The Virgin Islands Consortium

Fifth St. Croix Woman Sentenced, Ordered to Pay $37,000 to IRS in Multi-Defendant Tax Fraud Scheme

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ST. CROIX — United States Attorney Gretchen C.F. Shappert announced today that Sheba Young, age 44, from St. Croix, was sentenced Tuesday in federal court to ten 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 $37,086 to the Internal Revenue Service.

According to the plea agreement filed with the court, from January 2011 to July 2012, Sheba Young and nine 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 $40,695 of falsely claimed returns was designated for deposit into Defendant’s bank account, of which approximately $37,086 was actually deposited therein.

Of ten defendants charged in the tax fraud scheme, eight others have entered guilty pleas, four 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.