

# The Regulatory Alchemist

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*In this issue:* Key 2023 IRS Criminal Investigations

The Criminal Investigations section of the IRS has published their top 10 cases of 2023. Here is a quick run-down of these cases:

10 - A French man was sentenced for an international tax scheme involving 1,701 false tax returns and claimed \$9.1 million in refunds, which ultimately resulted in \$2.2 million in refunds issued by the Internal Revenue Service.

9 - LA man sentenced to more than 24 years in prison for fraudulently obtaining nearly \$5.5 million in COVID-related jobless benefits by using the identities of California state prison inmates and other third parties, trafficking fentanyl and methamphetamine, and seeking to fraudulently obtain more than \$356,400 in tax refunds.

8 - . Cryptocurrency founder sentenced to 4 years in prison for tax offenses committed in connection with the Pearl token.

7 - Silk Road dark web fraud defendant sentenced to one year plus one day in prison plus ordered to forfeit \$3.4 billion in cryptocurrency for committing wire fraud when he unlawfully obtained

approximately 50,000 Bitcoin from the Silk Road dark web Internet marketplace in September 2012.

6 - . Massachusetts father and two sons sentenced to prison for decade-long lottery, tax fraud scheme.

5 - Leader of illegal copyright infringement scheme sentenced to 66 months in prison and ordered to pay more than \$30 million in forfeiture and \$15 million in restitution, including more than \$5 million to the IRS, for crimes arising from a wide-ranging copyright infringement scheme that involved piracy of cable TV, access device fraud, wire fraud, money laundering, and hundreds of thousands of dollars of copyright infringement.

4 - New Hampshire man sentenced to 8 years in prison and was ordered to pay a fine of \$40,000 for laundering over \$10 million in proceeds from romance scams and other Internet fraud by exchanging U.S. dollars for Bitcoin.

3 - Cofounder of multibillion-dollar cryptocurrency scheme was sentenced to 20 years in prison and ordered to pay approximately \$300 million in forfeiture for his

orchestration of the massive OneCoin fraud scheme.

2 - Former CFO of Russian natural gas company sentenced to more than 7 years in prison and ordered to pay over \$4 million in restitution to the IRS for failing to file a Report of Foreign Bank and Financial Accounts (FBAR), making a false statement to the IRS, and willfully failing to file tax returns.

1 - In one of the largest fraud schemes in U.S. history, five individuals were sentenced in April 2023 to a range of six to 40 years in prison for their roles in a \$1 billion biofuel tax conspiracy.

Additional information about these cases is available at:

<https://www.irs.gov/compliance/criminal-investigation/irs-ci-counts-down-top-10-cases-of-2023>

These actual examples can be useful for AML training purposes.

## **And the Really Fine Print....**

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