



Department of Justice

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DATE

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PRESS RELEASE

United States Attorney Richard S. Hartunian announced that DOUGLAS M. CAVANAUGH, JR., age 45, formerly of Binghamton, New York, was convicted on Wednesday, November 9, 2011 of six counts of filing false claims for tax refunds from the Internal Revenue Service. The conviction of CAVANAUGH was the culmination of an 3 day-long jury trial before United States District Judge Thomas J. McAvoy in Binghamton, New York. Sentencing for CAVANAUGH is scheduled for March 2, 2012 in Binghamton, New York. As a result of the convictions, CAVANAUGH faces a maximum sentence of imprisonment of 5 years on each count, and a maximum fine of up to \$250,000.

CAVANAUGH was originally indicted under seal in December 2010, and a warrant was issued for CAVANAUGH's arrest. On March 23, 2011, CAVANAUGH was arrested by U.S. Marshals at Los Angeles International Airport shortly after he arrived on a flight which originated in Brisbane, Australia, where he resided. Evidence presented during the trial showed that CAVANAUGH knowingly made and presented to the Internal Revenue Service, an agency of the United States Department of the Treasury, six claims for payments of refunds of taxes totaling \$1,045,587.31 which he then and there knew to be false, fictitious, and fraudulent. CAVANAUGH filed these false claims in the form of Form 1040 tax returns for himself and a number of family members. Each return contained false and fraudulent information as to interest and dividend income taxes paid on that income.

The case was investigated by Internal Revenue Service's Criminal Investigation Division, Syracuse Office, under the direction of Charles R. Pine, Special Agent in Charge, New York Field Office.

Further information regarding this case can be obtained by contacting Assistant United States Attorney Thomas Walsh at 607-773-2887.
