in prison.

Learn more about this case.

Western Area

CALIFORNIA: Camarillo, El Monte, Laguna Niguel, Long Beach, Los Angeles, San Bernardino, San Diego, San Marcos, Santa Ana, Santa Maria, Van Nuys

X

Los Angeles

LosAngelesFieldOffice@ci.irs.gov

THE LOS ANGELES FIELD OFFICE is the nation's largest field office by population serving nearly 24 million people, stretching over nine counties from San Luis Obispo to the border between United States and Mexico. The Los Angeles Field Office covers two judicial districts in California, the Central and the Southern Judicial Districts. The Los Angeles Field Office works a diverse mix of financial investigations across this geographic area, including cybercrime, international tax fraud, identity theft, public corruption, and Bank Secrecy Act violations. We play crucial roles in the U.S. Attorney's priority task forces, including JTTF and OCDETF.

📁 **View FO Cases**

Special agent removes hard drive during search warrant.

Special agent participates in Baker to Vegas law enforcement race.

Special agent presents at Cybersecurity Summit.
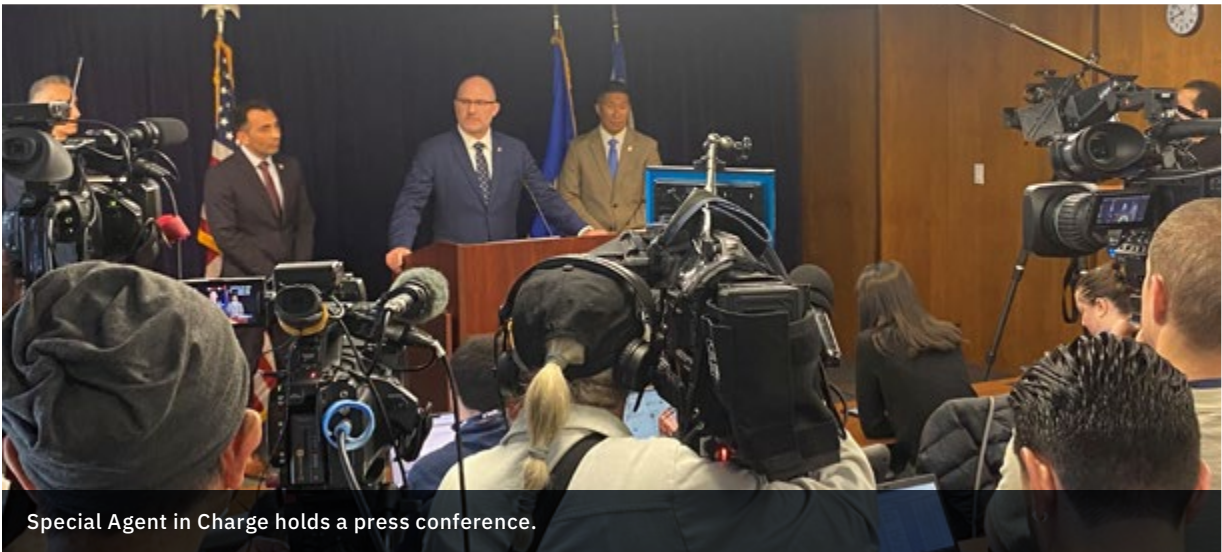
Special Agent in Charge holds a press conference.
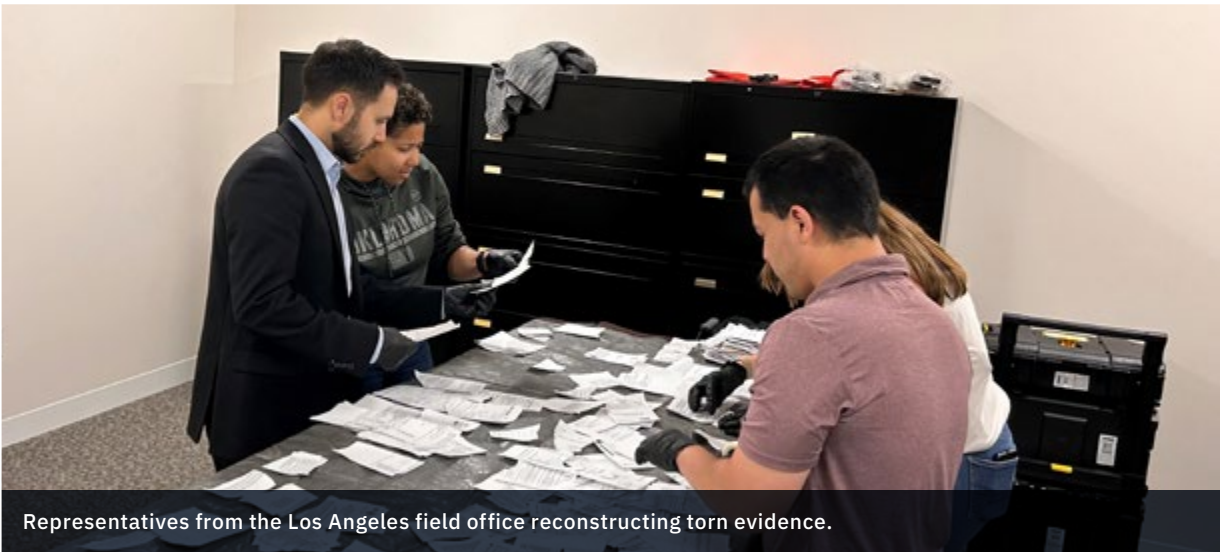
Representatives from the Los Angeles field office reconstructing torn evidence.

Western Area

CALIFORNIA: Camarillo, El Monte, Laguna Niguel, Long Beach, Los Angeles, San Bernardino, San Diego, San Marcos, Santa Ana, Santa Maria, Van Nuys

Oakland

OaklandFieldOffice@ci.irs.gov

THE OAKLAND FIELD OFFICE is responsible for covering the Northern and Eastern Judicial Districts of California, which is more than half of the state of sunny California. Nine posts of duty cover territory from the west coastline to the Sierra mountains and from the Oregon border all the way down to Bakersfield, CA. The Oakland Field Office is proud to represent IRS-CI as the leading agency in financial crimes in Northern California. Tax fraud is a top priority, but the field office also partners with other federal law enforcement agencies in tackling financial crimes, including money laundering and high-profile public corruption cases. Oakland Field Office special agents maintain a strong working relationship with the U.S. Attorneys' Offices and are involved in local task forces, including OCDETF, JTTF, cybercrimes, and public corruption. Some of the top IRS-CI cases are investigated by special agents from the Oakland Field Office.

View FO Photo Gallery

CEO Sentenced to 17 Years in Prison for COVID-19 Related Fraud and Other Offenses

Attila Colar is the former chief executive officer of All Hands on Deck, a Richmond, California, company that held itself out as providing a residential reentry home for probationers, parolees, homeless persons, and those with mild mental illness. During the investigative years, Colar went by several names, including Dahood Sharieff Bey, Sharieff Pasha, David Lee, and Georgi Petrakov. Colar engaged in multiple schemes to defraud, including defrauding organizations that placed residents at his company's transitional housing facilities and defrauding several lenders that were participating in the Paycheck Protection Program (PPP). Starting in late 2018, Colar fraudulently induced companies to refer parolees to his company using false documents. He also filed 16 fraudulent loan applications with lenders seeking over $34 million in government funding. Colar was convicted on 44 felony charges relating to his actions, including conspiracy, bank fraud, and aggravated identity theft. In October 2023, he was sentenced to 204 months in prison and five years of supervised release and was ordered to pay nearly $1.2 million in restitution.

Learn more about this case.

Company President and Former Counsel Sentenced to Prison for Conspiracy and Tax Fraud

From 2009 to 2015, Joseph Nubla, president of Brisbane Recycling Company, a rock-crushing business in Brisbane, California, and Henry Ku, the company's former counsel, devised a check-writing scheme to avoid paying corporate income taxes. Ku owned separate companies that were also involved in the conspiracy. Nubla tried to dodge taxes by writing checks to Ku totaling more than $18 million and then deducting the checks as false deductions on Brisbane's corporate returns. Nubla then instructed Ku to return the money to him personally in various ways, including money transfers, purchasing three homes for Nubla, and by writing Nubla cashier's checks totaling

$7 million. In 2014 alone, Nubla failed to report more than $5.8 million in income on his federal income tax return. In November 2023, Nubla was convicted of conspiracy to defraud the United States and one count of tax evasion. He was sentenced to 36 months in prison. Ku was also convicted of conspiracy and was sentenced to 30 months in prison.

Learn more about this case.

Dark Web Vendor Sentenced to Eighteen Months in Prison for Distributing Methamphetamine-Pressed Adderall Pills

Tony Tan, of San Francisco, operated a dark web vendor site, Adderall123, where he sold counterfeit Adderall pills laced with methamphetamine throughout the United States. The counterfeit Adderall pills were created and stamped in such a way as to mirror legitimate Adderall pills. Over the years, Tan operated Adderall123 on numerous dark web marketplaces, including Empire, ASAP, White House Market, and Torrez. Tan executed thousands of sales of the counterfeit Adderall pills in various quantities and distributed the drugs using the U.S. Postal Service. Tan was charged in March 2023 and plead guilty, acknowledging the extensive scale of his operation, which included thousands of sales across multiple dark web marketplaces. In January 2024, Tan was sentenced to 18 months in prison and three years of supervised release. He was ordered to forfeit $17,744 in currency and various cryptocurrencies.

Learn more about this case.

Former San Francisco Resident Sentenced to 4 Years in Prison for Cryptocurrency Fraud Scheme

William Koo Ichioka, formerly of San Francisco and New York, operated under the name "Ichioka Ventures" and conducted a fraud scheme where he falsely promised investors 10% in returns every 30 business days. However, instead of using the

funds as promised, he used their funds for luxury purchases and expenses and to repay earlier investors. He fraudulently raised tens of millions of dollars from over 100 persons and entities. He admitted to sustaining losses, doctoring financial documents, and failing to report income to the IRS. In January 2024, Ichioka was sentenced to 48 months in prison and fined $5 million for his involvement in the scheme, which primarily involved cryptocurrencies and other investment vehicles. Additionally, he was ordered to pay over $21 million in restitution to non-family investors and more than $40 million to his family members.

Learn more about this case.

Former Hospitality Manager Sentenced to Over 5 Years Prison for Kickback Scheme and Tax Evasion

Geoffrey Palermo, a former hospitality executive, worked as a manager of a Hilton hotel in San Francisco. While there, he devised a kickback scheme with contractors that inflated invoices and deprived the hotel owners of $1.8 million, which went to Palermo. After leaving the hotel, he managed an auto repair business and obtained fraudulent Small Business Administration loans by falsifying financial information. He also admitted to withholding over $1 million in taxes from employee paychecks that were never paid to the IRS. Palermo was sentenced to 65 months in prison for wire fraud, failing to pay taxes, and other charges related to the kickback scheme and fraudulent loan applications. In addition to his prison sentence, Palermo will serve three years of supervised release, with a hearing scheduled for restitution and forfeiture.

Learn more about this case.

Western Area

CALIFORNIA: Fresno, Modesto, Oakland, Sacramento, San Francisco, San Jose, San Rafael, Santa Rosa, Stockton
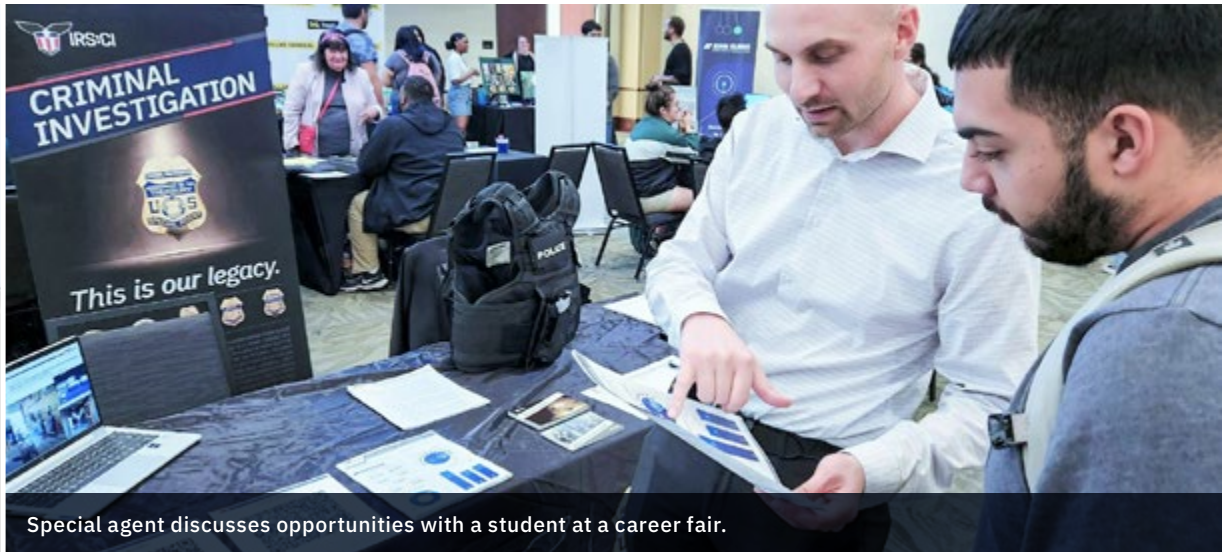
Oakland

OaklandFieldOffice@ci.irs.gov

THE OAKLAND FIELD OFFICE is responsible for covering the Northern and Eastern Judicial Districts of California, which is more than half of the state of sunny California. Nine posts of duty cover territory from the west coastline to the Sierra mountains and from the Oregon border all the way down to Bakersfield, CA. The Oakland Field Office is proud to represent IRS-CI as the leading agency in financial crimes in Northern California. Tax fraud is a top priority, but the field office also partners with other federal law enforcement agencies in tackling financial crimes, including money laundering and high-profile public corruption cases. Oakland Field Office special agents maintain a strong working relationship with the U.S. Attorneys' Offices and are involved in local task forces, including OCDETF, JTTF, cybercrimes, and public corruption. Some of the top IRS-CI cases are investigated by special agents from the Oakland Field Office.

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Western Area

Special agents conduct a search warrant.

Acting Assistant Special Agent in Charge makes remarks during press conference.

Special agent discusses opportunities with a student at a career fair.

Oakland field office member competes in the annual law enforcement Baker to Vegas race.

Special agents seize a vehicle as part of an investigation.

CALIFORNIA: Fresno, Modesto, Oakland, Sacramento, San Francisco, San Jose, San Rafael, Santa Rosa, Stockton

Phoenix

PhoenixFieldOffice@ci.irs.gov

THE PHOENIX FIELD OFFICE covers the southwestern states of Arizona, Nevada, New Mexico, and Utah. The office covers a vast geographic area that stretches from the Sierra Nevada Mountains in the west to the Rockies in the east. From the Grand Canyon of Arizona to the bright lights of Las Vegas, the Phoenix Field Office identifies and investigates a wide variety of complex financial crimes. The office's special agents investigate both legal and illegal source tax crimes, including cases with an international nexus. The office also operates multiple financial crimes task forces. Located on the border of the United States and Mexico, the office provides significant participation in high level OCDETF cases.

📷 **View FO Photo Gallery**

Leader Of Drug Trafficking Organization Sentenced to 15 Years in Prison

Peter Vega, of Rio Rico, Arizona, was the leader of a drug trafficking organization that distributed methamphetamine and fentanyl throughout the United States. Vega coordinated the shipment of methamphetamine and fentanyl from Arizona to the eastern United States using the U.S. Postal Service. Vega then coordinated the laundering of the drug proceeds by funneling money through multiple bank accounts held by third parties. After he was indicted, Vega fled to Mexico, where he was subsequently apprehended and extradited back to the United States to face charges. In June 2024, Vega was sentenced to 180 months in prison followed by five years of supervised release for possession with intent to distribute fentanyl, conspiracy to possess with intent to distribute methamphetamine, and conspiracy to launder a monetary instrument.

Learn more about this case.

Investment Advisor behind $8 Million Fraud Scheme Lands 8-Year Prison Sentence

David Allen Harbour, of Scottsdale, Arizona, acted as a self-styled investment advisor who defrauded numerous victims between 2007 and 2021. Unbeknownst to the victims, Harbour intentionally misled investors regarding the application of their investment funds and charged finder's fees up to 25 percent of the investments. Harbour stole over $8 million throughout the course of this scheme by luring his victims in with the lavish lifestyle of a successful businessman and by showering potential investors with gifts and travel opportunities. The stolen money was diverted to fund Harbour's lavish lifestyle, which continued to lure in more potential investors. Extravagant expenditures included private jet travel, speedboats, attending the London Olympics, stays at luxury hotels, expensive jewelry, a private 40th birthday concert by the Eagles, country club memberships, and multi-million-dollar residences in Arizona, Idaho, and Mexico.

Harbour also pleaded guilty to tax evasion, agreeing he evaded more than $4 million in taxes. In January 2024, Harbour was sentenced to eight years in prison for wire fraud, transactional money laundering, and tax evasion. The judge increased Harbour's sentence due to his efforts to pay off witnesses.

Learn more about this case.

Nevada Restauranteur Sentenced to Over 3 Years in Prison for Tax Evasion

Raul Gil, of Las Vegas, Nevada, owned and operated three Casa Don Juan restaurants. From 2014 through 2018, Gil instructed his manager/internal bookkeeper to underreport cash sales at his restaurants by approximately $5.1 million. Gill then provided these false records to his tax return preparer to prepare a return grossly understating his income. During an IRS audit in July 2018, Gil instructed his accountant and his bookkeeper to provide the false records that matched the figures reported on the tax returns to the IRS. During interviews with the IRS, Gil falsely stated the fabricated daily cash reports and point-of-sale records were accurate. In January 2024, Gil was sentenced to 37 months in prison for skimming $5 million in cash sales and filing false federal income tax returns with an overall tax loss of $1.6 million.

Learn more about this case.

Human Smuggling Organization Leader Sentenced to 4 Years in Prison

Tony Cardenas, of Phoenix, Arizona, was the leader of a Phoenix-based human trafficking organization, moving undocumented noncitizens from Central America and Mexico to the Tohono O'odham Nation. These individuals were then directed to nearby stash houses or taken to stash houses in the Tucson and Phoenix areas. The human smuggling organization used Phoenix as a distribution hub and then held undocumented noncitizens there until final payment was received. Once payments were made, these individuals were driven to their final destinations throughout the United States. A financial investigation by IRS-CI was able to identify numerous coconspirators, who used their bank accounts and money service businesses to channel over $1 million back to the smuggling organization in Arizona. This investigation revealed at least 17 individuals with ties to the Cardenas human smuggling organization that have ultimately been convicted of human trafficking and/or money laundering. In March 2024, Cardenas was sentenced to 48 months in prison followed by three years of supervised release for conspiracy to transport and harbor illegal aliens for profit and conspiracy to commit money laundering.

Learn more about this case.

St. George Businessman Sentenced to Over 2 Years in Prison for COVID-Relief Fraud

Over the course of two years, Bradford Fishback, of St. George, Utah, fraudulently obtained government funds in the amount of $685,845.05 from programs intended to help employees and small businesses during the COVID-19 pandemic. Fishback devised a scheme to defraud and obtain money by fraudulently submitting requests for Employee Retention Tax Credits, which resulted in him receiving $482,058.46 from the IRS. Fishback also fraudulently submitted loan applications to the Small Business Administration (SBA), including Paycheck Protection Program (PPP) loan applications to obtain $77,629 in PPP loans and Economic Injury Disaster Loans (EIDL) applications to obtain $137,573, and he submitted false applications for unemployment benefits to the Nevada Department of Employment, Training, and Rehabilitation, which resulted in him receiving $45,831 in unemployment benefits. In May 2024, Fishback was sentenced to over two years imprisonment followed by three years supervised release and ordered to pay $685,845.05 in restitution for wire fraud, money laundering, and false claims.

Learn more about this case.

Western Area

ARIZONA: Glendale, Mesa, Phoenix, Tucson | **NEVADA:** Las Vegas, Reno | **NEW MEXICO:** Albuquerque, Las Cruces, Santa Fe | **UTAH:** Ogden, Salt Lake City

Phoenix

PhoenixFieldOffice@ci.irs.gov

THE PHOENIX FIELD OFFICE covers the southwestern states of Arizona, Nevada, New Mexico, and Utah. The office covers a vast geographic area that stretches from the Sierra Nevada Mountains in the west to the Rockies in the east. From the Grand Canyon of Arizona to the bright lights of Las Vegas, the Phoenix Field Office identifies and investigates a wide variety of complex financial crimes. The office's special agents investigate both legal and illegal source tax crimes, including cases with an international nexus. The office also operates multiple financial crimes task forces. Located on the border of the United States and Mexico, the office provides significant participation in high level OCDETF cases.

