



NEWS RELEASE

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FOR IMMEDIATE RELEASE

FOUR DEFENDANTS SENTENCED FOR \$15 MILLION TAX FRAUD CONSPIRACY

KANSAS CITY, Mo. – John F. Wood, United States Attorney for the Western District of Missouri, announced today that four more defendants have been sentenced in federal court for their roles in a multi-million dollar conspiracy to defraud the Internal Revenue Service. The wire fraud scheme involved stealing the identities of hundreds of victims, primarily nursing home residents, which were used to seek more than \$15 million in fraudulent federal tax refunds.

Karingithi Gotonga Kamau, age unknown, a citizen of Kenya residing in Kansas City, and **Jeanette Alexander**, 40, of Kansas City, Mo., were sentenced in separate hearings today before U.S. District Judge Nanette K. Laughrey. **Kamau** was sentenced to 21 months in federal prison without parole. The court also ordered **Kamau** to pay \$221,955 in restitution. **Alexander** was sentenced to five years of probation, including four months at a half-way house and four months of home confinement. The court also ordered **Alexander** to pay \$34,541 in restitution.

Moses Ndubai, 34, a citizen of Kenya, and **Michael Anderson**, 50, both of Kansas City, Mo., were sentenced on Wednesday, Jan. 14, 2009. **Ndubai** was sentenced to three years and five months in federal prison without parole. The court also ordered **Ndubai** to pay \$264,799 in restitution. **Anderson** was sentenced to one year and two months in federal prison without parole. The court also ordered **Anderson** to pay \$40,837 in restitution.

All four defendants pleaded guilty to their roles in a conspiracy to steal identity information (including Social Security numbers), predominantly from elderly nursing home patients, and use it to file more than 540 fraudulent federal tax returns using the names of more than 500 identity theft victims. Conspirators filed up to six state tax returns simultaneously with each federal return, causing a loss to at least 27 states.

In total, conspirators claimed over \$15 million in tax refunds in the names of identity theft victims, and they actually received at least \$2.3 million in fraudulent refunds.

Co-defendant **Loretta Wavinya**, 32, a citizen of Kenya residing in Kansas City, Mo., pleaded guilty to organizing and leading the conspiracy and was sentenced to 14 years in federal prison without parole. In addition to the conspiracy, **Wavinya** pleaded guilty to wire fraud and aggravated identity theft. Her sister, **Lillian Nzongi**, 28, also a citizen of Kenya residing in Kansas City, Mo., pleaded guilty

and was sentenced to five years and 10 months in federal prison without parole.

Wavinya worked as a tax preparer and as a certified radiology technician for a company that visited patients on-site at multiple nursing homes in the Kansas City area. In the course of her employment, she had access to patient identity information that was later used in the conspiracy. She also recruited other employees of health care facilities to steal identity information from patients. While executing search warrants at **Wavinya's** residence and a storage unit, law enforcement officers discovered patient information from area health care providers containing hundreds of patients' names and identity information. **Wavinya** possessed dozens of identity documents (including several notebooks filed with page after page of names, Social Security numbers, and dates of birth), hundreds of medical records with identity theft victims' personal information, and information concerning dozens of financial accounts. In **Wavinya's** purse at the time of her arrest, she had 23 debit, credit and cash storage cards in other people's names; she had 75 more cards in her car.

Wavinya was the largest single filer and received the largest share of the proceeds, much of which was invested in assets outside the United States. In total, the IRS believes that **Wavinya** was directly responsible for at least \$9.6 million in fraudulent filings. **Wavinya** sent her proceeds overseas and maintained passports and thousands of dollars in a bank box. **Wavinya**, who created the scheme, also taught other conspirators how to file fraudulent tax returns.

In order to conceal their true identities, **Wavinya** and other conspirators filed these fraudulent tax returns electronically through public Internet "hot spots," such as coffee shops or restaurants, and through unsecured private wireless networks maintained by unwitting individuals with no connection to the conspiracy. Law enforcement officers discovered evidence that **Wavinya** used her neighbor's unsecured wireless network to connect to the Internet.

The false tax information was used to generate federal refund claims in the range of \$4,000 to \$47,000 each. Conspirators also submitted false returns to state taxing agencies, typically in conjunction with federal returns, to generate claims in the range of \$1,500 to \$20,000 per return. Conspirators often filed multiple state tax returns in conjunction with a single federal tax return.

Mail related to the returns and credit cards was sent to commercial mailboxes across Kansas City, and **Wavinya** and other conspirators often used "runners" to pick up this mail in order to conceal their own identities. **Wavinya** and other conspirators also caused numerous bank accounts in Kansas City and elsewhere to be opened specifically for the purpose of receiving electronic fund transfers of tax refund payments. Shortly after a refund payment would be wired into an account, conspirators used runners to help them withdraw the money.

Conspirators wrote checks to the runners in amounts less than \$10,000 and drove the runners from bank to bank to cash the checks until the accounts were depleted, or the bank or the IRS detected the fraud and froze the account. The runners provided the withdrawn funds back to **Wavinya** and others and received a small payment for their services. **Alexander, Nzongi, Ndubai, Kamau** and **Anderson** were among those who were recruited to open bank accounts and to withdraw the refunds. Often, in order to make the accounts look more legitimate to the banks, they registered fictitious businesses with the state of Missouri.

Some of the money obtained by the conspiracy was wired to banks in Kenya, where refund money was sometimes withdrawn directly from accounts through automated teller machine (ATM) withdrawals occurring in Kenya. On some occasions the conspirators routed electronic transfers of tax refunds directly to prepaid debit-like cards obtained anonymously through an Internet application process. **Nzongi** also admitted that she conducted a series of financial transfers using a stolen identity, resulting in a wire transfer of funds to Nairobi, Kenya.

Vincent Niagwara Ogega, 24, a citizen of Kenya residing in Independence, Mo., pleaded guilty and was sentenced to 12.5 months of incarceration and ordered to pay \$69,300 in restitution. **Aaron Mutavi**, 30, a citizen of Kenya residing in Overland Park, Kan., pleaded guilty and was sentenced to time served and ordered to pay \$36,650 in restitution. **Rashira Lewis**, 21, of Kansas City, Mo., pleaded guilty and was sentenced to five years of probation and ordered to pay \$53,773 in restitution.

This case is being prosecuted by Executive Assistant U.S. Attorney Daniel M. Nelson and Assistant U.S. Attorney Curt Bohling. It was investigated by the U.S. Postal Inspection Service, IRS-Criminal Investigation, U.S. Immigration and Customs Enforcement and the U.S. Secret Service.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow/index.html