

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
Laura E. Duffy***

For Further Information, Contact: Assistant U.S. Attorney Joseph Orabona 619-546-7951

For Immediate Release

Tax Preparer Sentenced in Elaborate Fraud Case Involving Stolen Identities and Bogus Tax Returns

NEWS RELEASE SUMMARY –May 22, 2013

Tax Preparer Neil Thomsen was sentenced by U.S. District Judge Roger T. Benitez today to 15 years in prison for a massive fraud that involved stealing hundreds of identities and filing false claims with the IRS for more than half a million dollars in bogus tax refunds.

Thomsen was convicted by a federal jury in December 2011 of 32 counts of mail fraud, Social Security fraud, passport card fraud and aggravated identity theft.

According to evidence presented at trial, Thomsen used 292 stolen identities in a two-year crime spree and defrauded the IRS out of more than \$515,000 in tax refunds that he was not entitled to receive. The judge ordered Thomsen to pay that amount in restitution.

“Mr. Thomsen thought he could outsmart the IRS at every turn, but he got caught,” Assistant U.S. Attorney Joseph Orabona told the court during today’s hearing. “This is astronomical – 292 people were victimized.”

In arguing for a lengthy sentence, Orabona told the court that Thomsen had shown no remorse, and given the opportunity would likely continue to be an economic danger to the community.

Judge Benitez noted that identity theft is a very serious crime that “can take years - if not a lifetime - to undo” and results in “incredible pain and suffering” for victims. He said he was increasing the sentence in part because Thomsen offered “patently false” testimony in his own defense that amounted to obstruction of justice.

“Tax fraud results in an increasing burden on honest taxpayers and negatively impacts honest citizens’ confidence in our tax system,” said U.S. Attorney Laura Duffy. “Identity theft not only has a long-lasting financial impact on the victims, but also has an emotional impact affecting the stability of victims and their families. Today’s 15-year sentence for Mr. Thomsen sends a message to tax preparers and others who engage in refund schemes and identity theft that the government will prosecute you to the fullest extent of the law and that the punishment will be severe.”

“Neil A. Thomsen is a tax preparer, turned identity and tax thief, who attempted to steal over \$515,000 in false tax refunds from the Internal Revenue Service (IRS),” said Jose A. Gonzalez, Special Agent in Charge for IRS Criminal Investigation (CI) Los Angeles Field Office. “As evidenced by victim testimony at trial, Thomsen’s identity theft and tax crimes significantly altered people’s financial lives. The investigation, prosecution and today’s sentencing of Neil Thomsen is a model of IRS CI’s strategy to combat criminals stealing identities to file false claims for tax refunds with the Internal Revenue Service (IRS).”

“As a tax preparer, Neil A. Thomsen violated his legal duty to protect the integrity of tax administration and his clients from the heinous crime of identity theft,” said Special Agent in Charge, Julie Parodi, Treasury Inspector General for Tax Administration. “Our agency will continue to work vigilantly to protect taxpayers from unscrupulous tax preparers who are engaged in identity theft.”

According to evidence presented by the government during trial, Thomsen is a tax preparer who turned into an identity thief by electronically filing false and fraudulent 2008 individual tax returns between January and March 2009 using the stolen identities of his former clients, clients of his former employers, and his former co-workers. He received more than \$425,000 in false tax refunds from the IRS and earned thousands of dollars in false tax preparation fees to which he was not entitled.

In June 2009, Thomsen fled the United States and moved to Mexico to avoid capture. Instead of staying in Mexico, Thomsen hatched another plan to defraud taxpayers and the IRS in 2010. According to court records and trial evidence, Thomsen, Sean McNaughton, Louie Torres Arias, and Keith Smith conspired to commit fraud by assuming the identities of other persons and filing false tax returns in California, Texas, Nevada, and Arizona.

Court records indicate that Thomsen and his co-conspirators – all of whom have pleaded guilty - submitted false tax returns seeking tax refunds totaling more than \$500,000. Thomsen believed he had a fool-proof plan to defraud the taxpayers and the IRS, until, he was arrested on June 17, 2010, ending his crime spree.

The evidence showed that in order to execute his scheme to defraud, Mr. Thomsen used his IRS electronic filing number to set up accounts with two banks in order to facilitate the receipt of tax preparation fees and tax refunds. The banks then mailed refund checks and debit cards to Mr. Thomsen, which facilitated his access to

the proceeds of the false tax returns. The evidence showed that Mr. Thomsen deposited refund checks into his bank accounts and cashed debit cards at multiple ATM machines throughout Southern California.

The evidence further showed that Mr. Thomsen used several identities to lease office space, establish mail accounts, obtain telephone numbers, obtain a wireless card, purchase a car, and purchase computer equipment, including a laptop computer, external hard drive, and cell phone. The evidence also showed that Mr. Thomsen had several false identification documents in his possession in the names of other persons on June 17, 2010, which was the day he was arrested attempting to enter the United States from Mexico at the San Ysidro Port of Entry.

This case was investigated by Special Agents with the Treasury Inspector General for Tax Administration, and the Internal Revenue Service, Criminal Investigation.

DEFENDANT

Criminal Case No. 10CR2810-BEN

Neil A. Thomsen

SUMMARY OF CHARGES

- Counts 1 through 4: Title 18, United States Code, Section 1341 – Mail Fraud
Maximum Penalties: 20 years of imprisonment and \$250,000 fine per count
- Counts 7 through 16: Title 18, United States Code, Section 287 – False, Fictitious, and Fraudulent Claims
Maximum Penalties: 5 years of imprisonment and \$250,000 fine per count
- Counts 17 through 24: Title 42, United States Code, Section 408(a)(8) – Social Security Fraud
Maximum Penalties: 5 years of imprisonment and \$250,000 fine per count
- Counts 25 through 32: Title 18, United States Code, Section 1028A – Aggravated Identity Theft
Maximum Penalties: At least one term of imprisonment of 2 years consecutive to any other sentence
- Count 33: Title 18, United States Code, Section 1546(a) – Passport Card Fraud
Maximum Penalties: 25 years of imprisonment and \$250,000 fine
- Count 34: Title 18, United States Code, Section 1028A – Aggravated Identity Theft
Maximum Penalties: At least one term of imprisonment of 2 years consecutive to any other sentence

PARTICIPATING AGENCIES

Treasury Inspector General for Tax Administration
Internal Revenue Service, Criminal Investigation