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TAXES

Here Are IRS-CI's Top 10 Cases of 2022

These cases include IRS Criminal Investigation's most prominent and high-profile investigations in the past year.

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IRS Criminal Investigation (IRS-CI) counted down the agency's top 10 cases for calendar-year 2022 on its [Twitter](#) account starting on Jan. 3. These cases include IRS-CI's most prominent and high-profile investigations the past year.

“This year’s top 10 cases demonstrate that no one—not attorneys, not reality television stars, not law enforcement officers—are above the law,” said IRS-CI Chief Jim Lee. “The defendants in these cases brazenly tried to victimize others through fake investment schemes or steal money from government coffers, and thanks to our investigative work, there are consequences for the financial crimes they committed.”

The top 10 IRS-CI cases of 2022 in descending order are:

10. D.C. man sentenced to 10 years in prison for attempting to steal more than \$31 million in COVID-19 funds

Elias Eldabbagh was sentenced to 10 years in prison for trying to steal \$31 million in COVID-19 relief funds. He succeeded in stealing nearly \$2.4 million from the Paycheck Protection (PPP) Loan and the Economic Injury Disaster Loan (EIDL) programs that were meant for taxpayers in need. He used a stolen identity to disguise ownership of his company Alias Systems LLC and that same stolen identity to submit most of the PPP and EIDL applications.

In total, he fraudulently stole \$2.385 million from these relief programs and used that money to buy a Tesla Model 3 and pay for personal expenses ranging from hotels to attorney fees. He also converted hundreds of thousands of dollars into cryptocurrency.

As part of his plea agreement he had to forfeit the Tesla and the contents of 21 bank accounts, as well as liquidate his cryptocurrency, and remit funds back to the U.S. government.

9. Las Vegas tax preparer sentenced to prison for multiple fraud schemes

King Isaac Umoren was sentenced to 13 years and three months in prison for filing false tax returns, aggravated identity theft, wire fraud, money laundering and impersonating an FBI agent. He was also ordered to pay nearly \$9.7 million in restitution to the U.S. and the other victims of his fraud schemes.

Umoren owned and operated Universal Tax Services, a tax preparation business based in Las Vegas, which he used to engage in two separate fraud schemes. First, Umoren prepared and filed with the IRS tax returns for clients that included false deductions and fictitious businesses in an effort to generate larger refunds than the clients were entitled to receive. At times, Umoren used the names and IRS preparer tax identification numbers of other Universal Tax Services employees without their

knowledge or consent, making it seem as if they, not he, had prepared the false returns.

Umoren also required his clients to use a refund anticipation check program, which he then utilized to secretly take fees out of the clients' tax refunds without their knowledge. In an effort to demand payment of a tax preparation fee, he drove to a client's house with police lights attached to his vehicle and posed as an FBI agent, wearing a fake badge and tactical gear.

Umoren also attempted to sell his company by providing potential buyers fraudulent documents, including forged bank statements, fabricated return preparation fee reports, false personal tax returns and other tax forms that had never actually been filed with the IRS—as well as the stolen tax and personal identifying information of approximately 12,000 taxpayers who were not company clients. Eventually, Umoren succeeded in inducing a victim to purchase the company for approximately \$3.8 million, significantly more than it was worth.

8. San Bernardino County man sentenced to 14 years in federal prison for multimillion-dollar investment fraud and cheating on his taxes

Christopher Burnell, a former sheriff's deputy, was sentenced to 168 months in federal prison and ordered to pay nearly \$7.6 million in restitution. Burnell falsely claimed to have accumulated tens of millions of dollars from lawsuits he purportedly won against the San Bernardino County Sheriff's Department and Kaiser Permanente.

As part of the nearly seven-year scheme, Burnell encouraged victims to invest with him, offering exclusive investment opportunities that promised rates of returns as high as 100%. Burnell, instead, spent the money on gambling and luxury items, including private jet trips, designer merchandise and luxury cars. Burnell did not report any of the money he received from victims in 2011 or 2012 on his income tax returns. Burnell only reported income from gambling winnings in 2011 and 2012—estimated to be more than \$1 million—all of which was offset by gambling losses.

