



# Department of Justice

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## **JACKSONVILLE MOTHER AND SONS SENTENCED IN FRAUDULENT REFUND SCHEME CONDUCTED FROM FLORIDA PRISON**

Jacksonville, Florida - U.S. District Judge Timothy J. Corrigan sentenced William Koster, Rolando Valencia, and Noris Keller, on September 18, 2007, to varying terms of imprisonment for their roles in a scheme to defraud the Internal Revenue Service (IRS) through the filing of false tax returns. Koster (age 34), who was the ringleader, was sentenced to 46 months' imprisonment. His younger brother, Valencia (age 27), was sentenced to 30 months' imprisonment. Their mother, Keller (age 56), who played a lesser role, was sentenced to 4 months imprisonment and 4 months home detention. In addition, all of the defendants will be placed on supervised release for 3 years after their release from prison, and were ordered to pay restitution to the IRS totaling approximately \$32,000.

The defendants all pled guilty on April 12, 2007. Koster and Valencia pled guilty to conspiracy to defraud the IRS. Keller pled guilty to conversion of United States money or property.

According to court documents, from February 2003 through September 2003, Koster, Valencia, and Keller operated a scheme to obtain fraudulent income tax refunds by preparing and filing false federal income tax returns in the names of Florida inmates. Koster, who was then an inmate at Okeechobee Correctional Institution, obtained the names and social security numbers of other inmates and provided this information to Valencia, along with instructions regarding how to prepare tax forms and numeric figures

to be used on the forms, which the defendants referred to as “recipes.” Valencia then prepared and filed false tax returns with the IRS using the information provided by Koster. Keller opened a private mail box in Jacksonville, which was used as the address on many of the returns, and to which the fraudulent refunds were to be sent. Keller monitored receipt of the refund checks and converted them to cash. During the course of the scheme, the defendants filed more than 100 false tax returns with the IRS seeking fraudulent refunds totaling more than \$580,000. Due to the intervention of federal agents, the actual loss to the IRS was limited to approximately \$32,000.

The case was investigated by the Internal Revenue Service and the Postal Inspection Service. The case was prosecuted by Assistant United States Attorney Scot Morris.