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News Release

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Woman sentenced for false tax return scheme

A 37-year-old Gary, Ind., woman was sentenced yesterday in federal court on six counts of filing false claims against the United States and one count of aggravated identity theft.

On May 4 in Minneapolis, United States District Court Judge John Tunheim sentenced Paulina Alice Mohn to 38 months in prison and three years of supervised release. Mohn, who was also ordered to pay \$302,223 in restitution, was indicted on Feb. 19, 2008, and pleaded guilty on Sept. 10, 2008.

According to Mohn's plea agreement, she admitted preparing approximately 125 federal individual income tax returns on behalf of others for tax years 2005 and 2006 that were fraudulent and contained false claims for refund. These tax returns account for more than \$600,000 in false federal claims, and Mohn also admitted preparing and filing at least 115 false State of Minnesota income tax returns containing at least \$149,000 in false state claims for refund.

As a result of this scheme, more than \$230,000 of false refund payments were made by the Internal Revenue Service and more than \$60,000 in false refund payments were made by the Minnesota Department of Revenue.

From Jan. 1, 2006, to May 2007, Mohn worked as a branch manager and tax preparer for an H&R Block Tax office in Brooklyn Park, and her work included preparing and filing income tax returns on behalf of clients.

Mohn admitted the fraudulent tax forms would contain false statements of income, tax withholdings and the addition of fictitious dependents to the return, all of which falsely inflated the claimed refund. All of the returns were electronically filed.

Mohn also admitted using, without lawful authority, the Social Security number of individuals in relation to the filing of false claims.

This case was the result of an investigation by the IRS-Criminal Investigation Division and

the Minnesota Department of Revenue. It was prosecuted by Assistant U.S. Attorney Timothy C. Rank.