

Department of Justice

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ALDEN WOMAN PLEADS GUILTY TO THEFT OF GOVERNMENT MONEY; FILING A FALSE TAX RETURN

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Karen Peterson, 68, of Alden, N.Y., who was convicted of theft of government money and filing a false tax return, was sentenced to three years probation, including 24 months home confinement, by U.S. District Judge Richard J. Arcara.

Assistant U.S. Attorney MaryEllen Kresse, who handled the case, stated that from June 1989 through September 2010, Peterson converted to her own use approximately \$570,000 in Civil Service Retirement System benefits, which were erroneously paid to her deceased father-in-law. The defendant falsely represented to the government that her father-in-law, who died in 1989, was still living. Peterson admitted that she failed to report the receipt of the benefits to the Internal Revenue Service, and that, from 2007 through 2009, she failed to pay approximately \$13,000 in income taxes.

“This Office will continue to prosecute cases where the taxpayers of this country have been defrauded, said U.S. Attorney Hochul. "This case should serve as a warning that regardless of the scheme used, our law enforcement partners are well equipped to investigate and expose such conduct for what it is.”

The sentencing is the result of an investigation by the United States Office of Personnel Management, Office of Inspector General, the United States Secret Service, under the direction of Special Agent in Charge Tracy Gast, and the Internal Revenue Service, under the direction Special Agent-in-Charge Charles R. Pine.

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