



Department of Justice

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LOCAL MAN SENTENCED ON FIREARMS AND TAX FRAUD CHARGES AND MONTGOMERY WOMAN PLEADS GUILTY TO TAX FRAUD CHARGES

MONTGOMERY, ALABAMA— Leura G. Canary, United States Attorney for the Middle District of Alabama, announced today, (a) the sentencing of a Montgomery man on firearms and tax fraud charges, and (b) the guilty plea of a Montgomery woman on tax fraud charges.

In the first case, Michael R. Jones, age 33, was sentenced on February 1, 2008, to 36 months imprisonment by Chief United States District Judge Mark E. Fuller. Jones had previously pled guilty to both counts of a two-count felony information charging him in Count 1 with being a convicted felon in possession of a firearm and in Count 2 with conspiring to defraud the United States, in violation of Title 18, United States Code, Section 371.

According to the plea agreement and information, between August and October 2006, Jones conspired with others to defraud the United States by defeating the lawful Government functions of the Internal Revenue Service ("IRS") with respect to federal income tax returns. As part of this conspiracy:

- a. Jones paid individuals approximately \$100 in exchange for these individuals' providing Jones with their social security numbers and dates of birth.
- b. Jones provided this information to an individual identified in the Information as "TF"; Jones also provided TF with Jones's bank account information at MAX Federal Credit Union ("MAX").
- c. TF caused to be filed federal income tax returns using social security numbers provided to TF by Jones and others. The returns claimed refunds well in excess of the actual refund, if any, that was due the taxpayer.
- d. Jones received by direct deposit into his account at MAX nine of the refunds issued as a result of these false returns, in the total amount of approximately \$76,869, and divided the proceeds with TF.

In January 2007, Jones—who had previous felony convictions for assault and marijuana possession—possessed in his residence in Montgomery a Taurus, Model PT140, .40 Caliber Pistol. It is a violation of federal law for a convicted felon to possess a firearm.

Jones has been detained since his arrest on March 9, 2007.

In the second case, Kwantrice M. Thornton, age 25, pleaded guilty to a one-count felony information charging her with conspiracy to defraud the United States, in violation of Title 18, United States Code, Section 371. Thornton entered her plea on February 4, 2008, before United States Magistrate Judge Terry F. Moorner.

According to the plea agreement and information, in July 2006, Thornton stole from her employer, Electronic Data

Systems, Inc. ("EDS"), in Montgomery, Alabama, social security numbers and dates of birth (the "identifiers") of Medicaid beneficiaries. Between August 2006 and October 2006, Thornton sold approximately 50 identifiers to a co-conspirator identified in court filings as "OM" in exchange for a total of \$1,000. In addition to these identifiers, between July 2006 and January 2007, Thornton received non-EDS related identifiers and bank account information from other individuals and passed this information on to OM. OM provided these identifiers to other individuals, who caused the identifiers to be used to file federal income tax returns that fraudulently claimed refunds in the approximate amounts of \$6000 to \$9000, which were directly deposited into the bank accounts that Thornton had identified to OM. Thornton arranged for a portion of the refunds to be withdrawn from the bank accounts and provided \$2,000 to OM. Thornton originally did not charge OM for engaging in this conduct; however, Thornton subsequently required a fee of \$500 per refund paid, which she later increased to \$1000.

When she is sentenced this Spring by Judge Fuller, Thornton faces a statutory maximum penalty of 5 years imprisonment, an order of restitution, and a fine of up to \$250,000. Thornton was released on a \$25,000 unsecured bond pending sentencing.

The cases were investigated by the Internal Revenue Service, Criminal Investigation Division, and the Bureau of Alcohol, Tobacco, Firearms and Explosives, with the assistance of the Federal Bureau of Investigation, the U.S. Department of Education, Office of Inspector General, the Alabama Board of Pardons and Paroles, and the Alabama Attorney General's Medicaid Fraud Control Unit. The cases are being prosecuted by Assistant U.S. Attorney Andrew O. Schiff.