📁 **View FO Cases**

Special agent at search warrant.

Nevada special agents at Exploration Peak Park.

Western Area Director Field Operations and Acting Assistant Special Agent in Charge participate in FinCEN Exchange.

Arizona special agents hike Camelback Mountain.

Special agents participate in Law Enforcement Torch Run.

Western Area

ARIZONA: Glendale, Mesa, Phoenix, Tucson | **NEVADA:** Las Vegas, Reno | **NEW MEXICO:** Albuquerque, Las Cruces, Santa Fe | **UTAH:** Ogden, Salt Lake City

Seattle

SeattleFieldOffice@ci.irs.gov

THE SEATTLE FIELD OFFICE investigates a wide variety of complex crimes related to domestic and international tax, public corruption, identity theft, cybercrime, and drug-related financial crimes. The Seattle Field Office's area of operation spans four states and two territories: Alaska, Hawaii, Oregon, Washington, Guam, and the Commonwealth of the Northern Mariana Islands. The Seattle Field Office works with U.S. Attorneys' Offices in seven judicial districts in four different time zones (on both sides of the international date line). The field office is privileged to serve a diverse and unique population of taxpayers. Financial investigative expertise, meticulous planning, and determined collaboration allow us to effectively combat all types of financial crime for the benefit of the communities within our geographic area.

View FO Photo Gallery

Former Hawaii Resident Sentenced to Prison for Defrauding Investors of $1.2 Million

Newton Kaleo DeLeon defrauded at least 45 investors throughout Hawaii and California out of approximately $1.2 million. DeLeon solicited money from victim-investors by falsely representing that the money they provided him was for his flower lei business, "leiorders.com." Instead, DeLeon spent the money on his personal expenses, including gambling and luxury items, such as a Chevrolet Tahoe. DeLeon falsely told victim-investors that he needed investment funds to purchase flowers and supplies for lei purchase orders that he had already executed with third parties, including well-known casino hotels in Las Vegas, Nevada. DeLeon provided investors with fictitious and fabricated purchase orders, contracts, and other documents that he created with unauthorized and false branded logos, and he forged signatures to make it appear he had large business lei orders with the third parties. DeLeon was sentenced to 57 months in prison for wire fraud and money laundering.

Learn more about this case.

Korean Air Lines Employee Diverted Millions of Dollars in Bank Fraud and Money Laundering Scheme

Sung Peel Hwang, aka Don Sung Peel Hwang, from the Republic of Korea and a naturalized U.S. citizen, worked as an administrator at the Guam Korean Airlines office. Hwang's duties included reporting the number of passengers and paying the corresponding Passenger Facility Charge (PFC). As part of his scheme, Hwang underreported the PFC and kept the difference for himself. Over the course of the three-year scheme, Hwang deposited over $3.5 million in funds from Korean Air Lines (KAL) into his personal bank account and diverted over $600,000.00 in KAL funds for his personal use. Hwang was sentenced to 41 months in prison and ordered to pay $615,271.51 in restitution for bank fraud and money laundering.

Learn more about this case.

Oregon Repeat Offender Convicted of Human Trafficking and Money Laundering

Johnell Lee Cleveland, of Tigard, Oregon, an individual with a lengthy criminal history, was sentenced to federal prison for transporting an adult victim across state lines for illegal sexual activity and laundering the proceeds through a Portland-based bottled water company. Less than 30 days following his release from prison for prior drug, firearm, and fraud convictions, Cleveland engaged in an insurance fraud scheme. Shortly thereafter, Cleveland conducted other fraudulent activity, including devising a scheme to fraudulently obtain COVID relief program funds. In addition, Cleveland transported an adult woman across state lines for illegal sexual activity, demanding she travel frequently and engage in commercial sex. Meanwhile, Cleveland kept all the money the woman earned and threatened her with various punishments. To conceal and disguise the nature of his victim's proceeds, Cleveland used the money to pay business expenses for a Portland-based bottled water company and a monthly retainer with a modeling agency. Cleveland was sentenced to 108 months in prison followed by seven years of supervised release.

Learn more about this case.

Minnesota Man Sentenced to Over 8 Years in Prison for Tax Fraud Scheme

Beau Gensmer, of Prior Lake, Minnesota, developed a scheme to file 63 false tax returns that claimed fraudulently inflated tax refunds on behalf of unwitting taxpayer clients. In furtherance of his scheme, Gensmer hired two tax returns preparers, including one based in Anchorage, Alaska. Gensmer knowingly emailed the other two preparers false information, including fraudulent business losses and charitable contributions. The return preparers relied on the information he provided and, as a result, prepared and electronically filed false returns for each of his clients. Gensmer charged his clients a commission of approximately 30 percent for each fraudulent refund. In total, Gensmer caused a tax loss to the IRS of approximately $6.7 million. Gensmer was sentenced to 108 months in prison and three years of supervised release, and he was ordered to pay $4,716,732.35 in restitution to the United States for wire fraud and assisting in the preparation of false tax returns.

Learn more about this case.

Payroll Services CEO Sentenced to Prison for Withholding Millions in Payroll Taxes

Robert Kohnle was the president, secretary, and chief executive officer of Real Benefits Group Inc., which conducted business under the name of Aliat. Aliat was a professional employer organization that provided payroll and payroll-related services for its clients. Beginning with the fourth quarter of 2016 through the fourth quarter of 2022, Kohnle received funds from Aliat's clients that represented payroll tax withholdings, but he kept the money rather than pay the IRS, as required by law. Instead, Kohnle used the money to pay Aliat's other expenses and creditors, including himself. In total, Kohnle caused a tax loss to the IRS of more than $22.6 million. Kohnle was sentenced to 27 months in prison and three years of supervised release, and he was ordered to pay $14,092,693.42 in restitution for willfully failing to pay employment taxes owed to the IRS.

Learn more about this case.

Western Area

ALASKA: Anchorage | GUAM: Hagatna | HAWAII: Honolulu, Kona | OREGON: Bend, Eugene, Medford, Portland | WASHINGTON: Seattle, Spokane, Tacoma, Vancouver

Seattle

SeattleFieldOffice@ci.irs.gov

THE SEATTLE FIELD OFFICE investigates a wide variety of complex crimes related to domestic and international tax, public corruption, identity theft, cybercrime, and drug-related financial crimes. The Seattle Field Office's area of operation spans four states and two territories: Alaska, Hawaii, Oregon, Washington, Guam, and the Commonwealth of the Northern Mariana Islands. The Seattle Field Office works with U.S. Attorneys' Offices in seven judicial districts in four different time zones (on both sides of the international date line). The field office is privileged to serve a diverse and unique population of taxpayers. Financial investigative expertise, meticulous planning, and determined collaboration allow us to effectively combat all types of financial crime for the benefit of the communities within our geographic area.

📁 **View FO Cases**

Special agent climbs Mount Kilimanjaro.

Special agents participate in Summer Youth Academy.

Special agents instruct students at Citizen Academy event.

Special agents conduct a Citizen Academy for local students.

Members of Seattle field office participate in team building event.

Western Area

ALASKA: Anchorage | GUAM: Hagatna | HAWAII: Honolulu, Kona | OREGON: Bend, Eugene, Medford, Portland | WASHINGTON: Seattle, Spokane, Tacoma, Vancouver

St. Louis

StLouisFieldOffice@ci.irs.gov

As part of the Gateway to the West, **THE ST. LOUIS FIELD OFFICE** serves a territory that spans the states of Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota, and 38 counties in southern Illinois. With more than 90 special agents and professional staff members assigned to 15 posts of duty, the St. Louis Field Office serves a population of more than 17 million people in ten judicial districts. While tackling tax fraud is a top priority, the office also partners with other law enforcement agencies in the investigation of a wide variety of financial crimes, including money laundering, narcotics trafficking, and identity theft. To build strong community ties, the special agents participate in outreach activities at local colleges and community organizations, which helps to build a level of trust within the community and to recruit a diverse pool of talent. Recognizing IRS-CI's distinction as the finest financial investigation team in the world, the St. Louis Field Office plays a critical role in several task forces with the U.S. Attorneys' Offices, including OCDETF.

View FO Photo Gallery

Russian National Sentenced to 15 Years for $11 Million Wire Fraud Conspiracy

Anton Vikharev, a Russian national and his coconspirators, engaged in a scheme that caused over 7,000 fraudulent tax returns to be filed for the tax years 2011 through 2016. Vikharev used stolen names and Social Security numbers to claim over $11 million in fraudulent refunds. The IRS paid over $2 million in false tax refunds deposited into bank accounts under the control of the coconspirators. Vikharev then withdrew the funds from ATMs, laundered the cash, and sent the stolen money to Russia via wire transfers. After the proceeds were laundered, coconspirators wired at least $1 million to accounts in Russia. Vikharev personally received $156,120 in proceeds wired to Russian bank accounts under his control. In March 2024, Vikharev was sentenced to 180 months in prison for his role in this scheme and was ordered to pay $2,020,569 in restitution and to forfeit $537,000.

Learn more about this case.

Two Former Missouri Health Care Charity Executives Sentenced for Roles in Multimillion-Dollar Bribery and Embezzlement Scheme

Tommy and Bontiea Goss, former executives of a Springfield-based charity, took part in a large-scale public corruption scheme, where they embezzled millions and bribed multiple elected officials in the State of Arkansas. Preferred Family Healthcare Inc. was a charity responsible for providing a variety of health services to individuals in Missouri, Arkansas, Kansas, Oklahoma, and Illinois, including mental and behavioral health treatment, substance abuse counseling, employment assistance, aid to individuals with developmental disabilities, and medical services. The Gosses and their coconspirators paid bribes and kickbacks to Arkansas state elected officials in exchange for favorable legislative and official action for the charity, including influencing legislation that would impact the charity and direct funds from the state's General Improvement Fund. Tommy Goss also embezzled funds from the charity, and he pleaded guilty

to one count of filing a false tax return. Tommy and Bontiea Goss were sentenced to 72 months and 36 months in prison, respectively. The couple was also ordered to pay $4.35 million in forfeiture and restitution and pay $350,000 in fines.

Learn more about this case.

Medical Charity Founder Sentenced to Prison for $8 Million Fraud Scheme

Craig Anthony Reynolds, of St. Joseph, Missouri, operated Medical Cost Sharing, a tax-exempt organization, which was purported to be a Christian health care sharing ministry. Reynolds and his coconspirators made false promises by marketing the organization as a "Health Care Sharing Ministry" to defraud hundreds of "ministry members." They collected more than $8 million in member "contributions." However, they paid only 3.1 percent in health care claims, so they could personally profit and take most of the members' contributions for themselves. Medical Cost Sharing paid no claims at all for almost two years, while collecting nearly $1.2 million in dues in 2021 and 2022. In June 2024, Reynolds was sentenced to 210 months in prison followed by three years of supervised release. He was also ordered to pay $8,058,933 in restitution to his victims, the IRS, and the Missouri Department of Revenue.

Learn more about this case.

Former Illinois State Senator, Gubernatorial Candidate Sam McCann Sentenced to Prison for the Fraudulent Use of Campaign Funds and Tax Evasion

Former Illinois State Senator William Samuel McCann Jr. engaged in a broad, five-year scheme to defraud by converting more than $600,000 in campaign funds to his personal use. McCann betrayed the public trust and continued his fraud even after being confronted by federal law enforcement officers.

From April 2011 to November 2018, McCann and his political committees received more than $5 million in campaign donations. McCann used campaign funds to purchase personal vehicles, pay personal debts, make mortgage payments, and pay himself. During the third day of his bench trial, McCann pleaded guilty to all nine counts of the indictment, which charged him with seven counts of wire fraud, one count of money laundering, and one count of tax evasion related to his alleged misuse of campaign money for personal expenses. In July 2024, McCann was sentenced to 42 months in prison, followed by two years of supervised release, and was ordered to pay $683,816.61 in restitution for fraudulent use of campaign funds, money laundering, and tax evasion.

Learn more about this case.

Final Defendant in Large Scale Family Drug Trafficking Organization Sentenced to Over 22 Years in Federal Prison

Anahi Plascencia Cardona was the last of six family members to be sentenced as a result of their drug trafficking operation that transported and distributed large amounts of methamphetamine from California to Sioux Falls, South Dakota. The six family members will serve a combined sentence of over 80 years in prison. Cardona and her husband, Salvador Magana Madrigal, recruited other members of Madrigal's family, including Madrigal's mother, brother, aunt, and uncle, to assist them in obtaining large amounts of methamphetamine from California and distributing it in Sioux Falls. The family members assisted in transporting the methamphetamine from California by vehicle, counting shipments, and distributing the narcotic. The group also conducted numerous financial transactions transferring proceeds from the sales, while concealing the nature and ownership of the money. At the time of their arrest, Cardona and Madrigal had approximately $215,000 stored in the garage of their home. In total, the group obtained and distributed over 150 pounds of methamphetamine and 100 pounds of marijuana. In December 2023, Cardona was sentenced to 265 months in prison and five years of supervised release for her role in the drug trafficking conspiracy.
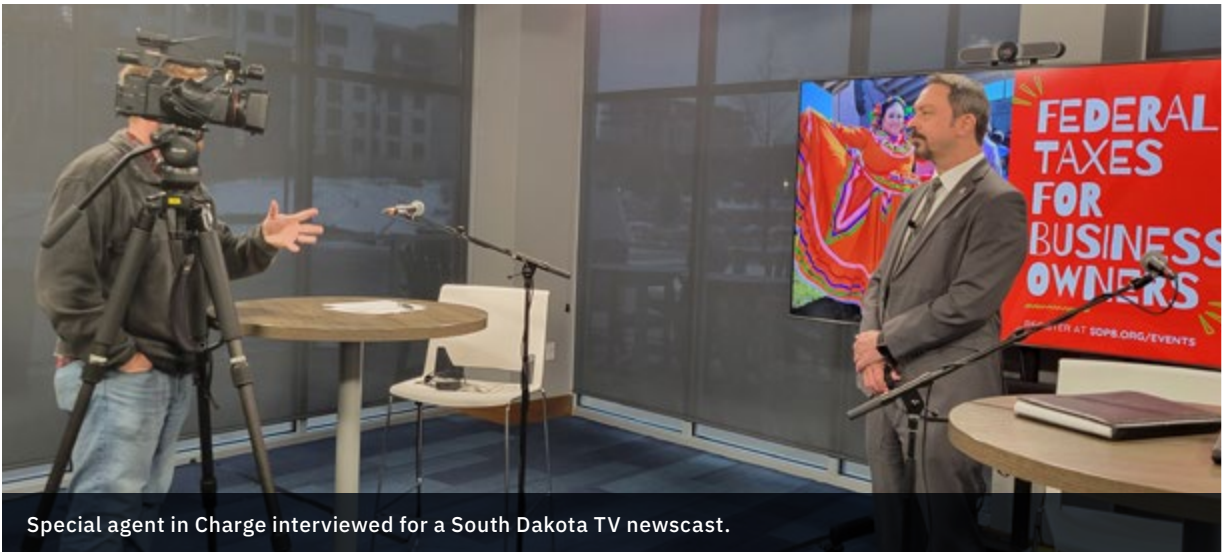
Learn more about this case.

Western Area

MISSOURI: Chesterfield, Lee's Summit, Jefferson City, Springfield, St. Louis | **ILLINOIS:** Fairview Heights | **IOWA:** Cedar Rapids, Davenport, Des Moines | **KANSAS:** Overland Park, Wichita | **NEBRASKA:** Omaha | **NORTH DAKOTA:** Fargo | **SOUTH DAKOTA:** Rapid City, Sioux Falls

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St. Louis

StLouisFieldOffice@ci.irs.gov

As part of the Gateway to the West, **THE ST. LOUIS FIELD OFFICE** serves a territory that spans the states of Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota, and 38 counties in southern Illinois. With more than 90 special agents and professional staff members assigned to 15 posts of duty, the St. Louis Field Office serves a population of more than 17 million people in ten judicial districts. While tackling tax fraud is a top priority, the office also partners with other law enforcement agencies in the investigation of a wide variety of financial crimes, including money laundering, narcotics trafficking, and identity theft. To build strong community ties, the special agents participate in outreach activities at local colleges and community organizations, which helps to build a level of trust within the community and to recruit a diverse pool of talent. Recognizing IRS-CI's distinction as the finest financial investigation team in the world, the St. Louis Field Office plays a critical role in several task forces with the U.S. Attorneys' Offices, including OCDETF.
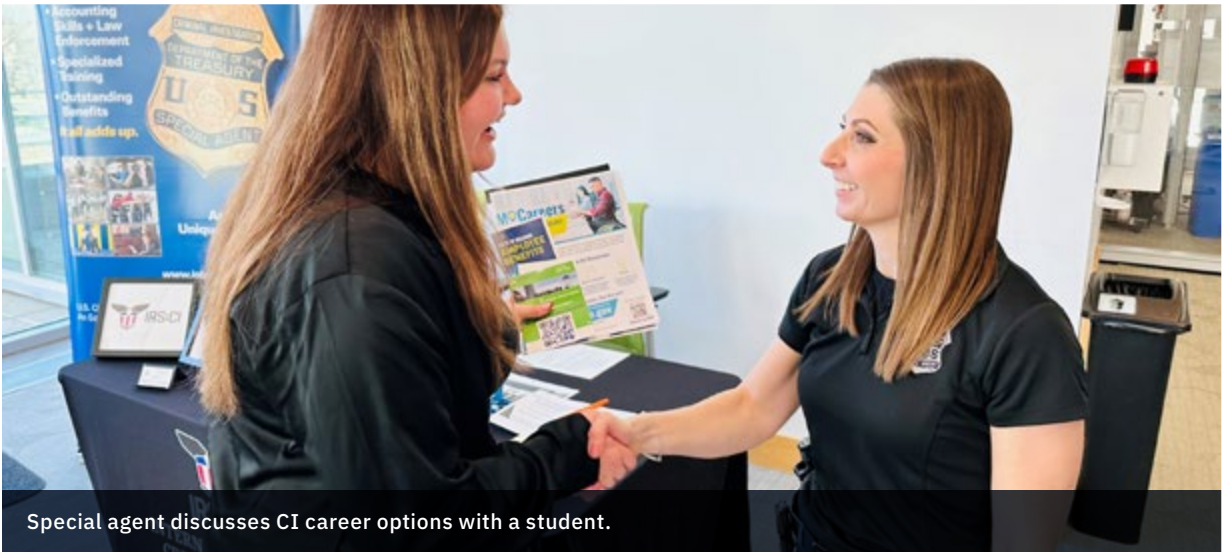
📁 **View FO Cases**

Western Area

Special agent in Charge interviewed for a South Dakota TV newscast.

Special agents participate in firearms training.

Special agent discusses CI career options with a student.

Special agents participate in defensive tactics training.

Assistant Special Agent in Charge interviewed on the courthouse steps.

MISSOURI: Chesterfield, Lee's Summit, Jefferson City, Springfield, St. Louis | **ILLINOIS:** Fairview Heights | **IOWA:** Cedar Rapids, Davenport, Des Moines | **KANSAS:** Overland Park, Wichita | **NEBRASKA:** Omaha | **NORTH DAKOTA:** Fargo | **SOUTH DAKOTA:** Rapid City, Sioux Falls

Boston

BostonFieldOffice@ci.irs.gov

THE BOSTON FIELD OFFICE covers the six New England states, including Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, each of which has their own judicial district. New England is home to some of the greatest sports franchises, a long coastline of beautiful beaches, and several of the oldest and most renowned colleges and universities in the country. The Boston Field Office's relationship with the U.S. Attorney's Office and our law enforcement partners is one of the best in the country. The Boston Field Office special agents are vital members of several task forces, including OCDETF, JTTF, cybercrimes, securities fraud, and healthcare fraud.

