

FOR FURTHER INFORMATION CONTACT

**AUSA VICKIE E. LEDUC or
MARCIA MURPHY at 410-209-4885**

MARCH 8, 2007

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SOCIAL SECURITY EMPLOYEE PLEADS GUILTY TO MAKING FALSE CLAIMS IN SCHEME
TO DEFRAUD THE IRS

Baltimore, Maryland - Joel Edwards, age 45, of Baltimore, Maryland, pleaded guilty today to eight counts of false claims, in connection with a scheme to defraud the Internal Revenue Service, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

According to the plea agreement presented to the court, between 2000 and 2004, Joel Edwards, an employee of the Social Security Administration (SSA), obtained the names, dates of birth and social security numbers of children from their parents. Knowing that these parents did not intend to file tax returns claiming these children as dependents, Edwards sold the dependent information to individual clients, several of whom were also SSA employees, for approximately \$800 per dependent. The clients generally made a partial payment to Edwards in advance. Edwards then prepared or directed others to prepare the tax returns falsely claiming the children as dependents and provided the completed returns to the clients, directing them to file the returns at a specific location in Baltimore. Upon receipt of their refunds, the clients paid Edwards the balance owed to him for the use of the dependent information. Edwards also admits that he used the dependent information himself, falsely claiming a dependent on his 2000, 2001 and 2002 tax returns.

By falsely claiming these dependents on their returns, the clients and Edwards obtained refunds from the Internal Revenue Service to which they were not entitled. As a result, the IRS suffered a loss of \$26,320.

Edwards faces a maximum sentence of five years in prison followed by three years of supervised release. U.S. District Judge J. Frederick Motz has scheduled sentencing for May 23, 2007 at 9:15 a.m.

United States Attorney Rod J. Rosenstein praised the investigative work performed by the Internal Revenue Service - Criminal Investigations and Social Security Administration Office of Inspector General. Mr. Rosenstein thanked Assistant U.S. Attorney Paul M. Tiao, who is prosecuting the case.