



Department of Justice

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UNDOCUMENTED ALIENS SENTENCED FOR TAX REFUND FRAUD CONSPIRACY AND IDENTITY THEFT

NEW ORLEANS, LOUISIANA – United States Attorney Kenneth Allen Polite, Jr. and Deputy Assistant Attorney General Ronald A. Cimino of the Justice Department's Tax Division announced that four undocumented aliens were sentenced today to jail terms ranging from 24 to 42 months for their roles in a large conspiracy to defraud the United States by filing false income tax returns that fraudulently claimed large tax refunds. Three defendants were also sentenced for aggravated identity theft. All defendants have been detained since their arrest in June 2013. To date, sixteen defendants have entered guilty pleas to various charges in the case, including JACQUELINE J. ARIAS, a tax return preparer in Spruce Pine, Alabama, who has yet to be sentenced.

ELSIDES EDGARDO ALVARADO-CANALES, 36, was sentenced to serve 36 months in prison, after pleading guilty to conspiracy to defraud the United States and aggravated identity theft. **CESAR ALEJANDRO SORIANO**, 30, was sentenced to serve 42 months in prison on his guilty pleas to conspiracy and aggravated identity theft charges. **OCTAVIO JOSUE PERDOMO**, 25, was sentenced to serve 34 months in prison for his role in the conspiracy and for aggravated identity theft. **AURELIO MONTIEL-MARTINEZ**, 35, was sentenced to 24 months incarceration, after pleading guilty to conspiracy. **ALVARADO-CANALES**, **PERDOMO**, and **SORIANO** are natives of Honduras, while **MONTIEL-MARTINEZ** is a Mexican citizen. All of the defendants were present in the United States illegally and face possible deportation following the completion of their sentences. The defendants were further ordered to pay restitution and to terms of supervised release.

According to the indictments in this case, the conspirators filed false returns listing Individual Taxpayer Identification Numbers (ITINs). An ITIN is a tax processing number issued by the Internal Revenue Service (IRS) to individuals who do not have, and are not eligible to obtain, a social security number. As alleged in the indictments, JACQUELINE J. ARIAS was a Certified Acceptance Agent, meaning that she was entrusted by the IRS with the responsibility of

reviewing the documentation of an ITIN applicant's identity and alien status for authenticity, completeness and accuracy before submitting their application to the IRS. The indictments charged that ARIAS and her coconspirators filed false applications for ITINs, in addition to false income tax returns, and that ARIAS collected preparation fees from the fraudulently-obtained tax refunds. According to the second superseding indictment, the conspirators purchased identification documents from overseas and Forms W-2 from other aliens illegally present in the United States for use in filing false income tax returns with ARIAS.

"Today's announcement exemplifies IRS Special Agents' intense focus on the rigorous pursuit of identity theft and refund fraud," said Gabriel L. Grchan, Chief IRS Criminal Investigation. "These individuals demonstrated a blatant disregard of the integrity of the United States tax system and caused immeasurable hardship to innocent victims. IRS Criminal Investigation remains committed to the pursuit of identity theft and, together with our partners at the U.S. Attorney's Office, we will hold those who engage in similar conduct accountable."

"Defrauding the government in the fashion these defendants pleaded guilty to has a direct, negative impact on law-abiding taxpayers," said Special Agent in Charge Raymond R. Parmer Jr., ICE Homeland Security Investigations (HSI) in New Orleans. "The money stolen from the government in this case might have been used to feed hungry children, pay our soldiers or make needed repairs on a local highway. HSI stands ready with our partners at the IRS and other agencies to hold those who seek to enrich themselves at the expense of others through tax fraud and other criminal schemes accountable for their actions."

The case was investigated by U.S. Immigration and Customs Enforcement, which oversees Homeland Security Investigations; IRS-Criminal Investigation; the U.S. Secret Service; the U.S. Postal Inspection Service; and the Social Security Administration, Office of the Inspector General, in partnership with the St. Tammany Parish and Jefferson Parish Sheriffs' Departments. The case was prosecuted by Department of Justice, Tax Division Trial Attorneys Hayden Brockett and Kevin Lombardi and Assistant United States Attorney David Haller.