📷 **View FO Photo Gallery**

National Drug Kingpin Sentenced to 12 Years in Prison Along with 7 Other Co-Conspirators

DaJuan Williams, of Detroit, supervised a nationwide drug trafficking business distributing vast quantities of fentanyl, methamphetamine, and other drugs. The drugs included fentanyl pills created to resemble prescription medications. Williams also supervised the laundering of drug proceeds via cash deposits into bank accounts, then he transferred proceeds using Cash App, Zelle, and Venmo. Williams conducted business across the country, including Vermont, North Dakota, and Montana, and he recruited workers at each location. Williams reaped the benefits of this drug distribution network and lived a lavish lifestyle. He withdrew cash and purchased cars, clothes, jewelry, and houses, including the rental of a home in Hollywood Hills for approximately $15,000 per month. In January 2024, DaJuan Williams was sentenced to 144 months in prison followed by four years of supervised release. Williams was also ordered to pay a forfeiture of $600,034.09. To date, seven co-conspirators have been sentenced to between 32 and 70 months in prison for their involvement in this scheme.

Learn more about this case.

Michigan Man Who Orchestrated International Computer Fraud and Online Drug Distribution Schemes Sentenced to Decade in Prison

In 2015, Doyal Kalita, of Redford, MI, and co-conspirators, organized an internet fraud scheme using deceptive pop-up screens, falsely telling victims their computers were infected with viruses and directing them to call for technical support. Victims were connected to Kalita's call centers in India and Michigan and were scared or deceived into buying unneeded products and services. Kalita and co-conspirators also launched an online drug distribution scheme, selling prescription drugs, including opioids and other controlled substances, and shipping them from suppliers in India and Europe to Massachusetts and elsewhere in the United States. They disguised these activities by using Paypal and other merchant accounts that purported to belong to fictitious companies. Kalita was sentenced to 10 years in prison and three years of supervised release. Kalita was also ordered to pay $272,293 in restitution to victims and forfeiture of $2,542,784. Co-conspirators Manish Kumar and Robert Polanco were sentenced to 87 months and 38 months, respectively. Two of Kalita's other alleged co-conspirators remain fugitives.

Learn more about this case.

Former Massachusetts State Police Lieutenant and Sergeant Sentenced for Involvement in a Fraudulent Overtime Scheme

From 2015 through 2018, Lieutenant Daniel Griffin, Sergeant William Robertson, and other state troopers for the Massachusetts State Police (MSP) conspired to steal thousands of dollars in federally funded overtime. Griffin falsified entries on documents to conceal and perpetuate the fraud. Once the allegations arose, Griffin, Robertson, and other co-conspirators destroyed documents and denied doing so to continue to conceal the crime. Griffin also spent significant time running a security business while he was on the clock with MSP. From 2012 to 2019, Griffin collected almost $2 million in revenue from this business and hid over $700,000 in revenue from the IRS. He used hundreds of thousands of dollars in income to fund personal expenses, such as car payments, private school tuition, payments for a second home in Cape Cod, and golf club purchases. In April 2024, Griffin was sentenced to 60 months in prison and three years of supervised release. Griffin was also ordered to pay restitution in the amount of $329,163 and a $176,700 fine. Robertson was sentenced to 36 months in prison, to be followed by three years of supervised release, and was ordered to pay restitution of $142,774 and forfeit $32,180.

Learn more about this case.

Head of Lowell Gang Sentenced to 8 Years in Prison for Drug Trafficking and Money Laundering

In August 2018, a surge in shootings and gang violence around the Lowell, Massachusetts area led to an investigation into the One Family Clique (OFC) and the gang leader Virak Prum. OFC is an alliance between several gangs in and around Lowell with ties to gangs in California and other states. Since 2019, Prum and his co-conspirators, used the U.S. Postal Service to receive and send illegal narcotics and cash proceeds. They provided protection for physical shipments and maintained stash houses in Lowell, which also served as venues for gang meetings and other events. In January 2024, Prum was sentenced to 96 months in prison and three years of supervised release for trafficking wholesale quantities of cocaine and laundering millions of dollars in drug proceeds through casinos in Canada.

Learn more about this case.

Rhode Island Man Sentenced to 8 Years in Prison for Defrauding Investors and Tax Evasion

For almost a decade, Thomas Huling orchestrated a scheme to defraud investors by promoting several investment projects, including high-yielding bond trading platforms, a car emissions reduction technology, and an online advertising and marketing company. He solicited funds for these investments by promising large returns with little or no risk. Instead, Huling used investor money to fund a lavish lifestyle that included high-end vehicles, membership and golf fees at multiple country clubs, gambling, clothing, restaurants, travel, and improvements to his residence, and he took great efforts to conceal the source of funds. Between 2009 and April 2018, Huling reported no taxable income and did not pay any income taxes. To hide his income, Huling used nominee bank accounts, falsified the books and records of his companies, placed personal assets in the name of shell companies, and made false statements to IRS special agents. In March 2024, Huling was sentenced to 96 months in prison and three years of supervised release, and he was ordered to pay $11,483,440 in restitution.

Learn more about this case.

Northern Area

CONNECTICUT: Bridgeport, Hartford, New Haven, Norwalk | **MAINE:** South Portland | **MASSACHUSETTS:** Boston, Springfield, Woburn, Worcester | **NEW HAMPSHIRE:** Manchester, Portsmouth | **RHODE ISLAND:** Warwick | **VERMONT:** Burlington

Boston

BostonFieldOffice@ci.irs.gov

THE BOSTON FIELD OFFICE covers the six New England states, including Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, each of which has their own judicial district. New England is home to some of the greatest sports franchises, a long coastline of beautiful beaches, and several of the oldest and most renowned colleges and universities in the country. The Boston Field Office's relationship with the U.S. Attorney's Office and our law enforcement partners is one of the best in the country. The Boston Field Office special agents are vital members of several task forces, including OCDETF, JTTF, cybercrimes, securities fraud, and healthcare fraud.

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Special agent loads evidence from a search warrant.
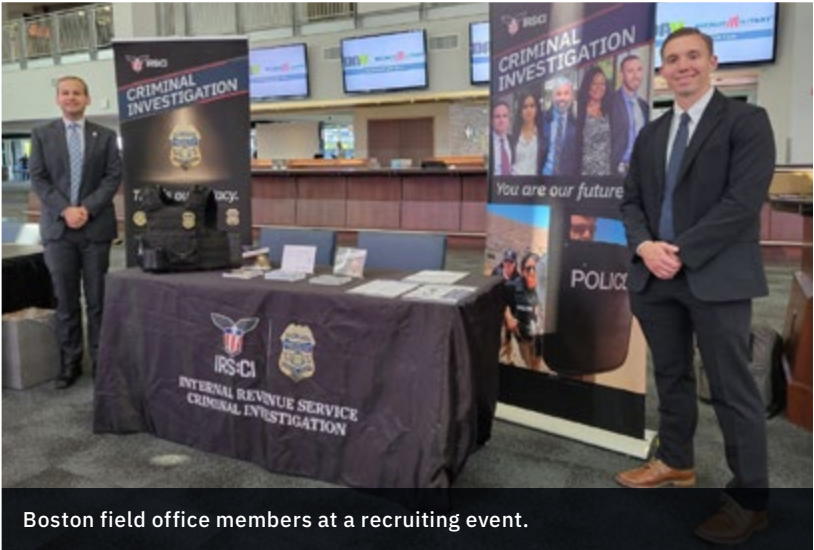

Special agents provide security at Boston Marathon.

Special Agent in Charge speaks at FinCEN Exchange.

Special agent seizes evidence from a search warrant.

Boston field office members at a recruiting event.

Northern Area

CONNECTICUT: Bridgeport, Hartford, New Haven, Norwalk | **MAINE:** South Portland | **MASSACHUSETTS:** Boston, Springfield, Woburn, Worcester | **NEW HAMPSHIRE:** Manchester, Portsmouth | **RHODE ISLAND:** Warwick | **VERMONT:** Burlington

Chicago

ChicagoFieldOffice@ci.irs.gov

THE CHICAGO FIELD OFFICE covers several major cities and areas dotting the coastline of Lake Michigan, Lake Superior, and the Mississippi River. The Chicago Field Office has 21 posts of duty with over 165 special agents and professional staff across Minnesota, Wisconsin, Indiana, and most of Illinois. Second to none, the Chicago Field Office tackles tax fraud as its top priority and investigates a wide array of financial crimes, including money laundering from narcotics trafficking and COVID-19 fraud. Chicago's special agents also work with their law enforcement partners to lend their financial expertise to task forces, including HIDTA, OCDETF, JTTF, cybercrimes, and political corruption. Serving over 235,000 square miles, the office is consistently building on and bolstering its relationships with other law enforcement partners, the U.S. Attorneys' Offices, and the public to identify, investigate, and refer quality cases for prosecution.

View FO Photo Gallery

California Lawyer Sentenced to Four Years in Federal Prison for Employment Tax Evasion

Matthew Browndorf, a California-based lawyer and owner of several businesses throughout the United States, failed to pay employment taxes, resulting in a total tax loss exceeding $5 million. Browndorf used the proceeds from his crimes to fund a lavish lifestyle, featuring sports cars, private flights, club memberships, and luxurious vacations. Meanwhile, Browndorf's employees were left to suffer the consequences of their wealthy boss's actions. Some employees were forced to move in with relatives or borrow money from friends. Others underwent serious medical procedures, unaware that Browndorf had failed to appropriately remit their health insurance premiums, resulting in a lack of coverage and the need to pay for their treatment out-of-pocket. In November 2023, Browndorf was sentenced to 48 months in prison, followed by three years of supervised release. He was ordered to pay $830,000 in restitution.

Learn more about this case.

Wisconsin Attorney Sentenced to Over 5 Years in Prison for Fraud and Tax Evasion Schemes

Leslie Smith, a licensed attorney and the office manager for a podiatry practice in Indianapolis, Indiana, committed numerous fraud schemes, including healthcare fraud, wire fraud, and tax evasion. Smith committed some of this conduct after she was indicted on other charges. As part of her healthcare fraud scheme, Smith submitted approximately 288 fraudulent claims for reimbursement to Medicaid for oxygen monitoring devices that were never ordered, which resulted in Medicaid paying $559,197.67 in false claims. In total, $1,194,942.07 of funds were deposited to her personal bank account from false claims.

After being charged in federal court with healthcare fraud, Smith continued to break the law and fraudulently obtained COVID-19 mortgage assistance funds for the home of a dead relative. She also sold a residence she jointly owned with another individual without their knowledge by forging their signature on documents. Smith failed to report approximately $1,299,179.01 in income from her various schemes on her tax returns. In May 2024, Smith was sentenced to 66 months in prison for healthcare fraud, tax evasion, and wire fraud. She was ordered to pay $2,341,655 in restitution.

Learn more about this case.

Ringleader of Fentanyl Trafficking Conspiracy Sentenced to Life; Co-Conspirators Sentenced to a Total of More Than 100 Years in Prison

Keith J. Jones was the leader of an Indianapolis-based fentanyl, methamphetamine, and cocaine trafficking organization that distributed at least 300 pounds of methamphetamine, 20 kilograms of fentanyl, and 50 kilograms of cocaine in the Indianapolis area from September 2020 through 2022. Kevin M. Backstrom was the Los Angeles-based drug supplier for the organization. The investigation resulted in the indictment and conviction of twenty-two defendants for their roles in the organization's drug trafficking activity, including Jones and Backstrom. Jones was sentenced to life in prison after a conviction for engaging in a continuing criminal enterprise, conspiracy to distribute controlled substances, conspiracy to launder monetary instruments, nine substantive drug trafficking counts, and two counts of possession of a firearm by a convicted felon. Backstrom was sentenced to 30 years in prison for conspiracy to distribute controlled substances and conspiracy to launder monetary instruments.

Learn more about this case.

Housing Authority Exec and Others Sentenced to Prison for Fraud Scheme

From approximately 2015 through 2019, Albert Smith, who served as the Asset Manager Director of the Housing Authority of South Bend (HASB), along with Tonya Robinson, the Executive Director of HASB, and others, engaged in a fraud scheme surrounding contract payments that stole federal housing funds. As part of the scheme, HASB checks were issued to four outside contractors who did not perform work for the HASB. The checks were deposited by the contractors, who then withdrew a portion in cash and hand delivered it back to the co-conspirators. Smith and Robinson were involved in creating hundreds of fraudulent documents to cover up the scheme and conceal the money trail. In May 2024, Smith was sentenced to 135 months in prison and two years of supervised release and was ordered to pay $3,030,940 in restitution. Robinson was sentenced to 108 months in prison and two years of supervised release and was ordered to pay $3,236,949.97 in restitution to the victims of the offense. Four others were sentenced in connection with this scheme.

Learn more about this case.

Fraudulent Tax Return Preparer Sentenced to Prison Term

From 2017 through 2021, Rodney "Hot Rod" Smith, a tax return preparer and the owner of Xpert Tax Services, prepared fraudulent tax returns for his clients. Smith falsified client returns making them eligible for the Earned Income Tax Credit, which fraudulently increased their tax refunds. Smith's scheme resulted in an estimated tax loss of $3.3 million. In 2020, the IRS executed a search warrant at Smith's business, where he admitted to special agents he knowingly violated federal tax laws. Smith then continued his criminal conduct by preparing false returns for clients in 2021. Smith was sentenced in February 2024 to 41 months in prison followed by a one-year supervised release, and he was ordered to pay $216,643 in restitution.
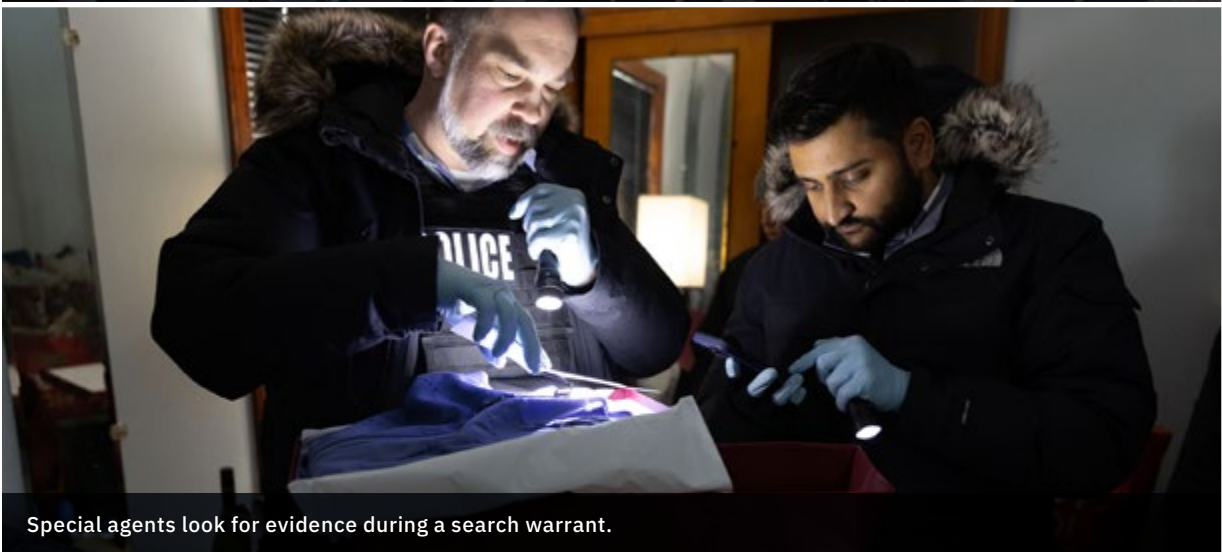
Learn more about this case.

Northern Area

ILLINOIS: Chicago, Downers Grove, Matteson, Orland Park, Peoria, Rockford, Schiller Park, Springfield | **INDIANA:** Carmel, Evansville, Fort Wayne, Indianapolis, Merrillville, South Bend | **MINNESOTA:** Duluth, Rochester, St. Paul | **WISCONSIN:** Eau Claire, Green Bay, Madison, Milwaukee

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Chicago

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Northern Area

Chicago field office hosts Citizens Academy for students.

Special agents participates in memorial run to Chicago's Soldier Field to honor the memory of Special Agent Lilia M. Acosta.

Special agents look for evidence during a search warrant.

Special agent collects evidence at a search warrant.

Chicago field office participates in Take Your Child to Work Day.

ILLINOIS: Chicago, Downers Grove, Matteson, Orland Park, Peoria, Rockford, Schiller Park, Springfield | **INDIANA:** Carmel, Evansville, Fort Wayne, Indianapolis, Merrillville, South Bend | **MINNESOTA:** Duluth, Rochester, St. Paul | **WISCONSIN:** Eau Claire, Green Bay, Madison, Milwaukee

Cincinnati

CincinnatiFieldOffice@ci.irs.gov

THE CINCINNATI FIELD OFFICE covers the states of Ohio and Kentucky, which contain two federal judicial districts in each state. Serving a combined population of over 16 million Americans, the Cincinnati field office works closely with our federal, state, and local law enforcement partners to investigate and prosecute tax, money laundering, and related financial crimes. Our special agents and professional staff provide unparalleled financial expertise to lead investigations against the most egregious white-collar criminals. Home to the Kentucky Derby and the Rock and Roll Hall of Fame, the Cincinnati field office's territory covers a wide range of communities, from large urban areas to small rural towns. Together with the U.S. Attorney's Office, our investigations have a significant impact on regional and national enforcement priorities that include income tax evasion, questionable tax refund/return preparer fraud, COVID-19 relief fraud, public corruption, cybercrimes, and narcotics related crimes.

📷 **View FO Photo Gallery**

Payroll Processor Sentenced to More Than 8 Years in Prison for Check-Kiting Scheme

Najeeb Khan, of Edwardsburg, Michigan, owned and operated Interlogic Outsourcing Inc (IOI), a payroll processing company that provided services to approximately 6,000 clients. In 2014, Khan operated a check-kiting scheme, where he used his company's business bank accounts to fraudulently obtain funds from various financial institutions, including KeyBank. Khan used these funds to support the growth of his payroll processing business and fund his lifestyle, which included the purchase of automobiles, aircraft, and vacation homes. Khan also failed to report income gained from the check-kiting scheme on his annual tax returns. In November 2023, Khan was sentenced to 97 months in prison and three years of supervised release for bank fraud and tax evasion. Khan was also ordered to pay over $150 million in restitution to the victims of his bank fraud and to the IRS.

Learn more about this case.

Holland Woman Sentenced to 7 Years in Prison for Stealing Almost $3 Million in Tax Refunds

In January 2020, Teresia M. Jones, of Holland, Ohio, defrauded the IRS through a wide-ranging tax refund scheme, where she submitted fraudulent tax filings using stolen identities and claimed millions of dollars in illegitimate tax refunds. Jones then used these funds for personal spending, including the purchase of real property and a Cadillac Escalade for over $150,000. The Cadillac Escalade was forfeited to the government, along with a Dodge Ram truck, two parcels of real property,

and approximately $328,000 seized from bank accounts. In February 2024, Jones was sentenced to 84 months in prison and two years of supervised release for wire fraud, aggravated identity theft, and money laundering. Jones was also ordered to pay restitution in the amount of $2,929,519.

Learn more about this case.

Drug Trafficker Sentenced to 16 Years in Prison

From 2015 to 2018, Michael J. Moore, of Inglewood, California, conspired with six women to distribute methamphetamine and oxycodone into Ohio. In total, the group obtained and distributed between 5,656 and 100,000 30-milligram oxycodone pills, which were then sold for $20 to $30 per pill. Moore and the others laundered the drug proceeds by opening bank accounts at several financial institutions, making money transfers, and concealing and flying cash on commercial flights. Moore was involved in the shipping and distribution of at least 3,114 grams of methamphetamine that was approximately 98 percent pure. In February 2024, Moore was sentenced to 192 months in prison for conspiracy to launder the drug trafficking proceeds and other drug charges.

Learn more about this case.

Employee Sentenced to 5 Years in Prison for Embezzling More Than $26 Million

Yi He, of Powell, Ohio was a long-time, trusted employee of a furniture company that provides furniture to retailers like Wayfair, Overstock, Kohls, Walmart, and Ashley Furniture.

Yi was solely responsible for payroll and payroll tax-related duties for the company. From 2018 until 2022, Yi embezzled more than $26 million from his employer. Among other methods, Yi transferred money from the business's bank accounts to his personal accounts and covered up his actions by removing the transaction from the bank account statements. Yi failed to accurately report his income to the IRS, causing a tax loss of approximately $6.8 million. In April 2024, Yi was sentenced to 60 months in prison and was ordered to pay restitution of over $33 million to his victims, including $6,827,444 to the IRS.

Learn more about this case.

