The Virgin Islands Consortium

St. Croix Woman Sentenced to Federal Prison, Ordered to Pay $65K Restitution in Multi-Defendant Tax Fraud Scheme

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ST. CROIX — United States Attorney Gretchen C.F. Shappert announced Monday that Sylvia Benjamin, age 41, from St. Croix, was sentenced in federal court on March 26 to twelve months of incarceration, followed by three years of supervised release after pleading guilty to conspiracy to defraud the United States. She was also ordered to pay restitution in the amount of $65,078.12 to the Internal Revenue Service.

According to the plea agreement filed with the court, from January 2011 to July 2012, Sylvia 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 $80,403.00 of falsely claimed returns was designated for deposit into Defendant's bank account, of which approximately $65,078.12 was actually deposited therein.

Of ten defendants charged in the tax fraud scheme, eight 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.

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.