



Department of Justice

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IRS EMPLOYEE CHARGED WITH ILLEGALLY ACCESSING IRS COMPUTERS AND FILING FALSE TAX RETURNS

PRESS RELEASE

Timothy M. Morrison, United States Attorney for the Southern District of Indiana, announced that ANDREA M. BENNETT, 41, Indianapolis, Indiana, was charged today with illegally accessing IRS computers and filing false claims against the government, following an investigation by the Internal Revenue Service, Criminal Investigation Division, and the Treasury Inspector General for Tax Administration.

The information alleges that BENNETT was employed in Indianapolis as a contact representative for the IRS, providing information to taxpayers and making adjustments to their tax accounts. BENNETT had access to a computer system of the IRS known as the Integrated Data Retrieval System (IDRS). IDRS is the system IRS employees use to retrieve data from, and make changes to, an individual's tax account. All IRS employees' use of IDRS is limited to the performance of their official duties; any unauthorized access is strictly prohibited. According to today's charges, between May 22, 2007 and November 27, 2007, BENNETT accessed IDRS approximately 285 times for reasons totally unrelated to her official duties. BENNETT accessed the tax accounts of twelve (12) different individuals for purposes of obtaining information necessary for her to prepare false tax returns in those people's names.

BENNETT then used this information to file six (6) false and fraudulent 2006 income tax returns in the names of other individuals between June and November 2007. Each of the false income tax returns were prepared and filed without the knowledge of the individuals named on the returns, none of whom knew BENNETT. All of the false returns showed an address in Indianapolis, Indiana, even though none of the individuals had ever lived in Indianapolis. All of the income and most of the dependent information shown on the tax returns was false and fictitious. Each of the returns contained a Schedule C showing business income which was completely fictitious. This false schedule C income along with the false dependents allowed BENNETT to claim the maximum refundable earned income tax credit. Each of the six returns

filed showed earned income tax credits between \$4,470.00 and \$4,536.00. Some of the returns also claimed additional false child care tax credit.

Each of the six false income tax returns filed claimed a refund between \$2,368.00 and \$2,868.00. Five of the refunds, totaling \$13,813.00, were actually disbursed by the IRS. The refunds were deposited to an Internet bank account which BENNETT had opened in her own name at Tri-Century Bank in Simpson, Kansas, in April 2007. On each of the false income tax returns, BENNETT had requested that the refunds be electronically deposited to that account by placing the bank routing number and her account number on the Forms 1040. BENNETT then used these monies for her own personal use, including cash withdrawals at ATM machines and debit card purchases at restaurants, department stores, drugstores and other businesses.

The bank put a hold on the deposit of one refund when they noticed that the SSN did not match BENNETT's SSN. On November 27, 2007, BENNETT contacted the bank to inquire about the refund. BENNETT advised the bank that the tax refund was for a family member and that she had not had any problems making such deposits in the past. BENNETT told the bank official that she worked for the IRS and that her supervisor had told her she could do this. The bank official requested that BENNETT provide written authorization from her supervisor. On November 28, 2007, BENNETT faxed a letter to the bank. The letter was written on IRS letterhead and stated that BENNETT was authorized to allow her five relatives to have their tax refunds deposited into BENNETT's checking account. The letter listed the five names and the amounts of the refunds, and ended by saying "These refunds are not fraudulent." The letter was purportedly signed by BENNETT's supervisor. In fact, the letter was prepared by BENNETT and the supervisor's signature was forged.

According to Assistant U. S. Attorney Susan Heckard Dowd, who is prosecuting the case for the government, BENNETT faces a maximum possible prison sentence of ten (10) years and a maximum possible fine of \$500,000.00. An initial hearing will be scheduled before a U.S. Magistrate Judge in Indianapolis.

The information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

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