COVID Fraud Leads to Over 7 Years in Prison and $4.2 Million in Restitution

From March 2020 through December 2020, Terrence L. Pounds of Holland, Ohio, and his co-defendants devised a scheme to steal over $4.2 million from the Small Business Administration (SBA) in connection with the COVID-19 Pandemic relief funding. Pounds submitted false applications for Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) loans. Using his identity and the identities of his coconspirators, Pounds made false statements on at least 12 loan applications and attempted to obtain more than $9.5 million. The SBA paid out roughly $4.2 million. Pounds used his share of the proceeds from the scheme to purchase high-end vehicles, including a BMW X4. Pounds was sentenced to 94 months in prison for conspiracy to commit wire fraud, wire fraud, and money laundering. He was also ordered to pay $4,239,940.43 in restitution to the SBA.

Learn more about this case.

Northern Area

KENTUCKY: Bowling Green, Lexington, Louisville | **OHIO:** Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Independence, Toledo

Cincinnati

CincinnatiFieldOffice@ci.irs.gov

THE CINCINNATI FIELD OFFICE covers the states of Ohio and Kentucky, which contain two federal judicial districts in each state. Serving a combined population of over 16 million Americans, the Cincinnati field office works closely with our federal, state, and local law enforcement partners to investigate and prosecute tax, money laundering, and related financial crimes. Our special agents and professional staff provide unparalleled financial expertise to lead investigations against the most egregious white-collar criminals. Home to the Kentucky Derby and the Rock and Roll Hall of Fame, the Cincinnati field office's territory covers a wide range of communities, from large urban areas to small rural towns. Together with the U.S. Attorney's Office, our investigations have a significant impact on regional and national enforcement priorities that include income tax evasion, questionable tax refund/return preparer fraud, COVID-19 relief fraud, public corruption, cybercrimes, and narcotics related crimes.
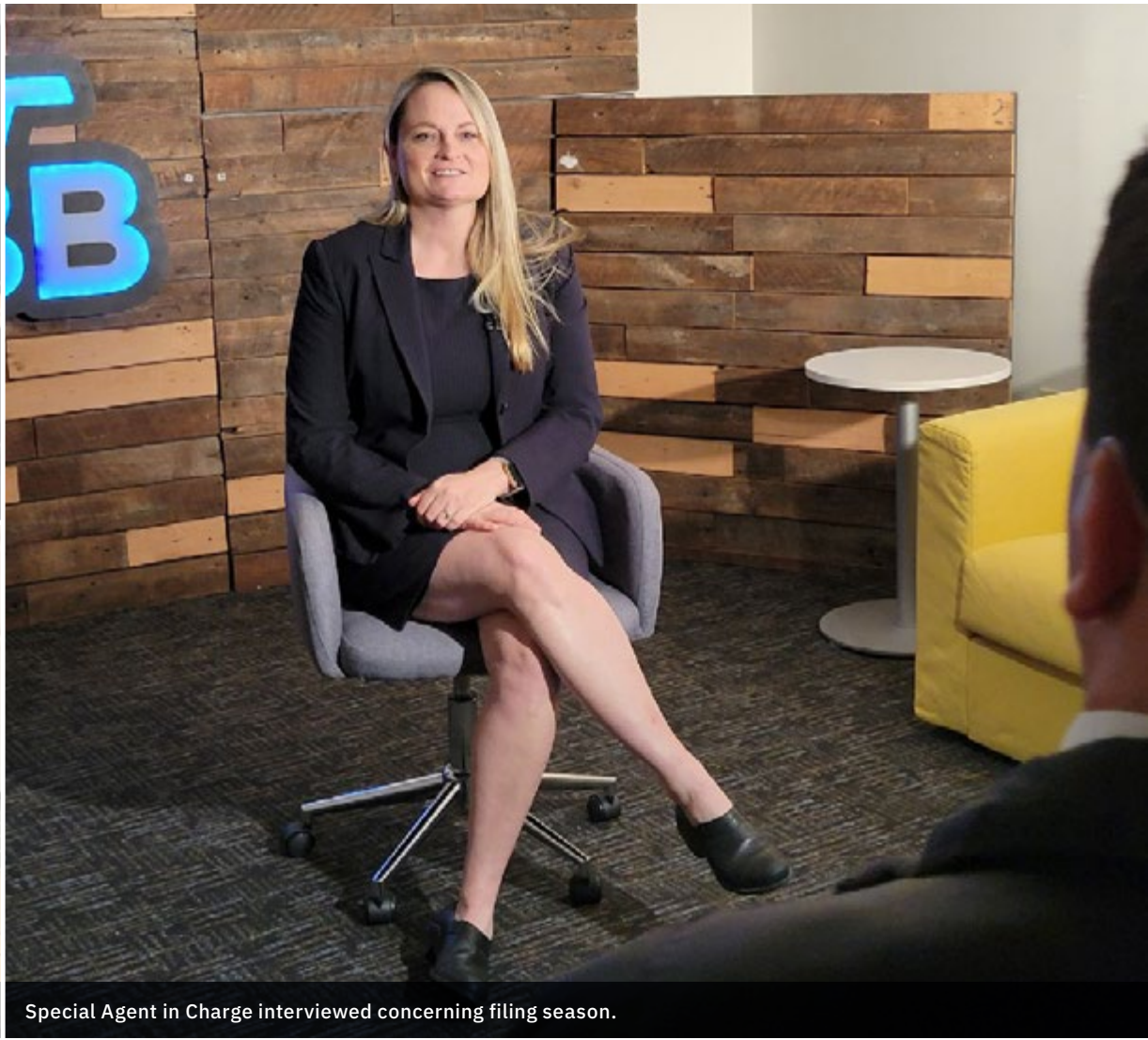
📁 **View FO Cases**

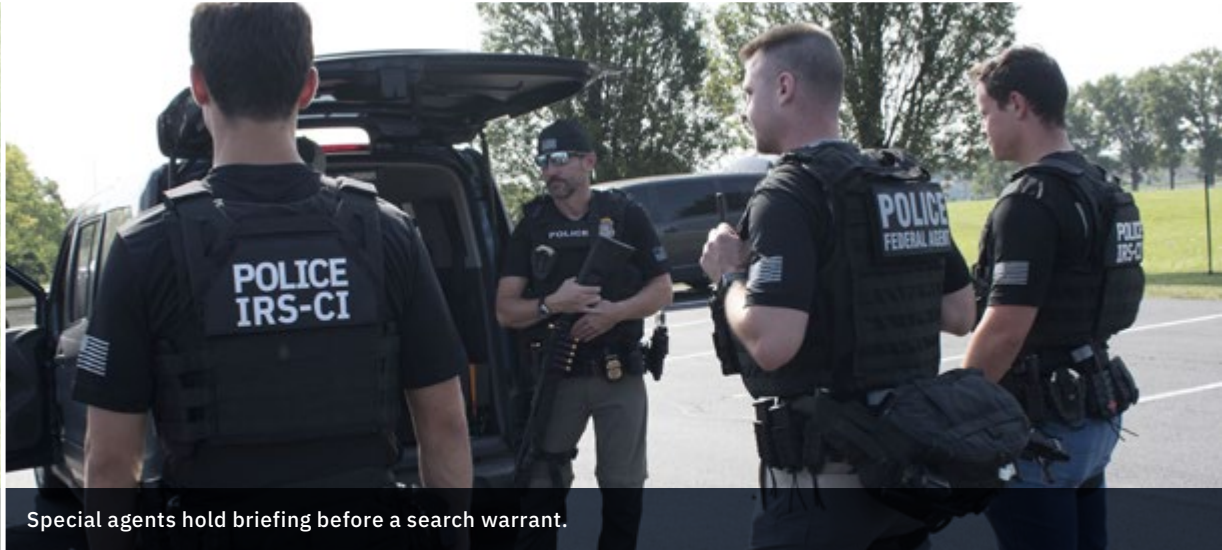Special agent participates in outreach event at local high school.

Special agent attends recruiting event.

Special Agent in Charge interviewed concerning filing season.

Special agents conduct defensive tactics training.

Special agents hold briefing before a search warrant.

Northern Area

KENTUCKY: Bowling Green, Lexington, Louisville | **OHIO:** Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Independence, Toledo

Detroit

DetroitFieldOffice@ci.irs.gov

THE DETROIT FIELD OFFICE's area of responsibility encompasses the state of Michigan and its two judicial districts. The state of Michigan is surrounded by the Great Lakes, which are the largest surface freshwater system on the Earth. With Michigan's diverse cultures and proximity to the Canadian border, Detroit's special agents are involved in a variety of criminal investigations, including traditional tax, corporate fraud, COVID-19 fraud, and money laundering. To address the various priorities impacting Michigan, agents are embedded in a variety of task forces with our law enforcement partners, such as the JTTF, public corruption, and OCDETF, among others.

[📷] View FO Photo Gallery

Grosse Pointe Park Man Sentenced for Money Laundering, Caused Tax Loss of Over $3.3 Million

From 2008 to 2017, Matthew D. Adams was the owner of MDA Property Services, and he used the company as a front to sell illegal narcotics. Adams failed to report millions of dollars of income generated from the sale of the narcotics on his income tax returns for the years 2013 through 2016, and he failed to file his 2017 tax return. In total, Adams received approximately $5.3 million from his business. He deposited some of the checks into his personal and business bank accounts, and he cashed the remainder. Adams only informed his tax preparer about the deposits in one of the bank accounts, which caused the preparer to file fraudulent tax returns. Adams used over $1 million of his unreported income to purchase real estate and spent over $1.25 million on other expenses, such as multiple classic and luxury cars, private flights, golfing, jewelry, gambling, court-ordered child support, hotels, and a firearm. In March 2024, Adams was sentenced to 36 months in prison and three years of supervised release and was ordered to pay $3,354,973 in restitution to the IRS.

Learn more about this case.

Unemployment Fraud Scheme Stole Over $1 Million, Pennsylvania Man Sentenced to 51 Months in Prison

During the COVID-19 pandemic, Adrian Fluellen used stolen personal identifications to file hundreds of false unemployment claims with Michigan, Pennsylvania, and Maryland. Fluellen then received hundreds of Bank of America prepaid debit cards in the names of those individuals, which were loaded with roughly $1 million in Pandemic Unemployment Assistance funds. Fluellen successfully unloaded more than $930,000 from the cards via cash withdrawals and purchases that included jewelry, drugs, at least one vehicle, and a firearm. In April 2024, Fluellen was sentenced to 51 months in prison and three years of supervised release and was ordered to pay more than $900,000 in restitution to the states of Michigan and Pennsylvania for wire fraud and conspiracy to commit wire fraud.

Learn more about this case.

Former President of Public School Board Sentenced for Bribery and Tax Evasion

From 2012 through 2018, Albert Morrison was the elected president of the Madison District Public Schools' Board of Education. Morrison's long-time friend, John David, was an owner of a building maintenance and reconstruction company, Emergency Restoration. During the years 2012 through 2018, David paid Morrison over $561,000 to use his position as president to secure work for the restoration business. Emergency Restoration was awarded over $3.1 million in maintenance and construction projects from the Madison District Public Schools. Morrison spent the bribe money on personal luxuries, such as vacations in Florida and a boat slip. He also failed to report this extra stream of income on his personal income tax returns. In November 2023, Morrison was sentenced to 45 months in prison and two years of supervised release for tax evasion and conspiracy to commit federal program bribery. He was also ordered to pay $118,200 in restitution to the IRS.

Learn more about this case.

Girlfriend of California Drug Kingpin Sentenced to Over Three Years in Prison for Money Laundering

Teeauna White conspired with her boyfriend to conceal his drug money by setting up multiple businesses and controlling access to the bank accounts. Members of their drug organization deposited drug proceeds into the bank accounts and delivered hundreds of thousands of dollars in bulk cash to White. Together, White and her boyfriend reaped the benefits of the drug trade, using the money to fund their lavish lifestyle. They purchased a Porsche Panamera, a Bentley, and a Mercedes-Benz. White paid off their house in less than six months by funneling cash from drug sales through a labyrinth of bank accounts. They also used the drug money to buy expensive jewelry, including diamond and gold pendants. White often bragged on social media, posting pictures of her cars, jewelry, and lavish vacations. In December 2023, White was sentenced to 42 months in prison and three years of supervised release. She was also ordered to pay a money judgment of $295,575 and forfeit her interest in a laundered home to the United States.

Learn more about this case.

Dark Web Drug Trafficker Sentenced to Over 10 Years in Prison

Victor Hernandez ran a dark web site using the moniker "opiateconnect," selling illicit drugs like cocaine and various counterfeit drugs. These counterfeit pills were made to look like Alprazolam, which is used to manage panic and anxiety disorders, but they were in fact uncontrolled research chemicals not intended for human consumption. The investigation led to the execution of a search warrant at Hernandez's house in Detroit, where agents discovered a clandestine drug lab capable of producing upwards of 20,000 pills per hour. They also found firearms, a "tub" containing approximately 600 grams of cocaine, thousands of pressed counterfeit Alprazolam pills, $340,000 in cash, and more than $1 million in cryptocurrency. In June 2024, Hernandez was sentenced to 130 months in prison and four years of supervised release and was ordered to pay a $3.1 million money judgment to the United States for conspiracy to distribute illicit substances, conspiracy to launder monetary instruments, distribution of counterfeit pills, and the use of firearms in furtherance of a crime.

Learn more about this case.

Northern Area

MICHIGAN: Ann Arbor, Detroit, East Lansing, Flint, Grand Rapids, Pontiac, Traverse City

Detroit

DetroitFieldOffice@ci.irs.gov

THE DETROIT FIELD OFFICE's area of responsibility encompasses the state of Michigan and its two judicial districts. The state of Michigan is surrounded by the Great Lakes, which are the largest surface freshwater system on the Earth. With Michigan's diverse cultures and proximity to the Canadian border, Detroit's special agents are involved in a variety of criminal investigations, including traditional tax, corporate fraud, COVID-19 fraud, and money laundering. To address the various priorities impacting Michigan, agents are embedded in a variety of task forces with our law enforcement partners, such as the JTTF, public corruption, and OCDETF, among others.

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Special agents assist in providing security for the NFL Draft.

Members of the Detroit field office participated in the Toy Express.

Special agent presents at Institute of Management Accountants Student Leadership Conference.

Members of Detroit field office participate in 2024 Detroit Maltz Challenge.

Special agents discuss Employee Retention Credit (ERC) with local tax professionals.

Northern Area

MICHIGAN: Ann Arbor, Detroit, East Lansing, Flint, Grand Rapids, Pontiac, Traverse City

New York

As the nation's largest field office and CI's flagship location, **THE NEW YORK FIELD OFFICE** conducts intricate financial investigations in association with the most dynamic U.S. Attorneys' Offices in the country. To tackle the various threats affecting the taxpayers of New York, our diverse special agents and professional staff provide unparalleled financial expertise to unravel domestic and international tax evasion. In support of the CI mission, our office also investigates international and domestic terrorism finance, cybercrimes, money laundering, public corruption, COVID-19 fraud, market manipulation, corporate and securities fraud, healthcare fraud, mortgage fraud, bank fraud, and money laundering from international narcotics trafficking. The New York Field Office has four specialty groups, one dedicated to support the Joint Chiefs of Global Tax Enforcement (J5), two Strikeforce groups, and a group dedicated exclusively to cybercrimes investigations.

📷 **View FO Photo Gallery**

Medical Clinic Owner Sentenced to 10 Years in Prison for Insurance Fraud

From approximately 2008 through 2021, Bradley Pierre, of New York, engaged in multiple fraud schemes totaling over $60 million in losses and $1.5 million in tax fraud. Pierre and co-conspirators defrauded automobile insurance companies by exploiting "no-fault" provisions in the state of New York and New Jersey that allowed insurance companies to pay claims directly to medical service providers. The group falsified insurance claims and claimed the businesses were owned by physicians. Pierre embezzled over $20 million from the clinics, received over a million dollars in kickbacks for steering prescriptions to pharmacies, and engaged in bribery and deceit to obtain information about potential clients. The scheme generated millions for the firm, and $4 million was returned to Pierre in the form of "marketing" arrangements. Pierre hid income from the IRS by concealing multiple bank accounts and disguising personal expenditures as business expenses. Pierre's tax evasion resulted in $1.5 million taxes due to the IRS. He was sentenced to 120 months in prison and three years of supervised release, and he was ordered to forfeit $3.5 million and pay $1.5 million in restitution.

Learn more about this case.

Instagram Influencer Sentenced to 84 Months in Prison for Overlapping Fraud Schemes

From 2019 to 2021, Jebara Igbara, aka, "Jay Mazini," ran a popular Instagram account, portraying himself as a successful investor and businessman. Igbara operated an investment fraud scheme via Halal Capital LLC, targeting members of the Muslim-American community. He ran a Ponzi scheme and pocketed money for personal expenses, luxury vehicles, and gambling. Then, to pay his investors "returns," he operated a second scheme, advertising on social media he was willing to pay above-market prices for various cryptocurrencies. He sent his victims doctored images of wire transfer confirmations claiming he had sent money for the cryptocurrency transactions, but he never actually sent the payment. Igbara scammed investors out of at least $8 million. In April 2024, Igbara was sentenced to 84 months in prison for wire fraud, conspiracy, and money laundering and was ordered to pay $10 million in forfeiture.

Learn more about this case.

Pharmacy Owners Ordered to Pay More Than $18 Million Related to Healthcare Fraud

Peter Khaim and his brother, Arkadiy Khaimov, were two pharmacy owners engaged in a complex money laundering conspiracy to launder the proceeds of a fraudulent health care scheme involving over a dozen New York-area pharmacies that they owned and controlled with other co-conspirators. The brothers submitted millions of dollars in fraudulent claims to Medicare during the COVID-19 pandemic. They concealed over $18 million of their criminal proceeds by funneling money through several shell companies. The proceeds were sent from the sham pharmacy wholesale companies to Khaim, Khaimov, their relatives, or their designees, in the form of certified cashier's checks and cash. They also sent proceeds to companies in China for distribution to individuals in Uzbekistan. In June 2024, Khaim was sentenced to 97 months in prison, and his brother, Khaimov, was sentenced to 72 months in prison. Both Khaim and Khaimov were ordered to pay more than $18 million in restitution and ordered to forfeit more than $12 million.

Learn more about this case.

Billionaire Chinese National Sentenced for Straw Donor Campaign Contribution Scheme and Other Frauds

Hui Qin, a citizen of China who was listed on Forbes Magazine's List of Billionaires, operated SMI Culture, a Hong Kong-based entertainment entity. Rather than disclose himself as the actual donor, Qin agreed to reimburse individuals who made contributions to several campaign committees on his behalf, including state, local, and national campaigns. Straw donors made approximately $11,600 in contributions on Qin's behalf, which caused the campaign committees to file false contribution reports with the Federal Election Commission in 2022. Additionally, Qin filed a false application to become a legal permanent resident of the United States. Qin used an alias to transfer more than $5 million from China to a U.S. bank account, a portion of which was used to purchase a luxury Manhattan apartment. In March 2024, Qin was sentenced to seven months in prison after already serving seven months incarceration. As part of his plea, he agreed to removal from the United States immediately after sentencing.

Learn more about this case.

Former Law Enforcement Union Official Sentenced to Prison for Defrauding Union's Annuity Fund

From 2012 to 2020, Kenneth Wynder Jr. and Andrew Brown defrauded law enforcement officers union members. Wynder, a former New York State Trooper, was the president of the Law Enforcement Employees Benevolent Association (LEEBA), a labor union for law enforcement officers employed by the City of New York. Together, Wynder and Brown defrauded union members by embezzling money intended to be used to fund individual members' retirement accounts. Wynder caused the union to pay for his personal expenditures, including the purchase of a Lexus and personal travel, and did not report the additional income on his federal tax returns. During one five-year period, Wynder and Brown embezzled more than $500,000 from the individual retirement accounts, which completely depleted the balance of certain members' accounts. Wynder also conspired with Steven Whittick, LEEBA's former treasurer and a former police officer for New York City's Department of Environmental Protection. Whittick previously pled guilty to conspiring to commit tax evasion and making false statements to law enforcement. Wynder was sentenced to 40 months in prison for the fraud scheme, personal income tax evasion, and employment tax fraud. In January 2024, Brown and Whittick were also sentenced to 18 and 28 months in prison, respectively.

Learn more about this case.

