

Press Release

FEDERAL INMATE AND FAMILY SENTENCED FOR TAX FRAUD CHARGES

January 14, 2011

FOR IMMEDIATE RELEASE

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, Daniel W. Auer, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, and John V. Gillies, Special Agent in Charge, Federal Bureau of Investigation, Miami Field Office, announced that **Danilo Suarez**, 49, formerly of Key West, a prison inmate, was sentenced today to 60 months' imprisonment to be followed by 3 years of supervised release for his participation in a scheme to file fraudulent tax returns on behalf of inmates in the Monroe County Jail, in Key West, FL, and others. Defendant Suarez was also ordered to pay restitution in the amount of \$58,022.

Sandra Suarez, 25, of Key West, his daughter, and **Belkis Mendez**, 54, of Key West, his sister, were each sentenced on November 9, 2010 and November 10, 2010, respectively, to 6 months' imprisonment, to be followed by 3 years of supervised release for their participation in the scheme. Additionally, Sandra Suarez was ordered to pay \$33,010 in restitution and Belkis Mendez was ordered to pay \$43,959 in restitution. Danilo Suarez, Sandra Suarez, and Belkis Mendez all previously pled guilty to conspiracy to file false, fictitious and fraudulent claims to the IRS in violation of Title 18, United States Code, Section 286.

According to the indictment, defendant Danilo Suarez was a federal prisoner housed primarily at the Monroe County Jail. While incarcerated in the Monroe County Jail, Danilo Suarez began a scheme to defraud the IRS by recruiting and submitting false tax return forms in the name of fellow inmates, former inmates and relatives, for tax years 2004 through 2006. These returns falsely claimed that the purported taxpayers had been employed and paid withholding taxes during the years in question. In fact, however, Danilo Suarez knew that the purported taxpayers had not worked as reported, had not earned the reported income, and had not had income withheld as claimed.

To execute the scheme, Danilo Suarez recruited his daughter, sister and brother, co-defendants Sandra Suarez, Belkis Mendez, and Gilbert Suarez, 47, of Deland, FL, respectively, to receive the resulting IRS refund checks. Danilo Suarez also instructed the co-defendants to cash the checks, sometimes using fraudulent powers of attorneys. Once the checks were cashed, the co-defendants gave the cash to inmate Danilo Suarez, who divided the proceeds between himself, the co-defendants, and the complicit inmates. Danilo Suarez also caused the checks to be cashed, sometimes using fraudulent powers of attorneys. Once the checks were cashed, the money was distributed amongst the complicit inmates, Danilo and his family members.

On December 17, 2010 Gilbert Suarez was found not guilty after a jury trial.

Mr. Ferrer commended the investigative efforts of the IRS's Criminal Investigation Division and FBI. Mr. Ferrer also thanked the Key West Police Department, Monroe County Sheriff's Office and the Florida Department of Law Enforcement for their assistance in the investigation. The case is being prosecuted by Assistant U.S. Attorney Aurora Fagan.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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