



U.S. Department of Justice

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Eastern District of Pennsylvania

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HOME BUYER TAX CREDIT SCAM CHARGED
Case Is The First Of Its Kind In The District

PHILADELPHIA - The first criminal tax case in the Eastern District of Pennsylvania involving fraud effecting stimulus funds was announced today by United States Attorney Zane David Memeger, Acting Assistant Attorney General John A. DiCicco of the Justice Department's Tax Division, and Special Agent-in-Charge Eric Hylton with the Internal Revenue Service Criminal Investigation Division Philadelphia Field Office. Jonathan Brownlee is charged in a 16-count indictment¹ with filing false federal income tax returns with the Internal Revenue Service on behalf of a number of individuals and seeking refunds based on a refundable tax credit which was made available, in 2008, to first-time home buyers. Brownlee was arrested this morning.

The Housing and Economic Recovery Act of 2008 established a tax credit ("FTHBC") for first-time buyers who purchased homes in the United States after April 8, 2008. For homes purchased in 2008, the purchaser could obtain a refundable credit which was limited to 10% of the purchase price of a home, with a maximum available credit of \$7,500.

According to the indictment, in 2009, Jonathan Brownlee obtained the personal identifying information of several individuals, including their social security numbers, using a variety of false pretenses. It is further alleged that he prepared federal income tax returns in the names of 16 individuals, some of which were obtained using false pretenses, and claimed tax refunds for all 16 based upon the FTHBC. Brownlee knew the individuals whose names he used were not entitled to the FTHBC because they had neither purchased, nor signed a contract to purchase, a home in 2008. The indictment further alleges that Brownlee electronically filed the bogus returns with the Internal Revenue Service with the request that the refunds be deposited into bank accounts that he either controlled or could access through other individuals. According to the indictment, Brownlee attempted to claim \$120,150 in tax refunds through these fraudulent means.

"We will vigorously prosecute those who commit significant financial fraud, especially those who engage in schemes to steal federal funds that exist for the benefit of hard-working Americans trying to purchase their first home," said Memeger.

¹An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE OR YEAR OF BIRTH
Jonathan Brownlee	Philadelphia, Pennsylvania	26

If convicted, the defendant faces a maximum possible sentence of 80 years imprisonment, a fine of \$4 million dollars, a special assessment of \$1,600, and three years of supervised release.

The case was investigated by the Internal Revenue Service Criminal Investigation Division and is being prosecuted by Assistant United States Attorney Floyd J. Miller and Special Attorney Patrick Murray assigned to the Department of Justice's Tax Division.

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