



U.S. Department of Justice

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EVENT: Sentencing

Defendant: Krya Collins

Local Woman Who Conspired to Defraud IRS Sentenced

Krya Collins, 35, of Detroit, Michigan, was sentenced to 5 years probation, and \$176,000 in restitution after pleading guilty in 2006 to conspiracy to defraud the Internal Revenue Service, United States Attorney Stephen J. Murphy announced today.

Collins was sentenced in United States District Court before Judge Robert H. Cleland.

United States Attorney Murphy was joined in the announcement by Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation.

In 1999, while living in a homeless shelter, Collins was approached by an accountant who offered her a scheme where she could make some money. With his help, Collins created a false business, Matrix Industrial. She registered the business with IRS and listed an individual's name, without their knowledge or permission, as owner of the business. From 2000 through 2002, Collins was involved in generating fictitious Form W-2's for numerous

taxpayers, whom she recruited. These taxpayers went to designated accounting firms for the purpose of preparing and electronic filing of the false tax returns. In one part of the scheme, Collins approached several taxpayers who were residing at the Coalition for Temporary Shelter (COTS), of Detroit, soliciting them to have false returns filed in their name with the IRS.

After filing multiple false claims from 2000 to 2002, which totaled over \$508,000, Collins directed the delivery of Refund Anticipation Loans (RAL) checks to the taxpayers and received her cut of the proceeds once the checks were cashed. IRS paid out almost \$177,000 before discovering the fraud. The accountant, with whom she conspired, is deceased.

United States Attorney Murphy said, "Our system of government is based on the honesty of its citizens in filing truthful tax returns. A scheme like Collins', designed to defraud the government and enrich the perpetrator of a fraud, undermines this voluntary system and cheats every honest taxpayer."

"No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them," said Aouate. "Willfully filing a false tax return is the same as stealing."

United States Attorney Murphy thanked the Internal Revenue Service Criminal Investigation for their investigation of the case. The United States was well represented by Assistant United States Attorney Stephanie Dawkins Davis.