



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

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**For Immediate Release:**

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**EVENT: Sentenced**

**Defendant: Kenneth Felder Jr.**

**DETROIT MAN GOES TO JAIL FOR DEFRAUDING  
THE INTERNAL REVENUE SERVICE**

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Kenneth Felder Jr., 36, of Detroit, Michigan, was sentenced to 21 months imprisonment, followed by three years of supervised release, announced United States Attorney Stephen J. Murphy. United States District Court Judge Lawrence P. Zatkoff also order restitution to a financial institution based on the losses from Refund Anticipation Loans (RAL) received through the use of fraudulent tax returns. This amount will be determined at a later date. This sentence was imposed as the result of Felder Jr.'s December 2007 guilty plea to conspiracy to defraud the Internal Revenue Service.

Mr. Murphy was joined in the announcement by Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the Internal Revenue Service's Criminal Investigation Division.

According to court documents, during March 5 through April 14, 2003, Felder Jr. recruited individuals to file at least nine fraudulent federal income tax returns and provided them with false Form W-2s. Felder Jr. recruited taxpayers who did not have employment and who had not filed tax returns. Working with another individual, Felder Jr. provided him with

the names, social security numbers and addresses of different taxpayers and was provided the false Form W-2s. These false Form W-2s contained the names of employers who did not employ these individuals, along with fabricated amounts of income and tax withholdings. Felder Jr. then drove or directed these individuals, equipped with the fabricated Forms W-2, to a commercial tax return preparer, who unknowingly prepared the false 2002 federal income tax returns on their behalf. These taxpayers also applied for a RAL and in some cases, received the advance loan money on their anticipated refunds. These returns falsely claimed tax refunds from the IRS of over \$41,000, but there was no actual tax loss since the IRS identified the scheme quickly and stopped the refunds payments.

United States Attorney Murphy said, "Our office will continue to prosecute and enforce the tax laws. We will take all appropriate action against those who prepare fraudulent tax returns, however, taxpayers are ultimately responsible for their tax returns, regardless of who prepares them. If the return is prepared fraudulently, the taxpayer is liable and can be held responsible for the resulting penalties and interests."

No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them," said Aouate. "Willfully filing a false tax return is the same as stealing. At the IRS, protecting taxpayer money is a matter we take extremely seriously."

The case was investigated by special agents of the IRS Criminal Investigation Division and was prosecuted by Assistant United States Attorney Sheldon N. Light.