



# Department of Justice

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## **TWO MONTGOMERY WOMEN SENTENCED ON FEDERAL TAX FRAUD CHARGES**

*Montgomery, Alabama* - Leura G. Canary, United States Attorney for the Middle District of Alabama, announced today the sentencing of two Montgomery women on tax fraud charges.

On July 22, 2009, Chief United States District Judge Mark E. Fuller sentenced Kwantrice M. Thornton, age 26, to 24 months imprisonment following her February 4, 2008, guilty plea to a one-count felony information charging her with conspiracy to defraud the United States, in violation of Title 18, United States Code, Section 371; and Felicia S. Jackson, age 30, to 46 months imprisonment following her February 13, 2009, guilty plea to a two-count felony information charging her with conspiracy to defraud the United States and with conspiring to defraud the United States while on release pending sentencing on the first charge, in violation of Title 18, United States Code, Sections 371.

According to the plea agreement and information, in July 2006, Kwantrice M. Thornton stole from her employer, Electronic Data Systems, Inc. ("EDS"), in Montgomery, Alabama, social security numbers and dates of birth (the "identifiers") of Medicaid beneficiaries. Between August 2006 and October 2006, Thornton sold approximately 50 identifiers to a co-conspirator identified in court filings as "OM" in exchange for a total of \$1,000. In addition to these identifiers, between July 2006 and January 2007, Thornton received non-EDS related identifiers

and bank account information from other individuals and passed this information on to OM. OM provided these identifiers to other individuals, who caused the identifiers to be used to file federal income tax returns that fraudulently claimed refunds in the approximate amounts of \$6,000 to \$9,000, which were directly deposited into the bank accounts that Thornton had identified to OM. Thornton arranged for a portion of the refunds to be withdrawn from the bank accounts and provided \$2,000 to OM. Thornton originally did not charge OM for engaging in this conduct; however, Thornton subsequently required a fee of \$500 per refund paid, which she later increased to \$1,000.

Thornton, who had been free on bail, was remanded into custody at the conclusion of the sentencing.

According to the plea agreement and information, from January to April, 2005, Felicia S. Jackson was employed by Tax Tyme, loosely described as a tax preparation business operated by a Montgomery man by the name of Tommy Jordan. Jordan was convicted at trial in January, 2009, and is awaiting sentencing. Jackson testified against Jordan at that trial.

Following Jordan's instructions, Jackson and another woman, Tumekia Sanders (who has also pled guilty and was previously sentenced), caused numerous federal income tax returns to be filed that claimed refunds that substantially exceeded the actual refund, if any, that the taxpayers were entitled to. This was done by manipulating the earned income credit amounts to maximize the refund associated with those returns. Jordan paid Jackson between \$400-450 for each return she prepared that was filed.

After Jackson pled guilty and was released on bond, she again participated with others in the filing of more federal income tax returns. Numerous returns were filed under the business name Lucky Tax Service. This second scheme followed the general pattern as the first,

manipulating the returns to maximize the refund amount. Additionally, a number of the returns were filed using stolen identities. On these purely fictitious returns, some of the identities belonged to people who were incarcerated or who were patients at Griel Hospital, a Montgomery mental health facility. Because Jackson committed this criminal activity while on bond for federal criminal charges, her sentence on the second conspiracy count was enhanced.

James D. Robnett, Acting Special Agent In Charge, IRS Criminal Investigation, stated, "IRS Criminal Investigation is determined to stop these false tax refund schemes. The message these cases send is that participation in refund fraud schemes does not pay and those who do so will be prosecuted. IRS Criminal Investigation is vigilant in the investigation of these schemes and will continue to work with prosecutors to combat this criminal activity."

The Thornton case was investigated by Internal Revenue Service–Criminal Investigation, with the assistance of the Federal Bureau of Investigation, the U.S. Department of Education Office of Inspector General, the Alabama Board of Pardons and Paroles, and the Alabama Attorney General’s Medicaid Fraud Control Unit. The case was prosecuted by Assistant U.S. Attorney Andrew O. Schiff.

The Jackson case was investigated by Internal Revenue Service–Criminal Investigation, The case was prosecuted by Assistant U.S. Attorney Todd A. Brown.