The Virgin Islands Consortium

# St. Croix Woman Involved in Massive Tax Fraud Scheme With Her Daughter and Others Convicted, Faces 10 Years in Jail

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ST. THOMAS — After a five-day trial, a federal jury today found Patricia Henry, age 52, of St. Croix, guilty of conspiracy to defraud the United States, U.S. Attorney Gretchen C.F. Shappert has announced. Henry faces up to 10 years in prison on the conviction plus a fine of up to $250,000.

According to evidence presented at trial, Henry, her daughter Phiona Henry, and others participated in a scheme to unlawfully obtain money from the United States Treasury by fraudulently acquiring federal income tax refunds during the period from 2010 to 2013.

The scheme involved the acquisition of personal identifying information used to electronically file falsified tax returns for tax years 2009 through 2012.

Henry aided others in the filing of tax returns in individuals' true names and actual social security numbers but falsified the individuals' income earned, tax withholding amounts, credits, and other information, and thereby claimed refunds to which they were not entitled. Persons involved in the scheme designated bank accounts for receipt of the refunds, which, once received, they subsequently withdrew. As a result of the scheme, three tax returns were filed in the name of Patricia Henry, according to court documents. On those returns, a total of $29,295 was designated to Patricia Henry's and Phiona Henry's bank accounts. Evidence at trial indicated that $8,918 was deposited into Patricia Henry's account and $10,068 was deposited into Phiona Henry's account. An additional $106,382 was also deposited into Phiona's bank account.

Phiona Henry entered a guilty plea in this case on May 3, 2019 and is pending sentencing.

The prosecution of this fraud scheme is the result of years of investigative work by the Internal Revenue Service-Criminal Investigations, which identified and dismantled a massive stolen identity refund fraud scheme perpetrated in the Virgin Islands and elsewhere.

The case was investigated by the Internal Revenue Service, Criminal Investigations, and is being prosecuted by Assistant U.S. Attorneys Alphonso Andrews, Jr. and Melissa Ortiz.