



Department of Justice

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05/26/10

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TAX PREPARER PLEADS GUILTY TO BANK FRAUD AND FILING FALSE CLAIMS WITH THE I-R-S

Defendant Deposited More Than 100 Stolen Economic Stimulus Checks & Income Tax Refund Checks; Related Defendant Pleads Guilty

ATLANTA, GA - CYNTHIA ANNETTE ELLIOTT, 44, of College Park, Georgia, pleaded guilty today to charges arising out of a scheme involving more than 100 "economic stimulus" checks and income tax refund checks payable to others, all of which were obtained by theft, or by filing false claims with the Internal Revenue Service.

Sally Quillian Yates, United States Attorney for the Northern District of Georgia, said of the case, "This defendant acquired stolen economic stimulus checks and income tax refund checks and deposited them into a her bank account. Now she has a felony conviction and faces federal prison, as well as paying back every penny of the stolen funds."

Ray Moore, Acting Special Agent in Charge of the United States Secret Service, Atlanta Field Office, said, "This case demonstrates our commitment to protect citizens who failed to receive their refunds and payments, in a timely fashion, which were rightfully due to them as federal taxpayers. We will continue to aggressively pursue, in conjunction with our law enforcement partners, anyone who violates a taxpayer's trust, such as tax preparers or bank employees, to the fullest extent of the law."

"When tax preparers engage in schemes to defraud taxpayers and the government, the taxpayers' faith in the system as well as the reputation of the entire tax preparer community are adversely affected," said J. Russell George, the Treasury Inspector General for Tax Administration (TIGTA). TIGTA is the Federal agency responsible for investigating allegations about paid tax preparers.

IRS-Criminal Investigation Special Agent in Charge Reginael McDaniel said, "Tax refunds are issued to those who are entitled to them. IRS Criminal Investigation will continue to aggressively pursue those who prepare false claims for refunds for the purpose of enriching themselves and depleting the United States Treasury."

According to United States Attorney Yates, the indictment, and other information presented in court: ELLIOTT acquired more than 100 checks belonging to others, including economic stimulus checks and income tax refund checks, with the intent to convert such checks to her own use, knowing that the checks either had been stolen from their rightful owners or had been obtained by filing false claims with the IRS.

In accordance with the 2008 Economic Stimulus Act, individuals who filed a 2007 individual income tax return and met certain eligibility requirements were entitled to receive a one-time rebate or "stimulus payment" from the United States Treasury ranging from \$300 to \$1,200. Taxpayers who did not request direct deposit for their 2007 refund were supposed to receive a paper check by mail. The checks obtained by ELLIOTT, all of which were issued by the United States Treasury, had a total face value of more than \$350,000.

ELLIOTT pleaded guilty to bank fraud and filing false claims with the IRS. The bank fraud charge carries a maximum sentence of 30 years in prison and a fine of up to \$1,000,000. The false claims charge carries a maximum sentence of five years in prison and a fine of up to \$250,000. Sentencing is scheduled for August 11, 2010, at 3 p.m., before United States District Judge Orinda D. Evans. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

In a related case, LINDA LINDO, 55, of Fayetteville, Georgia, pleaded guilty on March 26, 2010, to a Criminal Information charging her with bank fraud in connection with a scheme to defraud Wachovia Bank through the deposit of 86 income tax refund checks with a total face value of more than \$480,000, which she obtained from ELLIOTT and another woman who is now deceased. LINDO deposited the checks knowing that they had been obtained by filing false claims with the IRS. LINDO faces a maximum sentence of up to 30 years in prison and a fine of up to \$1,000,000. She will be sentenced by United States District Judge Orinda D. Evans on June 16, 2010, at 3 p.m.

This case is being investigated by Special Agents of the United States Secret Service, the Treasury Inspector General for Tax Administration, and the Internal Revenue Service-Criminal Investigation.

Assistant United States Attorneys Russell Phillips and Chris Bly are prosecuting the case.

For further information please contact Sally Q. Yates, United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.