



Department of Justice

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Northern District of California**

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DEFENDANT IN \$6.2 MILLION EAST BAY FALSE TAX REFUND SCHEME
SENTENCED TO 21 MONTHS IN PRISON

SAN FRANCISCO – For his role in a false tax refund scheme, Samuel Warren was sentenced to 21 months in prison followed by three years of supervised release, United States Attorney Melinda Haag and Special Agent in Charge, Internal Revenue Service Criminal Investigation, Scott O’Briant announced. The sentence was handed down yesterday afternoon by U.S. District Court Judge Charles Breyer, who also ordered Warren to pay restitution in the amount of \$64,140.

According to his plea agreement, Warren admitted that, beginning in June 2008, he participated in obtaining tax refunds in the names of others from the Internal Revenue Service. Warren admitted that he engaged in this scheme along with his wife, Latrece O’Neal, who used prisoners’ identities to file false returns from her computer. Warren also acknowledged that O’Neal filed a false return using his name and Social Security number to claim a fraudulent refund. Warren was charged while he was serving sentence in state prison and is currently in custody.

This case was filed last year with criminal complaints filed by an IRS Criminal Investigation special agent. In those criminal complaints, the special agent identified 790 fraudulent income tax returns that resulted in more than \$6.2 million in fraudulent refund claims. In March and April of 2009, IRS Criminal Investigation agents executed nine search warrants, at the residences of the individuals who maintained the bank accounts listed on the fraudulent income tax returns, in the Northern and Eastern Districts of California.

Niyah Edwards, 30, of Sacramento, Calif., was sentenced on May 17 to 51 months in prison.

Ayani Davis, 33, of Antioch, Calif., was sentenced on April 13 to 63 months in prison.

Three other defendants are awaiting sentencing: Kwamina Davis, of Antioch is scheduled to be sentenced on July 27, and Latrece O'Neal, 41, of Oakley, Calif., is scheduled to be sentenced on Aug. 17. Those defendants admitted that, beginning in 2008, they helped obtain tax refunds from the IRS based on tax returns that were filed using other individuals' names. The defendants acknowledged that they did not have permission to use the individuals' identities, but did list identifying information of others on more than 100 false tax returns filed from their residences. The tax returns were false because tax refunds were claimed based on claims that the individuals listed on the returns had federal taxes withheld, when in fact no incomes were earned and no taxes were withheld.

In a related case, Sparkle Jernigan, 32, who was charged on Dec. 2, 2009, with conspiracy to file false claims and aggravated identity theft is set to be sentenced on July 20.

Thomas Newman is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kathy Tat. The prosecution is the result of an investigation by IRS Criminal Investigation.

Further Information:

Case #: 09-858-CRB, 10-687-CRB, 10-891-CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at Jack.Gillund@usdoj.gov.

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