

Department of Justice
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District of New Jersey

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Camden Man Sentenced To 45 Months In Prison For Role In Stolen Identity Refund Fraud Scheme And Obstruction Of Justice

CAMDEN, N.J. – A Camden man was sentenced today to 45 months in prison for cashing fraudulently obtained tax refund checks issued by the U.S. Treasury, unlawfully utilizing the stolen identities of residents of Puerto Rico to effectuate the scheme, and tampering with a witness, U.S. Attorney Craig Carpenito announced.

Alberto Sanchez, 34, previously pleaded guilty before U.S. District Judge Robert B. Kugler to five counts of an indictment: two counts of theft of government funds, two counts of aggravated identity theft and one count of tampering with a witness or victim. Judge Kugler imposed the sentence today in Camden federal court.

According to documents filed in this case and statements made in court:

Stolen Identity Refund Fraud (SIRF) is a common type of fraud committed against the United States government that involves the use of stolen identities to commit tax refund fraud. SIRF schemes generally share a number of hallmarks. Perpetrators obtain personal identifying information, including Social Security numbers and dates of birth, from unwitting individuals, who often reside in the Commonwealth of Puerto Rico. They then complete Form 1040 tax returns using the fraudulently obtained information and falsifying wages earned, taxes withheld, and other data, always ensuring that the fraudulent tax return generates a refund. They direct the U.S. Treasury Department to mail refund checks to locations that the perpetrators control or can access. With the fraudulently obtained refund checks in hand, SIRF perpetrators generate cash proceeds by depositing the checks into bank accounts that they control or cashing the checks at check cashing businesses.

For the 2013 tax year, more than 3,300 SIRF tax returns were filed using the names and Social Security numbers of residents of Puerto Rico, and where the refunds were directed to be mailed to a small section of Pennsauken, New Jersey. Of the 3,300 returns filed, several of the refunds checks were issued and ultimately cashed at check cashing agencies in New Jersey, Philadelphia, and New York using false and fraudulent identifications, including fake New Jersey driver's licenses, fake Social Security cards, and fake Department of Homeland Security Permanent Resident Identification cards.

On March 28, 2018, Sanchez and others were indicted by a federal grand jury. According to the indictment, the defendants and their conspirators obtained stolen identities of residents of Puerto Rico to falsely and fraudulently generate income tax refund checks. The conspirators recruited mail carriers from the U.S. Postal Service as part of the scheme to steal the tax refund checks from the mail. The mail carriers were paid for every U.S Treasury check that was stolen. The conspirators paid "check couriers" to cash the tax refund checks in a variety of ways, including at check cashing businesses in and around Camden. The check couriers presented false and fraudulent identifications at the check cashing businesses matching the names on the tax refund checks in order to cash the checks. The scheme caused \$565,091 in losses to the U.S. Treasury.

Sanchez admitted that during 2014, he cashed Treasury income tax refund checks that were issued to other people. He used an Alien Permanent Resident Identification Card, which had his photograph, but the name, address and identifying information of another individual, and a Social Security card, which had a name and Social Security number that matched the information on the income tax refund check. Sanchez also admitted that, upon finding out that another person was arrested for participating in the scheme, he told that person to lie to investigators.

In addition to the prison term, Judge Kugler sentenced Sanchez to three years of supervised release.

U.S. Attorney Carpenito credited special agents of IRS-Criminal Investigation, under the direction of Special Agent in Charge John R. Tafur, Newark Field Office, and Special Agent in Charge Guy Ficco, Philadelphia Field Office; and special agents of the U.S. Postal Service Office of Inspector General, under the direction of Special Agent in Charge Matthew Modafferi, Northeast Area Field Office, with the investigation leading to today's sentencing. He also thanked the U.S. Postal Inspection Service for its assistance with the investigation.

The government is represented by Assistant U.S. Attorney Jason M. Richardson and Assistant U.S. Attorney Christina O. Hud of the Criminal Division.

Defense counsel: Jose Luis Ongay Esq., Camden

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