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TWO CHARGED IN FRAUDULENT TAX REFUND SCHEME IN CENTRAL VALLEY

FRESNO, Calif. — United States Attorney Lawrence G. Brown announced today that a federal grand jury returned an indictment charging two brothers YSIDRO MORENO LOPEZ, 44, and JOSE ANTONIO MORENO LOPEZ, 37, both of Arvin, with conspiracy to defraud the United States with respect to claims for federal tax refunds.

This case is the product of an extensive investigation by the Internal Revenue Service Criminal Investigation (IRS CI) and the United States Postal Inspection Service.

According to Assistant United States Attorneys Kirk E. Sherriff and Sheila K. Oberto, who are prosecuting the case, the Internal Revenue Service Fresno Fraud Detection Center, IRS CI, and the United States Postal Inspection Service identified a fraudulent tax refund scheme in which large numbers of tax refund checks were being mailed to a limited number of locations in the Central Valley. YSIDRO MORENO LOPEZ and JOSE ANTONIO MORENO LOPEZ are charged with conspiring to submit over 100 false income tax returns to the IRS in the names of third parties, using false Form W-2s with false wage and withholding information, thereby making fraudulent claims for more than \$300,000 in tax refunds.

According to IRS Criminal Investigation, Special Agent-in-Charge, Scott O'Briant, "These charges send the message that participation in tax refund fraud schemes does not pay and those who do so will be prosecuted. The object of these types of schemes is to defraud the government and the taxpaying public. IRS-CI is actively involved in identifying and investigating those involved in such schemes."

JOSE ANTONIO MORENO LOPEZ is in custody after being arrested today at his home. Both men are due in court tomorrow, September 16, 2009 at 1:30 p.m.

If convicted, the defendants face a maximum statutory penalty of 10 years in prison and a \$250,000 fine. However, the actual sentences will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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