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NEWS

**Former IRS Worker Sentenced For Extortion And Tax Fraud**

FOR IMMEDIATE RELEASE

June 11, 2013

PHILADELPHIA - Former Internal Revenue Service employee Patricia Fountain, 36, of Philadelphia, was sentenced today to 19 years in prison for a series of tax refund schemes that defrauded the U.S. Government. Fountain was convicted on March 13, 2013, along with co-defendants Larry Ishmael, and Calvin Johnson, Jr., also of Philadelphia, who are awaiting sentencing. A federal jury found each of the three defendants guilty of multiple counts of both conspiracy and filing false claims/tax returns to the IRS. For abusing her public office, Fountain was also found guilty of extortion under color of official right. Collectively, the defendants' schemes cost the IRS well over \$3 million. U.S. District Court Judge Stewart Dalzell also ordered Fountain to pay restitution in the amount of \$1.7 million, a \$1,300 special assessment, and ordered three years of supervised release.

"Our system of government is based upon a tax system which requires truthful disclosure by taxpayers of the amounts due to the IRS," said Memeger. "When individuals defraud the system to avoid their obligation to pay taxes or steal money from the United States Treasury, the rest of the tax paying public bears the cost. Today's sentence sends a strong message to deter this type of criminal behavior. We will continue to prosecute tax cheats to the fullest extent of the law, particularly those government employees who abuse the public trust and tarnish the reputation of honest and hard-working federal employees."

"Federal employees must not use their positions of public trust for private gain, especially those employees who are entrusted with the fair and honest administration of our Nation's tax laws," said J. Russell George, the Treasury Inspector General for Tax Administration. "In safeguarding the integrity of the Federal system of tax administration, TIGTA will vigorously investigate allegations of corruption and ensure that those responsible for misconduct are held accountable."

"At the IRS, protecting taxpayer money is a matter we take extremely seriously," said Internal Revenue Service Criminal Investigation Special Agent-in-Charge Akeia Conner. "The defendants who perpetrated this scheme systematically defrauded the government and the taxpaying public. Today's sentencing of Patricia Fountain and prior sentencings of her co-defendants Calvin Johnson Sr., William S. Martin, and Andre Bruce demonstrates our unwavering commitment to protecting the interests of law-abiding taxpayers."

Each of the defendants solicited claimants whose personal information the defendants used to file false tax returns claiming the Telephone Excise Tax Refund (TETR) in 2007 and the First Time Homebuyer Credit in 2009. Fountain also claimed the TETR by filing false tax returns for herself and for Ishmael, and used one of the claimant's information to file a false tax return in 2008. Fountain also filed false claims claiming the American Opportunity Tax Credit between 2010 and 2012. Johnson, Jr. also used claimants' information to file false tax returns in 2012, including while he was being supervised on pretrial release in this case.

For each of the schemes, the defendants charged claimants a cash fee. With respect to her TETR scheme, which Fountain engineered using inside information from the IRS, Fountain warned that she would "red flag" those claimants who received a refund without paying her \$400 fee. She then filed amended returns for certain claimants whom she believed had not paid the fee, causing the IRS to demand repayment from them. Fountain and Ishmael pooled their cash fees for their mutual use, including an \$11,299 down payment on a Mercedes Benz R350, which Fountain structured by paying \$9,900 in cash and charging the rest to a credit card.

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Johnson's sentencing hearing is scheduled for June 18, 2013 and Ishmael's sentencing hearing is scheduled for July 26, 2013. Pending sentencing, Ishmael and Johnson Jr. are being detained in federal custody. Judge Dalzell previously sentenced co-defendants Andre Bruce, Howard Chilsom, William Martin, and Calvin Johnson, Sr. in April 2013.

The case was investigated by the Treasury Inspector General for Tax Administration and IRS Criminal Investigation. It is being prosecuted by Assistant United States Attorney Joe Khan and Department of Justice, Tax Division Trial Attorney Tiwana L. Wright.

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