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**SENIOR VICE-PRESIDENT OF UPPER MANHATTAN EMPOWERMENT ZONE
PLEADS GUILTY IN MANHATTAN FEDERAL COURT TO TAX FRAUD**

PREET BHARARA, the United States Attorney for the Southern District of New York, and CHARLES R. PINE, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), announced that KELVIN CRUCEY, a vice president at the Upper Manhattan Empowerment Zone and a tax preparer, pled guilty yesterday to conspiring to submit false and fraudulent tax returns to the IRS and to cashing approximately \$250,000 in fraudulently obtained tax refund checks generated as part of the tax fraud scheme. CRUCEY pled guilty before U.S. Magistrate Judge JAMES C. FRANCIS IV.

Manhattan U.S. Attorney PREET BHARARA said: "Kelvin Crucey exploited both his senior leadership position at the Upper Manhattan Empowerment Zone and his position as a tax preparer to advance his fraudulent scheme. This Office will continue to work with our partners at the IRS to pursue corrupt tax preparers like Crucey who make money at the expense of the public."

IRS-CID Special Agent-in-Charge CHARLES R. PINE said: "This plea underscores our continuing commitment to root out dishonest tax preparers. No one is above the law misusing a trusted status to perpetrate a fraud. Our agency will devote its resources and hold accountable tax preparers who break the law."

According to the Superseding Indictment previously filed in Manhattan federal court and statements made during CRUCEY's guilty plea today:

CRUCEY has been employed since 1996 by the Upper Manhattan Empowerment Zone ("UMEZ"), most recently as Senior Vice President of Finance and Administration. He is a member of both the Institute of Management Accountants and the Association of Certified Fraud Examiners. Since approximately 1997, CRUCEY has also owned and operated a tax preparation business, CRUCEY AND ASSOCIATES.

Through his tax preparation business, CRUCEY participated in a scheme to generate false and fraudulent tax refund checks by filing fraudulent tax returns using Social Security numbers and other identification information stolen from residents of Puerto Rico. The fraudulent tax returns at issue falsely claimed that the filers earned taxable income outside Puerto Rico but within the 50 states of the United States, and that they were entitled to a refund.

In addition to obtaining these fraudulent tax refund checks, CRUCEY also took advantage of banking relationships he developed from his position at UMEZ to cash these refund checks. Specifically, from approximately 2004 through April 2006, UMEZ maintained bank accounts at a JPMorgan Chase Bank N.A. ("Chase") located in Manhattan. Thereafter, from at least April 2006 through 2007, UMEZ maintained bank accounts at a Manhattan-based branch of Commerce Bank N.A. ("Commerce"). From 2006 through 2007, CRUCEY cashed at least \$249,600 in federal tax refund checks at Chase and then Commerce, through a banker employed at both banks whom CRUCEY knew through his position at UMEZ. CRUCEY was able to cash the checks by falsely representing to the banker that the checks were for clients of his tax preparation business.

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CRUCEY, 41, of New York, New York, was arrested on April 8, 2010, as part of the coordinated law enforcement operation known as Operation Brass Tax, in which over two dozen tax preparers were arrested and charged with various tax-related offenses. CRUCEY pled guilty to one count of conspiracy to file false tax returns and one count of bank fraud. He faces a maximum of 40 years in prison: 10 years in prison on the conspiracy count, and 30 years in prison on the bank fraud count.

CRUCEY is scheduled to be sentenced by U.S. District Judge SHIRA A. SCHEINDLIN on January 24, 2011, at 4:30 p.m.

Mr. BHARARA praised the work of the IRS-CID, and thanked them for their work in this case. In addition, he thanked the Office of the Attorney General for the State of Rhode Island and the IRS Boston Field Office and Warwick, Rhode Island Post of Duty.

This case is being prosecuted by the Office's Complex Frauds and General Crimes Units. Assistant U.S. Attorneys SERRIN TURNER, DANIEL W. LEVY, JONATHAN COHEN, and MICHAEL LEVY are in charge of the prosecution.

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