Northern Area

NEW YORK: Albany, Bethpage, Bronx, Brooklyn, Buffalo, Holtsville, Manhattan, New Windsor, New York, Rochester, Staten Island, Syracuse, White Plains

New York

NewYorkFieldOffice@ci.irs.gov

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Northern Area

Special agent securing subject of an arrest warrant.

NY field office leadership participates in Annual PushUp Challenge.

Special agent carries evidence during search warrant.

Assistant Special Agent in Charge speaks at press conference.

Special agents seize a vehicle pursuant to a healthcare fraud case.

NEW YORK: Albany, Bethpage, Bronx, Brooklyn, Buffalo, Holtsville, Manhattan, New Windsor, New York, Rochester, Staten Island, Syracuse, White Plains

Newark

NewarkFieldOffice@ci.irs.gov

THE NEWARK FIELD OFFICE is made up of seven posts of duty in New Jersey, a territory that covers 21 counties, including 564 municipalities comprised of 252 boroughs, 52 cities, 15 towns, 241 townships, and 4 villages. New Jersey is home to more than 9,800 farms covering 790,000 acres, and the state is known as the "Garden State" because of the fruitfulness of its farmland. The dedicated agents, analysts, and professional staff in the Newark Field Office are responsible for investigating a large catalogue of potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with United States tax law. The Newark Field Office investigations continue to bear fruit by holding individuals who knowingly commit tax fraud or other financial crimes accountable.

View FO Photo Gallery

Former Law Firm Partner Sentenced to 10 Years in Prison for Laundering $400 Million of OneCoin Fraud Proceeds

Mark Scott, a former partner at the prominent international law firm Locke Lord LLP, laundered over $400 million in proceeds from the massive international fraud scheme known as "OneCoin." In 2014, a fraudulent cryptocurrency, OneCoin, started in Sofia, Bulgaria and was sold through a global multi-level marketing network. From day one, the fraudulent cryptocurrency had no actual value. OneCoin began operating in the United States in or around 2015, and was one of the largest fraud schemes ever perpetrated. Between the fourth quarter of 2014 and the fourth quarter of 2016 alone, the scheme took in more than $4 billion from at least 3.5 million victims. Scott assisted OneCoin cofounder Ruja Ignatova by creating offshore accounts and investment funds to launder proceeds from the scheme. Scott earned more than $50 million for his services and spent his proceeds on luxury watches and vehicles, a yacht, and three multi-million-dollar seaside homes in Cape Cod, Massachusetts. Scott was convicted on all counts and was sentenced to 120 months in prison for money laundering. In addition to the prison term, Scott was sentenced to three years of supervised release and was ordered to forfeit a money judgment in the amount of $392,940,000, several bank accounts, a yacht, two Porsches, and four real-estate properties.

Learn more about this case.

Jersey City Attorney Sentenced to 66 Months in Prison for Wire Fraud, Aggravated Identity Theft, and Tax Crimes

James R. Lisa, a Jersey City attorney, used his law license to commit a multi-million-dollar fraud scheme, including providing false documents to his clients and the IRS. In one case, he was retained by a family to help repatriate millions of dollars that had been transferred to offshore bank accounts and to help resolve the related tax issues. In 2015, Lisa successfully repatriated more than $6 million of the family's funds but falsely advised the family the funds remained offshore. In 2017, he provided $4 million of the funds to the family, but he said he was unable to obtain the remaining $2 million. Lisa lied to the family, claiming he had resolved the tax implications of repatriating the funds, when he had not. He sent the family two sets of fraudulent documents claiming to be an agreement with the IRS for the outstanding taxes and penalties. He also provided these documents to the IRS in connection with an IRS audit. In May 2024, Lisa was sentenced to 66 months in prison for wire fraud, aggravated identity theft, obstructing the IRS, and failing to file a federal tax return. He was ordered to pay $2.05 million in restitution to his fraud victims and $550,000 to the IRS. He will serve three years supervised release once his prison term concludes.

Learn more about this case.

Union County Man Sentenced to 5 Years in Prison for Operating Multi-Million-Dollar Unlicensed Check Cashing Scheme

From 2015 to 2019, Fernando Q. Martins, of Union Township, New Jersey, operated an unlicensed check cashing business, known as Community Check Cashing in Newark. Martins cashed checks for customers in New Jersey and New York, allowing them to hide the identity of the customers receiving the cash by cashing checks written to shell companies. In his plea agreement, Martins stipulated the loss amount was between $250 million and $550 million. In February 2024, Martins was sentenced to 60 months in prison and three years of supervised release for operating an unlicensed check cashing business. He was fined $50,000 and ordered to forfeit $765,185.

Learn more about this case.

Gang Member Sentenced to 178 Months in Prison for Racketeering Charge and Related Crimes

Tyheim Terry, aka "Ty," aka "Rollin' Ty," was a member of the Rollin' 60s Neighborhood Crips gang, a criminal enterprise responsible for acts of violence and the distribution of controlled substances in the District of New Jersey and elsewhere. On Feb. 21, 2021, Terry worked with others, including members of the gang, to attempt to carjack a victim. On April 5, 2021, Terry worked with other members of the gang to shoot another victim. On April 11, 2021, Terry brandished a firearm and carjacked a third victim. Terry was sentenced to 178 months in prison and three years of supervised release for his role in a racketeering conspiracy.

Learn more about this case.

Middlesex County Man Sentenced to 33 Months in Prison for Role in COVID-19 Fraud Schemes Totaling Over $2.1 Million

Arlen G. Encarnacion, of Perth Amboy, New Jersey, fraudulently obtained over $2.1 million in federal Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL). Encarnacion submitted 11 fraudulent PPP loan applications and three fraudulent EIDL applications on behalf of purported businesses. Each application contained false representations, including bogus federal tax return documentation and false information about the number of employees and wages paid. Encarnacion was sentenced to 33 months in prison for conspiracy to commit wire fraud and money laundering. He must serve three years of supervised release and was ordered to pay restitution of $2.18 million.

Learn more about this case.

Northern Area

NEW JERSEY: Cherry Hill, Edison, Freehold, Mays Landing, Newark, Paterson, Springfield, Trenton

Newark

THE NEWARK FIELD OFFICE is made up of seven posts of duty in New Jersey, a territory that covers 21 counties, including 564 municipalities comprised of 252 boroughs, 52 cities, 15 towns, 241 townships, and 4 villages. New Jersey is home to more than 9,800 farms covering 790,000 acres, and the state is known as the "Garden State" because of the fruitfulness of its farmland. The dedicated agents, analysts, and professional staff in the Newark Field Office are responsible for investigating a large catalogue of potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with United States tax law. The Newark Field Office investigations continue to bear fruit by holding individuals who knowingly commit tax fraud or other financial crimes accountable.

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Assistant Special Agent in Charge interviewed with Philadelphia News Affiliate NBC10.

Special agent presents at Anti-Money Laundering Conference.

Special agents ride to honor Special Agent Patrick Bauer during Police Unity Tour Bike Ride.

Newark field office participates in Take Your Child to Work Day.

Special agents participate in the New Jersey Law Enforcement Torch Run.

Northern Area

NEW JERSEY: Cherry Hill, Edison, Freehold, Mays Landing, Newark, Paterson, Springfield, Trenton

Philadelphia

PhiladelphiaFieldOffice@ci.irs.gov

THE PHILADELPHIA FIELD OFFICE covers the Commonwealth of Pennsylvania and the State of Delaware. The Special Agent in Charge sits in the city of Philadelphia, home to several historical sites, such as the Liberty Bell, Declaration House, and the Rocky Statue. With nine posts of duty, the field office serves a broad geographic area. Within its area of responsibility, the field office serves four judicial districts, each with its own U.S. Attorney's Office. The Philadelphia Field Office works in partnership with all major federal law enforcement agencies, as well as numerous state and local law enforcement departments. We work a diverse mix of criminal investigations that include income tax evasion, employment tax, corporate fraud, international tax fraud, return preparer fraud, ID theft, cybercrimes, public corruption, counterterrorism, and narcotics related financial crimes. The field office holds pivotal roles on the respective U.S. Attorney's priority task forces, including SAR review teams, healthcare fraud, cybercrimes, JTTF, and OCDETF.

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Connoquenessing Resident Sentenced to 51 Months in Prison for $1.67 Million Embezzlement Scheme and Filing False Tax Returns

From 1994 until July 2021, Constance Stobert of Connoquenessing, Pennsylvania, worked as a controller for a business, called Mechanical Operations Company (MOC). Between January 2014 and July 2018, Stobert stole at least $1,678,893 from MOC to pay her personal expenses. Among other activities, Stobert wrote checks from MOC's business banking accounts to make personal credit card payments and used MOC's credit cards to withdraw cash at ATMs in casinos in Pittsburgh and Las Vegas. Stobert also admitted to filing false tax returns for the 2016 through 2019 tax years, failing to report the money she embezzled from MOC which resulted in a tax loss to the government of $545,990. In January 2024, Stobert was sentenced to 51 months in prison and three years of supervised release on her convictions for wire fraud and making false statements on her tax returns.

Learn more about this case.

Former California Resident Sentenced to 10 Years in Prison on Drug Trafficking and Money Laundering Charges

Christian Maldonado, a former resident of Stockton, California, packed at least 280 pounds of methamphetamine for shipment, which was then shipped from the Stockton area to the Western District of Pennsylvania. Maldonado also received parcels containing over $1 million in U.S. currency as payment for the methamphetamine. At the time of Maldonado's arrest, authorities seized 17 firearms, jewelry, a large amount of marijuana, and $212,907 from his residence. In November 2023, Maldonado was sentenced to 120 months of imprisonment followed by three years of supervised release for violating federal narcotics and money laundering laws related to a nine-month Title III wiretap investigation into drug trafficking in Jefferson, Clearfield, and Allegheny counties of Western Pennsylvania.

Learn more about this case.

Former Universal Companies Executive Sentenced to 7 Years in Prison for Conspiracy to Defraud the U.S., Fraud, and Tax Crimes

In March 2024, Abdur Rahim Islam, the former chief executive officer of two charities, Universal Community Homes (UCH) and Universal Education Companies (UEC), was convicted on charges that he stole more than a half-million dollars from UCH and UEC. Islam also bribed the president of the Milwaukee public schools board of directors and cheated on six years of personal income taxes. Islam and his co-defendant, former Universal Chief Financial Officer Shahied Dawan, conspired to defraud the federal government by impeding, impairing, obstructing, and defeating the lawful functions of the IRS. Islam and Dawan paid themselves unauthorized bonuses and fraudulent "expense reimbursement" checks, which included payments for purely personal expenses, such as trips to Caribbean resorts with various women, family vacations, first-class travel upgrades, Broadway shows, and countless meals at restaurants with friends and family members. In July 2024, Islam was sentenced to 84 months imprisonment. He was also ordered to forfeit $609,651.31, to pay restitution to Universal in the amount of $609,651.31 plus attorneys' fees, and to pay restitution of $309,581.66 to the IRS.

Learn more about this case.

Johnny Doc, Former Philly Labor Leader, Gets 6 Years for Bribery and Theft

John Dougherty, aka "Johnny Doc", was convicted for crimes arising from his embezzlement of funds belonging to Local 98 of the International Brotherhood of Electrical Workers ("Local 98") and multiple crimes involving his payment of bribes to a co-defendant. Dougherty used the politically powerful electricians' union as his "personal bank account" and a source of jobs for family and friends. Dougherty used the union's money to buy groceries, restaurant meals, tickets to concerts and sporting events, and other personal items. He also paid contractors for work on his house, his relatives' houses, and a neighborhood bar he owned, and he arranged for friends and family members to be on the union payroll. Dougherty was convicted of conspiracy to embezzle funds, 33 counts of embezzlement, 24 counts of wire fraud, and other charges. He was also convicted on three counts of filing false federal income tax returns. In 2021, a separate jury convicted Dougherty of bribing a City Council member to do the union's bidding. In July 2024, Dougherty was sentenced to 72 months imprisonment for bribing a City Council member and stealing nearly $600,000 from the union he ran for nearly three decades. He was ordered to forfeit $353,941.35. Restitution has yet to be determined.

Learn more about this case.

Woman Sentenced to 12 Years for Key Role in Drug Ring, Fraudulently Obtaining COVID-19 Relief

Denise Brown was a leader of the organized, multi-state, illegal narcotics distribution organization, "Jamar Jackson," which distributed large quantities of dangerous drugs, including heroin and fentanyl obtained from Mexico. She was the day-to-day manager of drug-packaging operations in Bear and King of Prussia, Pennsylvania. In September 2020, Brown was arrested at her home, where law enforcement officers found thousands of packets of fentanyl-laced heroin, bulk quantities of heroin and fentanyl, and over $120,000 in cash. In addition to her role in the drug trafficking organization, Brown filed a fraudulent COVID-19 relief application and obtained $10,000 from the Small Business Administration (SBA). In January 2023, Denise Brown was sentenced to 144 months in prison for her role in a conspiracy to distribute heroin and fentanyl and 60 months for submitting a false COVID-19 relief claim to the SBA. Brown was also ordered to pay $10,000 in restitution to the SBA. Several others were also charged for their part in the drug trafficking organization.

Learn more about this case.

Northern Area

DELAWARE: Newark | PENNSYLVANIA: Bethlehem, Cranberry Township, Erie, Harrisburg, King of Prussia, Philadelphia, Pittsburgh, Scranton

Philadelphia

PhiladelphiaFieldOffice@ci.irs.gov

THE PHILADELPHIA FIELD OFFICE covers the Commonwealth of Pennsylvania and the State of Delaware. The Special Agent in Charge sits in the city of Philadelphia, home to several historical sites, such as the Liberty Bell, Declaration House, and the Rocky Statue. With nine posts of duty, the field office serves a broad geographic area. Within its area of responsibility, the field office serves four judicial districts, each with its own U.S. Attorney's Office. The Philadelphia Field Office works in partnership with all major federal law enforcement agencies, as well as numerous state and local law enforcement departments. We work a diverse mix of criminal investigations that include income tax evasion, employment tax, corporate fraud, international tax fraud, return preparer fraud, ID theft, cybercrimes, public corruption, counterterrorism, and narcotics related financial crimes. The field office holds pivotal roles on the respective U.S. Attorney's priority task forces, including SAR review teams, healthcare fraud, cybercrimes, JTTF, and OCDETF.
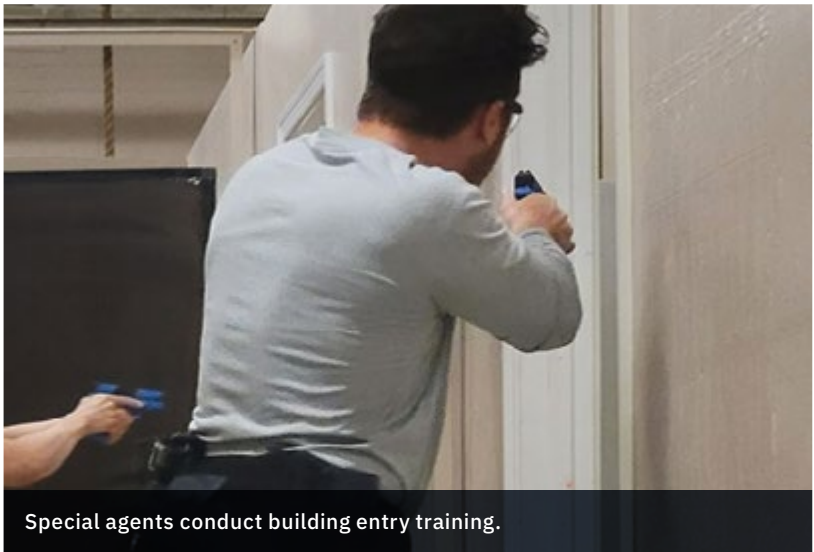
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Northern Area

Special agents participate in community event.

Philadephia field office participates in Faith and Blue Event.

Philadephia field office holds Citizens Academy event.

Special agents conduct building entry training.

Special agents conduct firearms training.

DELAWARE: Newark | **PENNSYLVANIA:** Bethlehem, Cranberry Township, Erie, Harrisburg, King of Prussia, Philadelphia, Pittsburgh, Scranton

Atlanta

THE ATLANTA FIELD OFFICE encompasses four states: Georgia, Louisiana, Mississippi, and Alabama. The territory includes Atlanta and New Orleans, two of the most popular destinations in the southeast, known for their vibrant culture, outstanding cuisine, and world-renowned chefs. The field office is also home to some of the best beaches along the Gulf Coast in Mississippi and Alabama. The Atlanta Field Office offers meaningful investigative work in many areas, such as corporate fraud, political corruption, OCEDTF, counterintelligence and terrorism funding, and QRP/RPP. The field office is continually building and strengthening its relationships with our law enforcement partners, the U.S. Attorney's Office, and the public, to identify, investigate, and refer quality cases for prosecution.

📷 View FO Photo Gallery

Former Executive Director Sentenced for Embezzling Federal Grant Funds

Doris Gilmore, of Montgomery, Alabama, used her position as the executive director of the Alabama Association for Career and Technical Education (ALACTE) to embezzle federal grant funds received by the association. Gilmore was responsible for budgeting, approving payments, and payroll. She was also responsible for the preparation of the entity's tax returns and Forms W-2. Although Gilmore admitted to embezzling ALACTE funds during 2020 and failed to pay over payroll taxes to the IRS during the first quarter of 2022, statements made in court indicate the activity may have been going on for more than a decade. In December 2023, Gilmore was sentenced to 37 months in prison, followed by three years of supervised release. She was also ordered to pay more than $2.8 million in restitution to the ALACTE and $802,508.88 to the IRS.

Learn more about this case.

Montgomery Woman Sentenced for COVID-19 Era Paycheck Protection Program Loan Fraud

Zsa Zsa Bouvier Couch, of Montgomery, Alabama, was found guilty of bank fraud, making false statements to a federally insured bank, and money laundering related to a fraudulent Paycheck Protection Program (PPP) scheme. The jury found Couch guilty of seeking more than $1.6 million by falsely inflating the number of her employees and her average monthly payroll on her PPP loan applications. Couch ultimately received more than $600,000 in CARES Act funding, which she was not entitled to. She used the illicit funds to purchase luxury vehicles, and she distributed the money among herself, her husband, and other family members. Couch was sentenced to 45 months in prison followed by three years of supervised release.

Learn more about this case.

Co-Conspirators Convicted of Multiple Bank and Wire Fraud Schemes

Ryan P. Mullen, of Jayess, MS, and Duane Dufrene, of Destrehan, LA, used fictitious entities and falsified tax returns and other financial documents to purchase properties, including a residence, a bed and breakfast, and two hotels. They then sold these properties using inflated appraisals and used the proceeds to purchase at least 20 high-end vehicles. The loss from their fraudulent purchase and flip scheme totaled approximately $6.5 million. In a separate case, they conspired with other individuals to engage in a scheme to defraud a merchant cash advance company in Georgia by using shell corporations, which resulted in a loss of roughly $6.4 million. Mullen was sentenced to 160 months in prison and three years of supervised release. Dufrene was sentenced to 24 months in prison and three years of supervised release. They were ordered to pay $6.4 in restitution. The amount of restitution for their second conviction will be determined at a future hearing.

Learn more about this case.

Georgia Man Laundered Over $4.5M Obtained from Business Email Compromise and Romance Fraud Schemes

From at least 2019 through July 2021, Malachi Mullings opened 20 bank accounts in the name of a sham company, The Mullings Group, LLC. Mullings used those accounts to launder millions of dollars of fraud proceeds generated by business email compromise (BEC) schemes targeting a health care benefit program. As an example, Mullings laundered $310,000 that was fraudulently diverted from a state Medicaid program, when the funds had been intended as reimbursement for a hospital. Mullings also perpetrated romance scams directed at numerous individuals, including the elderly. In one scheme, Mullins obtained $260,000 from a romance scam preying on an elderly victim, and he used the funds to purchase a Ferrari. With his co-conspirators, Mullings engaged in financial transactions designed to conceal the proceeds and used a portion of the funds to purchase luxury items, such as vehicles and jewelry. Mullings was sentenced to 120 months in prison and ordered to pay restitution to his victims.

Learn more about this case.

