The Virgin Islands Consortium

Eighth Woman Pleads Guilty in Elaborate Scheme to Steal Money From U.S. Treasury by Fraudulently Obtaining Income Tax Refunds

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ST. CROIX — United States Attorney Gretchen C.F. Shappert announced Thursday that Joanne Benjamin, age 41, from the Virgin Islands pleaded guilty in federal court on March 11 to conspiracy to defraud the United States.

According to the plea agreement filed with the court, from January 2011 to July 2012, Joanne Benjamin and others participated in a scheme to steal money from the United States treasury by fraudulently obtaining federal income tax refunds. The scheme involved the acquisition of personal identifying information of individuals (i.e. name, social security number, and date of birth) used to electronically file falsified tax returns with a designation of refunds to the acquired bank accounts or debit cards. Defendant and her co-conspirators withdrew the deposited refunds, spent them using a debit card or transferred them to other accounts, all for personal use.

As a result of the scheme, approximately $110,896 of falsely-claimed returns was designated for deposit into defendant’s bank account, of which approximately $80,425 was actually deposited therein.

Of ten defendants charged in the tax fraud scheme, Benjamin is the eighth to plead guilty. Seven others have entered guilty pleas, three of whom have been sentenced in federal court by District Court Chief Judge Wilma Lewis. The remaining two defendants are scheduled for trial on June 7, 2021. A sentencing date for Benjamin is scheduled for July 14, 2021, and she faces a maximum sentence of ten years, up to a $250,000.00 fine, and the payment of restitution.

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. Attorney Melissa Ortiz.