

U.S. Department of Justice

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District of Connecticut*

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**STRATFORD MAN SENTENCED TO 51 MONTHS IN PRISON FOR
STEALING MORE THAN \$600K THROUGH TAX REFUND SCHEME**

Deirdre M. Daly, United States Attorney for the District of Connecticut, announced that BENJAMIN GREEN, III, 45, of Stratford, was sentenced today by U.S. District Judge Vanessa L. Bryant in Hartford to 51 months of imprisonment, followed by three years of supervised release, for stealing more than \$600,000 through a corrupt tax refund scheme.

On November 12, 2013, after a three-day trial, GREEN was convicted of one count of making a false claim against the United States, and one count of attempting to obstruct the due administration of the internal revenue laws. According to the evidence presented at trial, in March 2009, GREEN filed an Individual Income Tax Return for the 2008 tax year with the IRS. On the return, GREEN asserted the fraudulent "Original Issue Discount" ("OID") tax scheme, in which taxpayers falsely claim significant amounts of OID interest income and federal tax withholding on their federal tax returns. The object of the OID tax scheme is to obtain large tax refunds from the U.S. Treasury, which is done by fraudulently claiming significant federal tax withholdings that exceed the smaller amount of tax due on the falsely claimed income.

On his federal tax return, GREEN falsely claimed to have received \$920,063 in taxable interest income, and to have \$929,702 of federal income tax withholdings for the 2008 tax year. Based on this false information, GREEN claimed a refund from the IRS in the amount of \$616,434. The IRS erroneously issued a \$616,434 tax refund to GREEN based on his fraudulent tax return. After receiving the refund, GREEN spent or dispersed almost all of the funds within months by taking trips to Hawaii and other locations, shopping at high-end retail-stores, paying off his mortgage and other loans, making improvements to his home, and giving money to family members.

When the IRS tried to collect the erroneously issued refund, GREEN undertook a course of conduct to inhibit the IRS's efforts to recover the money, including sending frivolous correspondence to the IRS, hiding real property in the name of a nominee entity to impede the IRS's collection efforts, and falsely complaining that the IRS had commenced unauthorized collection and enforcement actions against him.

The IRS was eventually able to recover a portion of the erroneously issued refund through wage levies, levies on bank accounts, and seizure of GREEN's personal property.

Today, Judge Bryant ordered GREEN to pay \$582,074.50 in restitution, which reflects the remaining balance of the money GREEN stole, plus interest.

This matter was investigated by the Internal Revenue Service – Criminal Investigation, and was prosecuted by Tax Division Trial Attorney Sean Beaty and Assistant U.S. Attorney Susan Wines.

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