Alabama State Representatives and a Former Assistant Defraud Jefferson County Community Service Fund

In 2015, the Alabama legislature passed an act authorizing the Jefferson County Commission to levy and distribute a one percent sales tax and a one percent use tax to benefit the public welfare and provide education benefits to children. The act created the Jefferson County Community Service Fund and was subsidized by approximately $3.6 million annually from the new taxes. From March 2019 through April 2023, Alabama State Representative John Rogers and his former assistant, Varrie Kindall, conspired with Fred Plump, a former representative, to defraud and obtain money from the fund. During each fiscal year, Rogers, with Kindall's assistance, recommended that most of the allotment of the fund money be paid to a youth baseball league, where Plump served as the executive director. In turn, Plump agreed to pay kickbacks to Rogers and Kindall, which equaled approximately $200,000. After learning about the federal investigation, Rogers and Kindall attempted to obstruct justice by offering a witness grant money as a bribe if the witness gave false information to federal agents. Rogers was sentenced to 13 months in prison for his role in the scheme, while Kindall was sentenced to 36 months in prison. Plump was sentenced to 12 months in prison for wire fraud, conspiracy, and obstruction of justice.

Learn more about this case.

Southern Area

ALABAMA: Birmingham, Huntsville, Mobile, Montgomery | **GEORGIA:** Atlanta, Augusta, Columbus, Decatur, Macon, Savannah | **LOUISIANA:** Baton Rouge, Lafayette, New Orleans, Shreveport | **MISSISSIPPI:** Gulfport, Hattiesburg, Jackson, Oxford
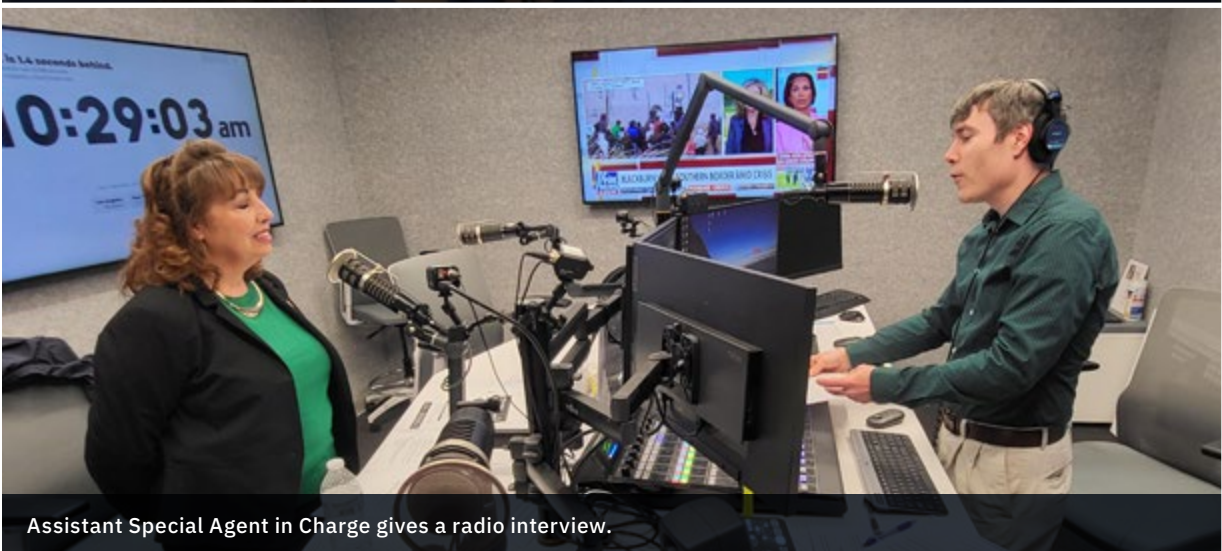
Atlanta

AtlantaFieldOffice@ci.irs.gov

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Southern Area

Assistant Special Agent in Charge continues legacy as IRS-CI special agent like her mother.

Assistant Special Agent in Charge gives a radio interview.

Atlanta field office at the 2024 Allstate HBCU Legacy Bowl Career Fair.

Atlanta field office hosts Citizen Academy event for students.

Treasury Secretary Yellen with Atlanta Special Agent in Charge hold fentanyl-focused roundtable in Atlanta.

ALABAMA: Birmingham, Huntsville, Mobile, Montgomery | **GEORGIA:** Atlanta, Augusta, Columbus, Decatur, Macon, Savannah | **LOUISIANA:** Baton Rouge, Lafayette, New Orleans, Shreveport | **MISSISSIPPI:** Gulfport, Hattiesburg, Jackson, Oxford

Charlotte

CharlotteFieldOffice@ci.irs.gov

THE CHARLOTTE FIELD OFFICE covers three states, spanning from the Great Smoky Mountains of North Carolina and the music filled state of Tennessee to the beaches of South Carolina. The field office covers seven judicial districts and has excellent partnerships both internally and externally. The field office works a diverse mix of cases throughout the three states, including general tax fraud, employment tax fraud, healthcare fraud, refund fraud, terrorist financing, public corruption, and OCDETF.

View FO Photo Gallery

Two Tax Shelter Promoters Sentenced for Billion-Dollar Tax Scheme

Since 2013, Jack Fisher, a certified public accountant, and Attorney James Sinnott, along with many others, received more than $41 million in payments from the sale of units in a syndicated conservation easement scheme. Fisher and Sinnott designed, marketed, and sold an abusive tax shelter, which was based on fraudulently inflated charitable tax deductions that exploited tax provisions meant to preserve land, wildlife, and our heritage. To accomplish their scheme, Fisher and Sinnott backdated documents, obtained artificially inflated land valuations, and provided false information to the IRS. In total, Fisher, Sinnott, and their co-conspirators sold more than $1.3 billion in fraudulent tax deductions to wealthy taxpayers that resulted in a tax loss of more than $450 million. In January 2024, Fisher was sentenced to 25 years in prison and ordered to pay approximately $457 million in restitution. Sinnott was sentenced to 23 years in prison and ordered to pay approximately $443 million in restitution. Six additional defendants have plead guilty to criminal conduct relating to the scheme.

Learn more about this case.

Tennessee Business Owner Sentenced for Bank Fraud, Wire Fraud, and Tax Fraud

From 2015 and 2021, Scotty Thomas Lumley failed to pay over taxes he withheld from his employees' paychecks to the IRS. In 2017, to avoid the payment of a tax debt, Lumley told the IRS the only vehicle he owned was a GMC 3500 with a negative value. However, he also owned a 2012 Ferrari 458 Spider, which he sold the following year for $187,000. In 2017 and 2018, Lumley obtained a series of fraudulent loans in connection with businesses he owned by falsely claiming his personal net worth was more than $30 million. Lumley also failed to disclose his outstanding tax liability of more than $119,000. In total, he tricked lenders into providing him with more than $3.5 million in loans. Lumley later provided one bank with additional false personal financial statements purporting to show his net worth had risen to more than $42 million. In November 2020, after becoming aware of a federal criminal investigation into the above conduct, Lumley flew to Morocco and did not return until he was extradited in February 2023. In July 2024, he was sentenced to 47 months in prison and was ordered to pay $1,198,833.62 in restitution.

Learn more about this case.

Man Sentenced to 9 Years in Prison for Role in One of the Largest Medicare Fraud Schemes in History

Andrew Chmiel was the subject of a multijurisdictional investigation originating in South Carolina, called "Operation Brace Yourself". In 2019, the investigation resulted in the execution of more than 80 search warrants in 17 federal districts. Chmiel controlled at least 10 durable medical equipment (DME) companies in the United States, which he and his co-conspirators used to submit false claims to Medicare for devices that were not medically necessary and/or were obtained through the payment of kickbacks and bribes. The operation revealed that the DME companies used an offshore call center to purchase completed doctors' orders billable to Medicare. Once a Medicare beneficiary called the advertised number, they were convinced they needed a brace. The call center then contacted a telemedicine company for a prescription, even though the device was not medically necessary and the patient was never examined. Throughout the healthcare fraud scheme, Chmiel's companies billed Medicare more than $200 million, $95 million of which was paid by Medicare. In March 2024, Chmiel was sentenced to nine years in prison. Additionally, two of Chmiel's corporations were also sentenced to 12 months' probation and ordered to pay almost $99 million in restitution.

Learn more about this case.

North Carolina Man Sentenced to 7 Years for Mortgage, COVID-19 Fraud

Between 2019 and 2021, Reynold Eugene Mullen, and his girlfriend, Tiffany Dawn Russell, used "washed" credit reports and fabricated bank statements to obtain four mortgages for the purchase of properties in Florida and North Carolina. In total, they received $1,374,000. Between March 2020 and July 2021, Mullen and Russell also submitted fraudulent Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP) applications on behalf of entities either owned entirely, or in part, by them. Mullen and Russell provided false information on the applications, including the monthly payroll amounts, the entities' number of employees, and other fraudulent tax return information. As a result, Mullen and Russell obtained more than $1.6 million in EIDL and PPP proceeds. They used the fraud proceeds to purchase six properties and pay for plastic surgery for Mullen. In July 2024, Mullen was sentenced to 84 months in prison. Russell was previously sentenced to 63 months in prison and five years of supervised release for her role in this scheme.

Learn more about this case.

North Carolina Woman in Charge of $1.9 Million Debt Collection Scheme Sentenced to Prison

From 2015 to July 2020, Carissa Eugenia Brown executed a fraudulent debt collection scheme defrauding hundreds of victims across the United States. Brown contacted individuals who had been sued by various creditors for their outstanding debt and claimed she was authorized to collect the debt on behalf of those creditors. Brown claimed she could settle the outstanding debt for a reduced amount if the victims accepted the offer and paid the reduced amount in full or made payments to Brown's companies. Brown often mailed official-looking documents to the victims, which included fictitious settlement agreements. The victims paid Brown only to later learn she was not authorized to collect the debt, and they still owed the actual creditor. Hundreds of individuals paid Brown and her companies more than $1.9 million, which placed them in the untenable position of either having to pay their debts twice or face the financial consequences for failing to pay the true creditor. In November 2023, Brown was sentenced to 54 months in prison and was ordered to pay $1,708,920 in restitution.

Learn more about this case.

Southern Area

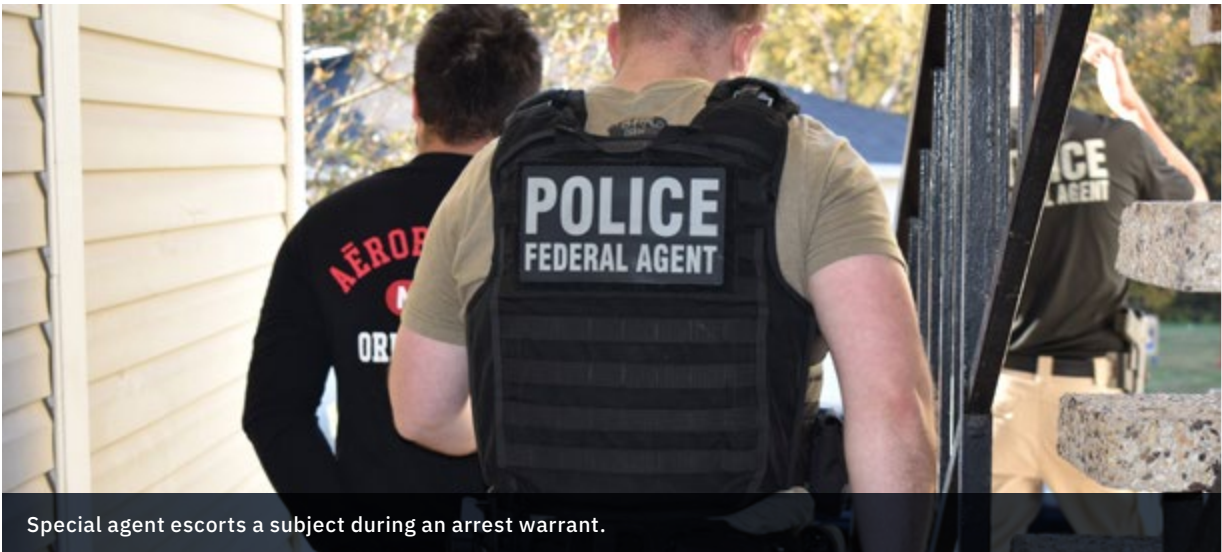NORTH CAROLINA: Charlotte, Greensboro, Raleigh, Wilmington | SOUTH CAROLINA: Charleston, Columbia, Greenville, Myrtle Beach | TENNESSEE: Chattanooga, Jackson, Johnson City, Knoxville, Memphis, Nashville

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Charlotte

CharlotteFieldOffice@ci.irs.gov

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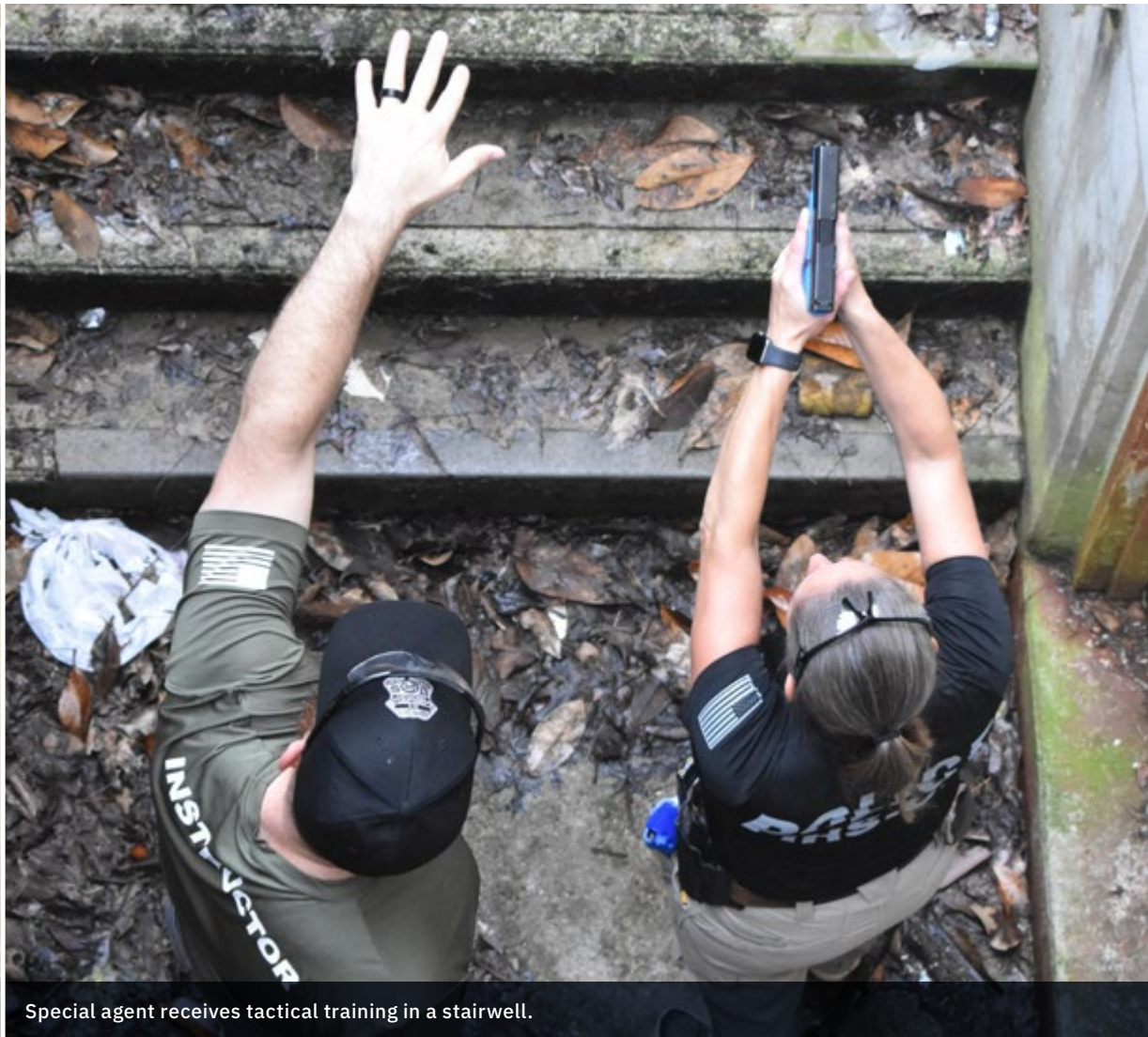
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Special agent escorts a subject during an arrest warrant.

Assistant Academic Director of NCITA participates in a money laundering panel discussion.

Special agent gears up prior to a search warrant.

Special agent receives tactical training in a stairwell.
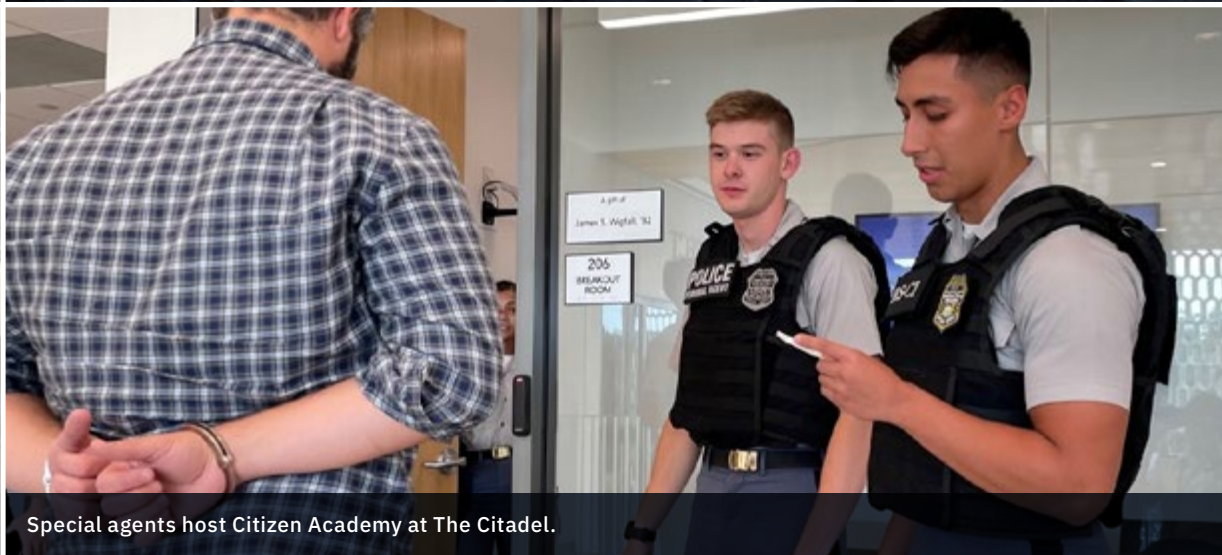
Special agents host Citizen Academy at The Citadel.

Southern Area

NORTH CAROLINA: Charlotte, Greensboro, Raleigh, Wilmington | **SOUTH CAROLINA:** Charleston, Columbia, Greenville, Myrtle Beach | **TENNESSEE:** Chattanooga, Jackson, Johnson City, Knoxville, Memphis, Nashville

Dallas

DallasFieldOffice2@ci.irs.gov

THE DALLAS FIELD OFFICE covers a broad geographic area that includes Northern and Eastern Texas and the entire states of Oklahoma and Arkansas. Serving seven judicial districts in the "Lone Star State", the "Sooner State", and the "Natural State", the Dallas Field Office is comprised of hard-working special agents and professional staff who investigate an array of complex and impactful cases, including tax fraud, general fraud, cybercrimes, identity theft, public and political corruption, narcotics, and terrorism. The Dallas Field Office has excellent working relationships with the U.S. Attorney's Office and other law enforcement partners. Special agents are essential members of several priority task forces, including OCDETF, HIDTA, FCTF, and JTTF.

View FO Photo Gallery

Texas Tax Preparer Sentenced for $2.6 Million Fraud Scheme

Anthony "Tony" Floyd filed approximately 400 fraudulent tax returns for clients, resulting in a tax loss of over $2.6 million to the IRS. Floyd's fraudulent returns included fabricated Forms W-2, fictitious charitable contributions, and nonexistent dependents, often for individuals working in catering, lawn care, and interior decorating. He rarely met his clients in person, instead communicating with them through email and text messages. Floyd often submitted fraudulent returns without reviewing them with the taxpayers. He then diverted all or most of the refunds to his own accounts. In August 2024, Floyd plead guilty on the morning his trial was set to begin. He was convicted of aiding in the preparation of false returns and was sentenced to 77 months in prison, an upward departure from the sentencing guidelines. He was ordered to pay over $1.9 million in restitution.

Learn more about this case.

