



The United States Attorney's Office

District of Colorado

March 8, 2010

SENNINGER FOUND GUILTY BY A JURY FOR MAIL FRAUD AND SUBMITTING FALSE CLAIMS IN CONNECTION WITH TAX RETURNS

DENVER – A jury on Friday found Catherine Senninger, age 65, of Ogden, Utah, guilty of five counts of mail fraud and two counts submitting false claims in connection with tax returns, United States Attorney David Gaouette and IRS Criminal Investigation Special Agent in Charge Christopher Sigerson announced. The jury verdict came following a two week trial before U.S. District Court Judge Marcia Krieger. The jury deliberated for four days before reaching their verdict. Senninger was acquitted on other counts contained in the indictment, which was returned by a federal grand jury in Denver on November 4, 2008. The defendant, who is free on bond, is scheduled to be sentenced by Judge Krieger on July 6, 2010.

According to the allegations contained in the indictment, as well as facts presented to the jury during the trial, Catherine Senninger and others beginning in February of 2004, and continuing through February 2005, knowingly devised a scheme to defraud the Internal Revenue Service ("IRS"), and the State of Colorado, Department of Revenue ("CDR").

As part of the scheme, a co-defendant owned and controlled a Colorado corporation which operated under the names of Grand Peak Mortgage and Financial Services, Inc. and Olympia Financial and Tax Services, Inc. (collectively referred to as "Olympia"), located in Aurora Colorado. Olympia's primary business was to seek tax refunds for customers (also referred to as taxpayers) by preparing and filing amended, individual tax returns with the IRS and Colorado Department of Revenue on behalf of their customers. Senninger and others caused, or attempted to cause, the IRS and Colorado Department of Revenue to pay refund checks to Olympia customers based on the false and fraudulent information provided to the IRS and Department of Revenue.

Senninger prepared amended IRS and Department of Revenue tax returns for Olympia customers so as to entitle the customers to a refund. In the course of preparing such returns, Senninger frequently made up figures on the returns by modifying the information provided to her on the client questionnaires and placed false information on amended returns in an effort to make such returns appear true, correct and complete so as to avoid detection by the IRS and Department of Revenue, and ultimately ensure payment of a refund. Senninger then sent the falsified, amended returns to Olympia's corporate office in Colorado where Olympia associates obtained the signature of the customer and then filed such amended returns with the IRS and Colorado Department of Revenue on behalf of the customer.

Customers were charged a fee typically ranging from 40% to 50% of the refund amount. Senninger and others filed, or assisted in the preparation and filing, of over 100 amended returns with the IRS and Department of Revenue containing falsified information, resulting in IRS and Department of Revenue refunds in excess of \$200,000 to taxpayers for tax years 2001 through 2003.

"Taxpayers should choose carefully when hiring a tax preparer and avoid return preparers who base their fee on a percentage of the amount of the tax refund," said Christopher M. Sigerson, IRS Special Agent in Charge of IRS Criminal Investigation, Denver Field Office.

Senninger was previously convicted in 1992 of felony fraud charges in the District of Utah, which resulted in her serving a prison sentence.

Mail fraud carries a penalty of not more than 20 years in federal prison, and up to a \$100,000 fine,

per count. False claims carry a penalty of not more than 5 years in prison, and up to a \$250,000 fine, per count.

This case was investigated by U.S. Postal Service Office of Inspector General, Colorado Department of Revenue and the IRS Criminal Investigation.

The case is being prosecuted by Assistant U.S. Attorney Tim Neff and Department of Justice Tax Division Trial Attorney John Scully.

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