



Department of Justice

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Northern District of California

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OAKLEY RESIDENT SENTENCED TO 41 MONTHS IN PRISON FOR CONSPIRING TO FILE FALSE TAX RETURNS

Conspired to File More Than 61 False Tax Returns Claiming More Than \$500,000

SAN FRANCISCO – An Oakley, Calif., resident was sentenced yesterday to 41 months in prison and ordered to pay \$52,316.73 for her role in a conspiracy to file false claims against the Internal Revenue Service, United States Attorney Melinda Haag and Special Agent in Charge, IRS Criminal Investigation, Marcus Williams announced.

Kenestta “Peaches” Johnson, 38, pleaded guilty on Sept. 14, 2011. According to statements made during the plea, Johnson admitted that while acting in concert with others, she assisted in filing false federal income tax returns during 2008 and 2009. According to court documents, Johnson acknowledged that she was warned by her bank that she was engaging in fraud and evidence submitted to the court demonstrated that she continued the criminal conduct after that warning. The false tax returns were electronically filed from the computer at Johnson’s residence in Oakley. A total of 61 false tax returns were filed. The returns used stolen identities and asked to have the false tax refunds deposited onto prepaid debit cards that were seized at the defendant’s residence. Johnson was charged on May 18, 2011.

This is an ongoing investigation related to criminal complaints in which the IRS identified more than 800 false income tax returns claiming \$6.2 million in fraudulent tax

refunds. In March and April 2009, IRS-CI agents executed search warrants at the residence of the individuals who maintained bank accounts used in the scheme in the Northern District of California and the Eastern District of California.

In a related case, Latrece O'Neal, 42, of Oakley, is scheduled to be sentenced on July 11. She was charged with conspiring to file false tax returns and obstructing the IRS's investigation.

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 the Internal Revenue Service – Criminal Investigation.

Further Information:

Case #: CR 11-318 CRB (Johnson)
CR 10-687 CRB (O'Neal)

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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