Bookkeeper Sentenced to 10 Years After Embezzling Over $29 Million

Beginning in at least 2012, Barbara Chalmers abused her position as the bookkeeper for a charitable foundation and several other companies run by a Dallas family. Chalmers used her signatory authority over the family's bank accounts to write herself at least 175 checks, which she deposited into her personal bank accounts. To conceal her fraudulent conduct, she provided false paperwork to tax preparers, misstating the year-end cash-on-hand numbers for the various accounts from which she was embezzling. She used more than $25 million of the stolen money to fund a construction business for which she was the president. She also used $6 million to pay off her credit card debt. Chalmers was sentenced to 120 months in prison and three years of supervised release for money laundering. She was also ordered to pay $44.8 million in restitution to her victims.

Learn more about this case.

Jenks Woman Sentenced and Ordered to Repay More Than $1.2 Million in Restitution

Lauren Michelle Owen used her position of sole financial officer to steal over $750,000 from her employer. Owen was hired in 2010 and worked her way up from secretary to sole financial officer, where she was heavily involved in maintaining the books and records of the company. She wrote unauthorized checks to herself, inflated her wages, and paid her personal credit cards using company funds. In November 2021, Owen lost her job and quickly devised a plan to defraud the Small Business Association (SBA) after Congress passed the CARES Act in response to the COVID-19 pandemic. She falsified an application for a loan on behalf of Platinum Assets, LLC, a company she owned and controlled. She also lied on the application stating that she had never been criminally charged when she had previously been arraigned in state court for embezzlement. The SBA deposited more than $384,000 in Owen's bank account, which she used to purchase a 40-foot yacht and a Chevrolet Corvette and to pay off a loan on a vehicle. From 2016 through 2020, Owen failed to report this additional income to the IRS on her tax returns. In November 2013, she was sentenced to 27 months in prison and five years of supervised release for bank fraud, wire fraud, and tax evasion. Owen was also ordered to pay more than $1.2 million in restitution.

Learn more about this case.

Former Pelco President Sentenced and Ordered to Pay More Than $3.6 Million in Restitution

From 2014 to 2019, Phillip Albert was President of Pelco Structural LLC, a steel pole manufacturing company in Claremore, Oklahoma. During that period, Albert directed the payroll service company to pay him a salary of over $2.6 million. However, Albert instructed the payroll company to falsely characterize the payments as reimbursements rather than income, which caused the payroll company to not withhold federal income taxes or report the payments as wages on Albert's W-2. Albert, who was previously employed as a tax return preparer, did not report the payments on his income tax returns for those years. Albert was sentenced to 30 months in prison and one year of supervised release for tax evasion, and he was ordered to pay $1,000,232 in restitution to the IRS.

Learn more about this case.

Retail Theft Ringleader Sentenced to Over 5 Years in Prison

Linda Been of Tulsa, Oklahoma, led a large retail theft operation involving at least 23 co-defendants. Been paid what they referred to as "boosters" to steal property from various retail stores, including Walmart, Sam's Club, CVS, and Walgreens. She then sold and shipped the stolen property to various operations outside of Oklahoma, where they would be sold online. Been recruited the boosters, coached them on what to shoplift, and paid them for their efforts. If a booster was arrested, Been either paid their bond or put money on their jail account to ensure the person would not cooperate with law enforcement. She was indicted along with her 23 co-defendants, as a result of a national investigation targeting a retail theft ring and its conspiracy to distribute stolen property throughout the country. In May 2024, Been was sentenced to 64 months in prison and three years of supervised release, and she was ordered to pay $43,197.76 in restitution.

Learn more about this case.

Southern Area

ARKANSAS: Fayetteville, Fort Smith, Little Rock | **OKLAHOMA:** Muskogee, Oklahoma City, Tulsa | **TEXAS:** Amarillo, Beaumont, Dallas, Farmers Branch, Fort Worth, Irving, Lubbock, Tyler

Dallas

DallasFieldOffice2@ci.irs.gov

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Southern Area

Special agents conduct building entrance training.

Dallas field office Special Agent in Charge is interviewed.

Special agent searches a vehicle during a warrant.

Members of Dallas field office participate in recruiting event at Naval Air Station Joint Reserve Base.

Special agents coduct firearms training.

ARKANSAS: Fayetteville, Fort Smith, Little Rock | **OKLAHOMA:** Muskogee, Oklahoma City, Tulsa | **TEXAS:** Amarillo, Beaumont, Dallas, Farmers Branch, Fort Worth, Irving, Lubbock, Tyler

Houston

The boundaries of **THE HOUSTON FIELD OFFICE** encompasses unique and culturally diverse locations, including the Rio Grande Valley, the coastline of Corpus Christi, the beautiful Gulf Coast beaches, and the oil producing communities in the Permian Basin. Sprawling urban area and ports add to the complexity of work in the field office, which is rich with Fortune 500 headquarters and has the largest concentration of healthcare and research institutions. The Houston Field Office is among the leaders in complex federal investigations with national and international impact and is one of the most successful when it comes to stopping criminal financial activities. The field office participates in federal task forces, including South Texas money laundering, JTTF, OCDETF, HIDTA, public corruption, human trafficking, Paycheck Protection Program, and healthcare fraud. Partnerships with the U.S. Attorney's Offices in the Western and Southern districts of Texas are critical, as is the interagency work done with other federal, state, and local law enforcement agencies.

📷 View FO Photo Gallery

Southern Area

TEXAS: Austin, Brownsville, Corpus Christi, El Paso, Houston, Laredo, McAllen, San Antonio, Waco

'Gucci Goddess' Sentenced to 15 Years in Prison for Defrauding Military Dependents

From 2016 through 2023, Janet Yamanaka Mello engaged in a scheme to defraud the U.S. Army. Mello, a former civilian employee for the Department of the Army, formed and used a business, Child Health and Youth Lifelong Development (CHYLD), to collect funds from the 4-H Military Partnership Grant program, but she did not perform any of the promised services. Mello used her position as a financial program manager for the Army to steal over $108 million from the grant program, funds which were intended for military dependents and their families. During a six-year period, Mello awarded herself 49 separate grants, and she spent the proceeds on designer clothing, purses, jewelry, vehicles, and real estate. She also failed to report this income on her federal tax returns, omitting millions. Mello pleaded guilty to five counts of mail fraud and five counts of filing a false tax return. She was sentenced to 180 months in prison and ordered to pay nearly $141 million in restitution, including nearly $32 million to the IRS.

Learn more about this case.

Former SBA Administrator and Non-Profit Organizers Sentenced to Prison

Hector Barreto, of San Juan Capistrano, California, and Miguel Gutierrez, of San Antonio, TX, operated a charity, called the Latino Coalition Foundation. Barreto, who served as the Small Business Administration (SBA) Administrator under George W. Bush, controlled the charity's bank accounts, and had operational control of the entity. The pair solicited donations on behalf of the charity, which were purportedly to be used to establish an apprenticeship program to help low-income youth get critical job training and skills. Instead, Barreto and Gutierrez stole much of the funds for themselves and used the donations for their personal gain. They made payments to themselves, used the charity's credit cards for personal expenses, and made payments to friends and family members. They falsified the charity's Forms 990, a federal tax return for charitable organizations, and filed the false forms with the IRS. The false tax returns helped hide their theft of charitable funds. Barreto was sentenced to 20 months in prison and was ordered to pay $944,693.51 in restitution and a fine of $100,000. Gutierrez was sentenced to 10 months in prison and five years of probation. He was also ordered to pay a $100,000 fine and restitution of $1,194,439.51.

Learn more about this case.

Cypress Man Sentenced to Prison for Hiding Over $4 Million in Foreign Earnings

From 2013 to 2018, Peter Joseph Tignini, formerly of Cypress, TX, earned over $4.7 million working in the United Arab Emirates and Qatar. For tax years 2013 through 2017, he filed false tax returns, claiming his income was approximately $100,000 annually. The amount Tignini reported each year was near or below the amount that U.S. citizens who live and work abroad for most of a year can exclude from their taxable income on their U.S. tax returns. In addition to his false returns from 2013 through 2017, Tignini did not file a return for the 2018 tax year. In total, Tignini caused a tax loss to the IRS of $1,169,348. Following an interview with federal law enforcement, Tignini attempted to cover up his fraud by altering documents, attempting to delete documents, and causing his attorneys to provide the false documents to the Department of Justice and the IRS. In February 2024, Tignini was sentenced to 41 months in prison for tax evasion and three years of supervised release, and he was ordered to pay nearly $1.17 million in restitution.

Learn more about this case.

Former City Commissioner Sentenced for Role in Bribery Conspiracy

John Cuellar, the former City Commissioner for Weslaco, Texas, and Gerardo Tafolla, the former Weslaco City Commission Representative, accepted bribes from Arturo C. Cuellar Jr., Ricardo Quintanilla, and others, in exchange for official actions favorable to engineering companies seeking large contracts with the city. From approximately March 2008 through December 2015, Arturo Cuellar, a former Hildalgo County commissioner, received nearly $1.4 million from two engineering companies. He then used a company he controlled to facilitate payments of more than $400,000 to his cousin, John Cuellar. In exchange for these payments, John Cuellar took several actions to benefit the engineering companies, including helping to award contracts worth approximately $39.5 million to rehabilitate Weslaco's water treatment facilities. During the scheme, Quintanilla received approximately $85,000 and used that money to bribe Tafolla for his official actions to benefit the companies receiving the water treatment contracts. John Cuellar and Tafolla were each sentenced to 30 months in prison for their role in the scheme, while Arturo Cuellar and Quintanilla were previously sentenced to 20 years and 16 years, respectively.

Learn more about this case.

Three Conspirators Sent to Prison for Stealing Nearly $4 Million in IRS Refunds

In approximately January 2022, Kuljinder Hunjan and Whitley Carter conspired to steal a $2,932,446.84 IRS refund check from a couple in Houston. Hunjan and Carter obtained the refund check from the mail, used fake identification documents with the victims' personal information to open accounts at Regions Bank, and deposited the victims' refund check. Bank surveillance footage helped authorities identify Hunjan and Carter, and Hunjan's fingerprints were also found on the check. Carter, Hunjan, and co-conspirator Benjamin Thomas were also linked through phone calls and CashApp transactions. In April 2022, authorities arrested Thomas while he was driving a stolen Lamborghini. At that time, they discovered two debit cards in his possession which were linked to the fraudulently created accounts that were used to receive the proceeds of the nearly $3 million refund check. Thomas and Hunjan were sentenced to 90 months and 42 months in prison, respectively, while Carter was sentenced to 30 months in prison. All three co-conspirators were ordered jointly liable and must pay more than $4 million in restitution.

Learn more about this case.

X

Houston

HoustonFieldOffice@ci.irs.gov

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Southern Area

Special Agent in Charge participates in a press conference.

Supervisory Special Agent meets with students at recruiting event.
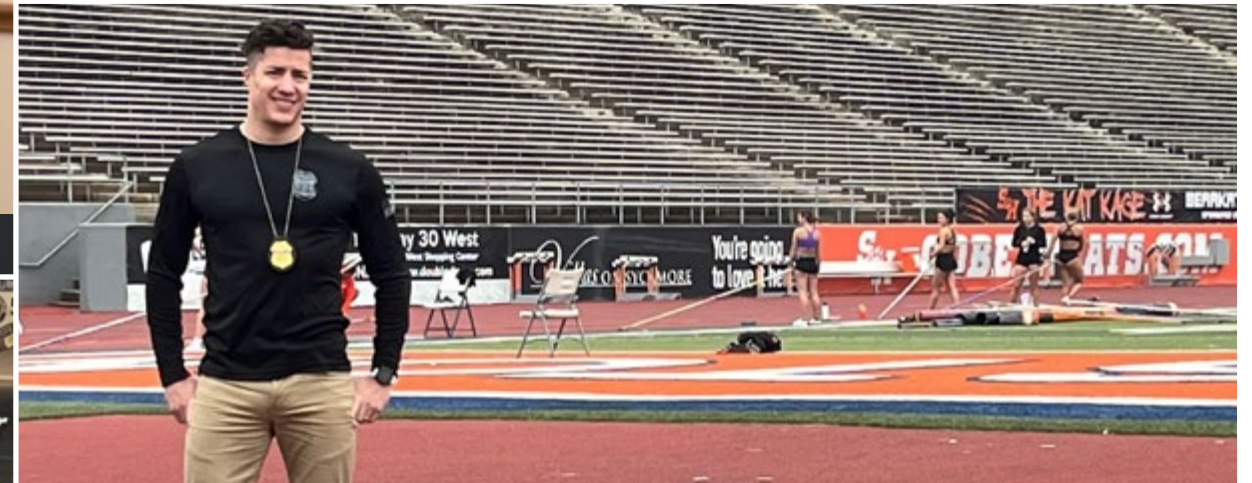
Media profile an SHSU alumnus now a special agent.

Supervisory special agents meet with Netherlands counterparts to discuss cybercrime.

Houston field office participates in a press conference.

TEXAS: Austin, Brownsville, Corpus Christi, El Paso, Houston, Laredo, McAllen, San Antonio, Waco

Miami

MiamiFieldOffice2@ci.irs.gov

THE MIAMI FIELD OFFICE covers the Southern Judicial District of Florida and the Judicial Districts of Puerto Rico and the U.S. Virgin Islands. The Southern Judicial District of Florida includes the counties of Miami Dade, Broward, Monroe, Palm Beach, Martin, St. Lucie, Indian River, Okeechobee, and Highlands. Greater Miami, the state's largest urban concentration, includes the "Magic City" of Miami, Miami Beach, and many smaller municipalities and unincorporated areas. Together, these areas make up the southern section of Florida's "Gold Coast." Last year's investigations were highlighted by a myriad of criminal cases in tax law, identity theft, return preparer fraud, money laundering, healthcare fraud, and political and public corruption. We participate on task forces, including OCDETF and other priority task forces at the U.S. Attorney's Offices, including identity theft, financial crimes, healthcare fraud, and disaster fraud.

View FO Photo Gallery

Florida Attorney Earned More Than $10 Million Selling "Ultimate Tax Plan", Ultimately Sentenced to Eight Years in Prison

From 2013 through 2021, attorney and certified public accountant Michael Meyer, of Davie, Florida, promoted a fraudulent tax shelter, called "The Ultimate Tax Plan." Meyer and his co-conspirators marketed the scheme as a way for high-income clients to reduce their taxes by false deductions. Meyer earned more than $10 million from the scheme and used it to purchase a multi-million-dollar estate and several luxury vehicles. The IRS conducted several audits of Meyer's charities and found that "The Ultimate Tax Plan" was an economic sham. Meyer signed documents acknowledging the scheme and agreed to close the bogus charities. However, Meyer then created new "charities" and continued to promote his illegal shelter to wealthy taxpayers. In April 2024, Meyer was sentenced to 96 months in prison for conspiring to defraud the United States and tax evasion, was ordered to pay $12,136,014.34 in restitution, and will serve three years supervised release.

Learn more about this case.

Dark Web Drug Vendor Sentenced to Prison for Trafficking Methamphetamine and Fentanyl

Beginning in 2020, Tenzin Orgil worked to distribute large amounts of narcotics via various dark web marketplaces, as well as the peer-to-peer encrypted chat platform, Wickr. He was based in California, and he mailed illegal narcotics via the U.S. Postal Service to customers all over the United States. Between 2020 and 2021, law enforcement officers in South Florida conducted undercover purchases from Orgil via the dark web or Wickr, resulting in the seizure of 2.54 grams of fentanyl in the form of counterfeit oxycodone pills and 4.965 kilograms of 100 percent pure methamphetamine. In May 2024, Orgil was sentenced to 168 months in prison for participating in a drug trafficking enterprise that included the sale of methamphetamine and fentanyl on the dark web and the manufacture of ecstasy and methamphetamine in clandestine laboratories.

Learn more about this case.

Cryptocurrency Exchanger Sentenced to Prison for Running Unlicensed Money Transmitter Business

Raul Rodriguez, aka Rraultiovigia, converted cash into bitcoin and other digital currency, and vice versa, in exchange for a fee. For over five years, Rodriguez provided these services to the public through an online digital currency exchange platform known as "LocalBitcoins.com". In March 2013, the U.S. Department of the Treasury announced that virtual currency exchangers were required to register as a money transmitting business. Despite these requirements, Rodriguez operated an unregistered and unlicensed money transmitting business for over five years, and he exchanged at least $5 million in digital currency. At one point, he was the highest-volume trader of digital currency on the LocalBitcoins.com platform in the State of Florida. In April 2024, Rodriguez was sentenced to 57 months in prison for operating an unlicensed money transmitting business.

Learn more about this case.

West Palm Beach Man Sentenced for Illegal Gambling, Money Laundering, and Fostering Prostitution

From April 2008 to November 2022, Dion De Cesare of West Palm Beach, Florida, owned two social clubs, Whispers All Girls Staff and NXT, that provided prostitution services to clients. De Cesare collected the proceeds from those businesses and laundered them through third-party bank accounts and through the payment of mortgages and expenses related to several of his properties in West Palm Beach. From May 2015 to October 2022, he operated an online sports gambling business through a website whose server was located in Costa Rica. De Cesare laundered the gambling proceeds by having the gamblers send their debt payments to third party individuals and entities for his benefit. From 2011 to 2017, De Cesare also owned Renegades, a restaurant and nightclub in West Palm Beach. During various times, he failed to pay personal and payroll taxes. In December 2023, De Cesare was sentenced to 71 months in prison for various charges, including conspiracy to commit money laundering and tax evasion. De Cesare was ordered to pay restitution to the IRS in the amount of $1,046,224.19.

Learn more about this case.

Former Chairman of 1 Global Sentenced to 5 Years in Prison for Running $250 Million Securities Fraud Scheme

Carl R. Ruderman, of Aventura, Florida, was the chairman of 1 Global, a commercial lending business, that made the equivalent of "pay day" loans to small businesses at high interest rates. Ruderman and others made false and misleading representations to investors and potential investors as to the profitability of 1 Global's business in marketing materials and periodic account statements. Ruderman, without investors' knowledge, diverted 1 Global investors' money to fund his lavish lifestyle. During the operation of the business, questions arose as to whether 1 Global was offering or selling a security and whether the investment offering was required to be registered with the U.S. Securities and Exchange Commission. In 2016, Ruderman had one of his attorneys write letters containing false information, which allowed 1 Global to skirt federal securities laws. In 2024, Ruderman was sentenced to 60 months in prison for carrying out a $250 million securities fraud conspiracy scheme. As agreed in his plea agreement, Ruderman was also ordered to pay a forfeiture money judgment exceeding $285 million. Four of Ruderman's co-conspirators, including two lawyers who provided Ruderman with false legal services to skirt federal securities laws, previously pleaded guilty and were sentenced for their roles in the fraud scheme. The four co-conspirators were also from South Florida.

Learn more about this case.

Southern Area

FLORIDA: Miami, Plantation, Port St. Lucie, West Palm Beach | **PUERTO RICO:** Guaynabo | **U.S. VIRGIN ISLANDS:** St. Thomas

Miami

MiamiFieldOffice2@ci.irs.gov

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📁 **View FO Cases**

Special Agent in Charge makes remarks at FinCEN Exchange.

Special agents conduct firearms training.

Special agents conduct building entry training.

Special agents present to over 100 law enforcement partners on crypto tracing.

Special agent presents on cryptocurrency.

Southern Area

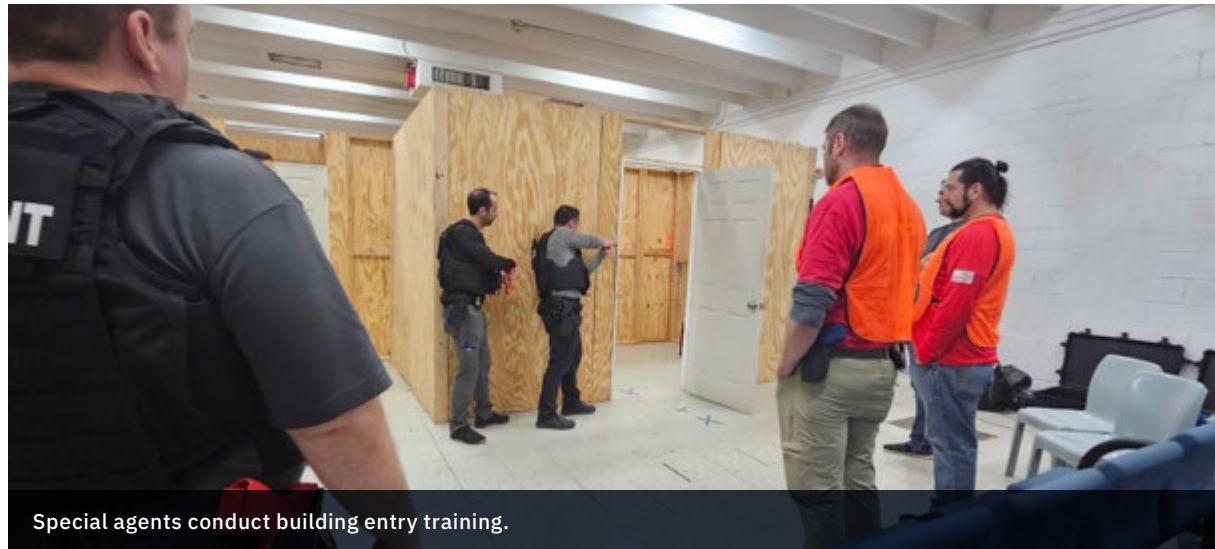**FLORIDA:** Miami, Plantation, Port St. Lucie, West Palm Beach | **PUERTO RICO:** Guaynabo | **U.S. VIRGIN ISLANDS:** St. Thomas

Tampa

THE TAMPA FIELD OFFICE is nestled between the east and west coasts of the Sunshine State. Covering both Florida's Middle and Northern Judicial Districts, the field office is home to nine posts of duty that stretch from Ft. Myers to Jacksonville and across the panhandle to Pensacola. Special agents in this office embrace traditional tax cases, as well as a multitude of financial crimes cases ranging from money laundering to public corruption. The Tampa Field Office benefits from well-established partnerships with other law enforcement agencies and has excellent working relationships with the U.S. Attorneys' Offices for the Middle and Northern Districts of Florida.

📷 **View FO Photo Gallery**

RICO Conspirators Sentenced to Prison for Nationwide Computer Intrusions and Tax Fraud

Michael Jean Poix, Alain Jean-Louis, and Jeff Propht-Francisque, along with numerous other conspirators, used the darknet to purchase server credentials for computer servers of accounting and tax preparation firms across the country. They committed computer intrusions to extract tax return data for thousands of the firms' clients. The coconspirators then used the stolen information to file thousands of false returns, using over 9,000 stolen identities. They also registered with the IRS to obtain Preparer Identification numbers (PTINs) to file false returns in bulk. The enterprise claimed more than $45 million in false tax refunds, and the actual tax loss to the IRS exceeded $7 million. In December 2023, Michael Jean Poix was sentenced to 130 months in prison and was ordered to pay $130,771 in restitution, Alain Jean-Louis was sentenced to 102 months in prison and ordered to pay $2,554,907 in restitution, and Jeff Propht-Francisque was sentenced to four years in prison and ordered to pay $2,574,235 in restitution for their involvement in the RICO Conspiracy for cyber intrusion and tax fraud.

Learn more about this case.

Former Florida Attorney Sentenced to 14 Years in Prison for Racketeering

Between December 2015 and January 2018, Florida attorney Phillip Timothy Howard, along with associates and employees of his Tallahassee law firm, defrauded clients of funds from an NFL class-action lawsuit. Howard used several Tallahassee investment companies under his control to facilitate his scheme and to steal from clients. Howard enticed clients to invest retirement funds in his companies, assuring them their money was secure, but he never informed them that almost none of the investment funds yielded a return. He also did not disclose that client investment funds had been commingled with funds used to operate his law firm and were used to issue payroll for his staff and to pay his personal mortgages. Howard and others fraudulently obtained over $4 million through racketeering, wire fraud, and money laundering. In November 2023, Howard was sentenced to 168 months in prison and three years of supervised release and was ordered to pay over $12.6 million in restitution for racketeering.

Learn more about this case.

Former Jacksonville Jaguars Employee Sentenced to More than Six Years for Embezzling in Excess of $22 Million

Amit Patel embezzled over $22 million from the Jaguars by using his position as the team's virtual credit card (VCC) program administrator to make hundreds of purchases and transactions with no legitimate business purpose. Patel covered up his actions by submitting fraudulent accounting records to the team's accounting department. Patel disguised personal expenditures that funded a lavish lifestyle for himself and his friends as business expenses. Patel's illicit purchases included a Tesla Model 3 sedan, stays in luxury hotels, chartering private jets, concert and sporting event tickets, and a condominium in Ponte Vedra Beach, Florida. In March 2024, Patel was sentenced to 78 months in prison for committing wire fraud and engaging in an illegal monetary transaction. Patel was also ordered to forfeit over $22 million and to pay full restitution to the Jacksonville Jaguars.

Learn more about this case.

Insurance Agent Sentenced to 15 Years in Prison for Defrauding Elderly Investors and Tax Evasion

Phillip Roy Wasserman, of Sarasota, Florida, a former lawyer and licensed insurance agent, and his coconspirator, lied to and concealed material information from elderly victims to convince them to invest money in what resembled a Ponzi-scheme. Wasserman convinced victims to invest money into his new insurance venture, "FastLife." He used new victims' money to make "Ponzi-style" payments to earlier victims in the FastLife venture, as well as other hedge fund and real estate fund ventures. Wasserman spent a significant amount of the victims' money to finance a lavish lifestyle that included a luxury personal residence, a beach house on Casey Key, sport and concert event tickets, vehicles, jet skis, jewelry, gambling, home improvements, and a host of other expenses for his personal benefit and the benefit of family members. Additionally, Wasserman took numerous steps to evade payment of more than $900,000 in taxes, concealed mounting business debts, and tried to influence witnesses throughout the investigation. In February 2024, Wasserman was sentenced to 180 months in prison for conspiracy to commit wire fraud and mail fraud, substantive counts of wire fraud and mail fraud, and evasion of payment of income taxes. Wasserman was also ordered to forfeit $6,896,586.47.

Learn more about this case.

Owner of Orlando Company Sentenced to 24 Years in Prison for $57 Million Investment Fraud Scheme

Avinash Singh operated an Orlando-based company, Highrise Advantage LLC. From February 2013 to September 2020, Singh received more than $57 million from over 1,100 victims who believed they were making investments in retail foreign currency contracts (forex) through Highrise. Singh made fraudulent claims citing his proven track record of success as a forex trader to "guarantee" that his victims would not lose any funds for any trading losses. Rather than invest his victims' money, he used funds from one investor to pay amounts owed to another investor. Singh misappropriated at least $45 million of the victims' "investments" in the form of payments to other investors and spent millions of dollars on personal expenses, including the purchase of real estate, retail purchases, phone bills, events, dining, and reserving music studio space to record music with his band. Singh was sentenced to 288 months in prison for wire fraud and money laundering and was ordered to forfeit $57 million in proceeds and real property.

Learn more about this case.

Southern Area

FLORIDA: Fort Myers, Gainesville, Jacksonville, Orlando, Pensacola, St. Petersburg, Sarasota, Tallahassee, Tampa

Tampa

TampaFieldOffice@ci.irs.gov

THE TAMPA FIELD OFFICE is nestled between the east and west coasts of the Sunshine State. Covering both Florida's Middle and Northern Judicial Districts, the field office is home to nine posts of duty that stretch from Ft. Myers to Jacksonville and across the panhandle to Pensacola. Special agents in this office embrace traditional tax cases, as well as a multitude of financial crimes cases ranging from money laundering to public corruption. The Tampa Field Office benefits from well-established partnerships with other law enforcement agencies and has excellent working relationships with the U.S. Attorneys' Offices for the Middle and Northern Districts of Florida.

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Supervisory Special Agent holds a team meeting.

Special agent conducts building entry training.

Special Agent in Charge participates in press conference.

Special Agent in Charge provides remarks to the press.

Special agents conduct firearms training.

Southern Area

FLORIDA: Fort Myers, Gainesville, Jacksonville, Orlando, Pensacola, St. Petersburg, Sarasota, Tallahassee, Tampa

Washington DC

WashingtonDCFieldOffice@ci.irs.gov

THE WASHINGTON DC FIELD OFFICE (WDCFO) is an executive led field office and one of the largest in IRS-CI, overseeing criminal financial investigations throughout Maryland, Virginia, West Virginia, and the District of Columbia. Serving six judicial districts, the field office is comprised of dedicated professional staff and special agents who work a wide array of significant investigations. The diverse geographical coverage from the Appalachian Mountains to the Chesapeake Bay allows the field office the opportunity to work the entire spectrum of financial investigations, including legal source tax cases, public corruption, corporate fraud, narcotics, and healthcare fraud. In addition to the regional groups, the WDCFO houses CI's specialty groups: the DC Cyber Crimes Unit (CCU), the International Tax and Financial Crimes (ITFC) group, the Global Illicit Financial Team (GIFT), and the U.S. Treasury Alcohol and Tobacco Tax and Trade Bureau Group (TTB). These specialty groups focus on national and international financial crimes and are a beacon of investigative talent for dozens of special agents across the country.

📷 **View FO Photo Gallery**

Southern Area

Nigerian National Sentenced to More than 12 Years in Prison for Cyber Scams

Bamidele Omotosho, a Nigerian citizen and resident, conspired with others to purchase stolen access credentials and personal identifying information (PII) of U.S. citizens, including names, dates of birth, and Social Security numbers, on xDedic, a darknet criminal marketplace that has since been seized and shut down. Omotosho and his coconspirators used the stolen credentials and PII to commit at least six different fraudulent schemes totaling over $7.5 million in intended losses and over $2 million in actual losses. In 2017 and 2018, Omotosho and his coconspirators purchased unauthorized access to computer networks for multiple accounting firms throughout the United States, including in Texas and Florida. With that access, Omotosho and his coconspirators obtained PII for accounting firm clients, which they used to file fraudulent tax returns with the IRS. In July 2024, Omotosho was sentenced to 151 months in prison for conspiracy to commit wire fraud, conspiracy to commit money laundering, and computer intrusion. The court also ordered Omotosho to pay $2,051,108.70 in restitution to victims of his offenses.

Learn more about this case.

West Virginia Man Sentenced to Over 10 Years for Elder Financial Fraud

Samuel Kristofer Bunner, formerly of Ranson, West Virginia, defrauded a victim of $1,906,229 by selling his real estate, emptying his investment and bank accounts, and opening a credit card in his name. Bunner befriended an elderly man suffering from dementia at the local VFW where Bunner worked, and he convinced him to sign over Power of Attorney rights. Bunner used the money taken from the victim for his benefit, including purchasing homes, campers, cars, and hundreds of thousands of dollars' worth of consumer goods. In June 2024, Bunner was sentenced to 121 months in prison and five years of supervised release. He was also ordered to pay $1,906,229 in restitution to his victim.

Learn more about this case.

Virginia Man Sentenced to More than 6 Years in Prison for Tax Scheme

James C. Jones Jr., a resident of Virginia, owned and operated Lifeline Ambulance Service Inc. He was responsible for paying the IRS approximately $200,000 in Social Security, Medicare, and income taxes withheld from his employees' wages, but he did not pay. When the IRS attempted to collect those taxes, Jones lied, claiming he did not have the assets to pay the amount he owed. In fact, Jones owned several Caribbean beachfront condominiums, multiple foreign bank accounts, and a classic "muscle" car collection. From 2013 through 2018, Jones repeatedly tried to stop the IRS's collection efforts by filing false tax returns that did not report the rental income from his Caribbean properties and claimed false deductions. Jones was subpoenaed by the Department of Justice for foreign bank account records, but he falsely reported he did not have any. Jones's conduct caused a tax loss to the IRS of at least $1.5 million. In May 2024, Jones was sentenced to 78 months in prison for evading the payment of employment taxes, filing false tax returns, and obstructing the IRS.

Learn more about this case.

Georgetown Restauranteurs Sentenced to Prison for Tax Offenses and Theft of COVID-19 Relief Funds

Gholam "Tony" Kowkabi, and Karen Kowkabi, of Vienna, Virginia, owned three restaurants: Ristorante Piccolo in Georgetown and Catch 15 and Tuscana West in Washington, DC. From 1998 to 2018, the Kowkabis' total unpaid tax balance was $1,351,038.51, including federal income taxes, employment taxes, and penalties. Gholam Kowkabi attempted to evade paying the taxes by concealing assets and obscuring large sums of money taken from the businesses by purchasing property in the name of a nominee entity and by making false entries in the businesses' books and records. From May 2020 to July 2021, the Kowkabis obtained more than $1.6 million in COVID-19 relief funds, including $474,000 from Paycheck Protection Program loans, an Economic Injury Disaster Loan for $499,900, and a Restaurant Revitalization Fund grant for $631,823.28. In December 2023, Gholam Kowkabi and Karen Kowkabi were sentenced to 57 months in prison and 24 months of probation, respectively, for their willful failure to pay more than $1.35 million of taxes. Gholam Kowkabi was also sentenced for stealing more than $738,000 from the emergency small business relief funds his Georgetown restaurant received during the COVID-19 pandemic.

Learn more about this case.

Maryland Man Sentenced to 42 Months in Prison for a $20 Million Kickback Scheme

Elliott Dennis Kleinman, of Bel Air, Maryland, and Eugene DiNoto, also of Bel Air, Maryland, were employees of a family-owned global business headquartered in New York, with manufacturing facilities in Belcamp and Abingdon, Maryland. As facility managers, Kleinman and DiNoto oversaw the purchasing and storing of drums for use at the manufacturing facilities and had authority to review drum invoices and authorize payments to vendors. Beginning in 2012, Kleinman and DiNoto used their management positions to execute a fraudulent billing scheme for illegal kickbacks from various drum vendors. From 2017 to 2019, Kleinman received $1,034,911 in kickbacks for his role, but he did not report the payments as personal or business income, resulting in a loss to the U.S. government of approximately $291,143. In December 2023, Kleinman was sentenced to 42 months in prison, followed by three years of supervised release, and was ordered to pay restitution of $19.3 million and to forfeit nearly $2.04 million for conspiracy to commit wire fraud and tax evasion in connection with a kickback scheme that defrauded his employer of more than $20 million.

Learn more about this case.

DISTRICT OF COLUMBIA: Washington | **MARYLAND:** Baltimore, Frederick, Landover, Rockville, Salisbury | **VIRGINIA:** Hampton, Norfolk, Richmond, Roanoke, Vienna | **WEST VIRGINIA:** Bridgeport, Charleston, Parkersburg

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Washington DC

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THE WASHINGTON DC FIELD OFFICE (WDCFO) is an executive led field office and one of the largest in IRS-CI, overseeing criminal financial investigations throughout Maryland, Virginia, West Virginia, and the District of Columbia. Serving six judicial districts, the field office is comprised of dedicated professional staff and special agents who work a wide array of significant investigations. The diverse geographical coverage from the Appalachian Mountains to the Chesapeake Bay allows the field office the opportunity to work the entire spectrum of financial investigations, including legal source tax cases, public corruption, corporate fraud, narcotics, and healthcare fraud. In addition to the regional groups, the WDCFO houses CI's specialty groups: the DC Cyber Crimes Unit (CCU), the International Tax and Financial Crimes (ITFC) group, the Global Illicit Financial Team (GIFT), and the U.S. Treasury Alcohol and Tobacco Tax and Trade Bureau Group (TTB). These specialty groups focus on national and international financial crimes and are a beacon of investigative talent for dozens of special agents across the country.

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Southern Area

Assistant Special Agent in Charge makes remarks during a press conference.

Special Agent in Charge briefs students at Citizen Academy event.

Washington field office leadership at the local CBS affiliate WUSA9.

Special agent demonstrates surveillance van to students.

Special agent participates in a podcast.

DISTRICT OF COLUMBIA: Washington | **MARYLAND:** Baltimore, Frederick, Landover, Rockville, Salisbury | **VIRGINIA:** Hampton, Norfolk, Richmond, Roanoke, Vienna | **WEST VIRGINIA:** Bridgeport, Charleston, Parkersburg

This appendix includes investigation data appearing in the annual report as well as extended information regarding incarceration rates.

FY Combined Results

	2024	2023	2022
Investigations Initiated	2667	2676	2558
Prosecution Recommendations	1794	1838	1837
Informations/ Indictments	1669	1676	1670
Sentenced	1582	1479	1490
Incarceration Rate	76%	79%	77%
Average Months to Serve	44	48	42

Abusive Tax Schemes

	2024	2023	2022
Investigations Initiated	92	103	74
Prosecution Recommendations	55	36	58
Informations/ Indictments	37	40	35
Sentenced	36	26	32
Incarceration Rate	83%	77%	88%
Average Months to Serve	47	36	52

Corporate Fraud

	2024	2023	2022
Investigations Initiated	23	34	34
Prosecution Recommendations	16	31	25
Informations/ Indictments	14	26	23
Sentenced	22	19	28
Incarceration Rate	77%	79%	89%
Average Months to Serve	44	22	46

Financial Institution Fraud

	2024	2023	2022
Investigations Initiated	32	28	29
Prosecution Recommendations	21	25	26
Informations/ Indictments	27	20	20
Sentenced	30	16	32
Incarceration Rate	47%	81%	81%
Average Months to Serve	18	45	41

Abusive Return Preparer Program

	2024	2023	2022
Investigations Initiated	190	201	175
Prosecution Recommendations	91	108	93
Informations/ Indictments	83	92	112
Sentenced	84	134	129
Incarceration Rate	80%	72%	69%
Average Months to Serve	20	23	19

Bank Secrecy Act (BSA)

	2024	2023	2022
Investigations Initiated	542	511	544
Prosecution Recommendations	381	350	352
Informations/ Indictments	347	319	338
Sentenced	316	235	267
Incarceration Rate	73%	77%	71%
Average Months to Serve	29	32	24

Employment Tax

	2024	2023	2022
Investigations Initiated	209	221	223
Prosecution Recommendations	113	115	168
Informations/ Indictments	106	128	142
Sentenced	104	103	101
Incarceration Rate	72%	84%	70%
Average Months to Serve	17	20	18

Healthcare Fraud

	2024	2023	2022
Investigations Initiated	60	44	76
Prosecution Recommendations	36	36	68
Informations/ Indictments	34	32	69
Sentenced	58	56	56
Incarceration Rate	62%	80%	80%
Average Months to Serve	25	39	29

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in Joint Chiefs of Global Tax Enforcement (J5)
IRS-CI
J5 Website

This appendix includes investigation data appearing in the annual report as well as extended information regarding incarceration rates.

Identity Theft

	2024	2023	2022
Investigations Initiated	106	137	101
Prosecution Recommendations	74	96	97
Informations/ Indictments	67	98	88
Sentenced	87	81	101
Incarceration Rate	89%	80%	85%
Average Months to Serve	58	50	38

Money Laundering

	2024	2023	2022
Investigations Initiated	1080	955	962
Prosecution Recommendations	805	805	796
Informations/ Indictments	693	675	701
Sentenced	515	479	418
Incarceration Rate	81%	84%	83%
Average Months to Serve	67	74	71

Non-Filer

	2024	2023	2022
Investigations Initiated	221	251	260
Prosecution Recommendations	131	141	152
Informations/ Indictments	127	115	115
Sentenced	101	116	116
Incarceration Rate	75%	83%	78%
Average Months to Serve	25	28	35

Questionable Refund Program

	2024	2023	2022
Investigations Initiated	109	93	66
Prosecution Recommendations	43	39	58
Informations/ Indictments	18	40	51
Sentenced	57	65	65
Incarceration Rate	84%	72%	80%
Average Months to Serve	52	42	28

International Operations

	2024	2023	2022
Investigations Initiated	174	147	163
Prosecution Recommendations	139	128	161
Informations/ Indictments	152	117	143
Sentenced	149	128	130
Incarceration Rate	82%	85%	77%
Average Months to Serve	59	63	52

Narcotics

	2024	2023	2022
Investigations Initiated	627	528	592
Prosecution Recommendations	523	480	495
Informations/ Indictments	514	451	475
Sentenced	468	418	353
Incarceration Rate	82%	85%	81%
Average Months to Serve	83	89	82

Public Corruption

	2024	2023	2022
Investigations Initiated	44	37	26
Prosecution Recommendations	38	18	24
Informations/ Indictments	34	15	27
Sentenced	26	38	38
Incarceration Rate	77%	82%	84%
Average Months to Serve	32	37	39

Terrorism

	2024	2023	2022
Investigations Initiated	21	14	48
Prosecution Recommendations	15	12	37
Informations/ Indictments	15	12	33
Sentenced	28	9	9
Incarceration Rate	57%	67%	44%
Average Months to Serve	17	127	13