At his sentencing hearing, U.S. District Judge Michael Fitzgerald described Burnell as “one of the most evil people that I have ever dealt with in the law” and ordered him immediately remanded to federal custody.

7. Serial tax fraudster sentenced to more than 19 years in federal prison

Michael Dexter Little was sentenced to 19 years and six months in prison and ordered to forfeit at least \$12.3 million.

From 2019 to 2021, Little filed a series of false tax returns claiming massive, bogus fuel tax credits. He filed the false returns in his own name and in the names of co-conspirators and identity theft victims.

As a result of this scheme, Little and his co-conspirators obtained at least \$12.3 million in fraudulent tax refunds and attempted to obtain at least \$27 million more. Little and his co-conspirators also conspired to launder their ill-gotten gains and used significant portions of the fraudulent tax refunds to purchase real estate and other assets.

6. Television personalities sentenced to years in federal prison for fraud and tax evasion

The *Chrisley Knows Best* couple was found guilty of tax evasion and conspiracy to defraud the IRS in June. This resulted in Todd Chrisley being sentenced to 12 years in prison with three years of supervised release for eight federal felonies and his wife, Julie Chrisley, being sentenced to seven years in prison and three years of supervised release for 10 federal felonies. Their accountant, Peter Tarantino, was also sentenced to three years in prison and three years of supervised release for three federal felonies.

Throughout the conspiracy, the Chrisleys operated a loan-out company. To evade collection of half a million dollars in delinquent taxes owed by Todd Chrisley, the Chrisleys opened and operated corporate bank accounts only in Julie's name. Once the IRS requested information about the bank accounts, the Chrisleys transferred ownership of the corporate bank account to a relative to further conceal their income from the IRS.

During the conspiracy, the Chrisleys also failed to file tax returns or pay any taxes during the 2013, 2014, 2015, or 2016 tax years, and they were found guilty of other crimes, including conspiracy to defraud banks out of more than \$30 million in fraudulent loans.

5. Two promoters of nationwide tax scheme sentenced to prison

Mehf Bey and Iran Backstrom were sentenced to 11 years and eight years, respectively, in prison. Additionally, Eurich Griffin III was sentenced to 57 months in federal prison. The men conspired to promote a nationwide tax fraud scheme to

more than 200 participants in at least 19 states causing more than \$64 million in false tax refund claims filed.

Their scheme involved recruiting clients and preparing false tax returns on the clients' behalf by convincing them their mortgages and other debts entitled them to tax refunds. Between 2014 and 2016, seminars across the county were held to publicize the scheme.

In addition to the term of imprisonment, the district judge also ordered Bey and Backstrom to serve three years of supervised release and pay approximately \$26.350 million in restitution to the U.S.. Griffin was required to pay more than \$1.6 million in restitution.

4. Calabasas man sentenced to 17½ years in prison for scamming cannabis vaping business investors out of more than \$35 million

A former decathlete for the Philippines, David Bunevacz was sentenced to 17 ½ years in prison for fraudulently raising more than \$45 million from investors and ordered to pay \$35,267,851 in restitution.

Going back to 2010, Bunevacz created various business entities, with names such as CB Holding Group Corp. and Caesarbrutus LLC, that he claimed were involved in the cannabis industry and the sale of vape pens containing cannabis products, such as CBD oil and THC. Instead of using the funds to finance business operations, Bunevacz misappropriated the vast majority of the funds to pay for his own lifestyle, including a luxurious house in Calabasas, trips to Las Vegas, jewelry, designer handbags, a lavish birthday party for his daughter, and horses. Operating through his cannabis companies, Bunevacz raised more than \$45 million from at least 100 victim-investors, according to the government's filing.

U.S. District Judge Dale Fischer found that Bunevacz caused losses of approximately \$35.27 million. At the sentencing hearing, the judge noted that Bunevacz had “preyed on individuals who believed he was their friend” and that the “seriousness of [his] conduct cannot be captured in mere dollars and cents.”

3. DC Solar owner sentenced to over 11 years in prison for billion-dollar Ponzi scheme

Paulette Carpoff was sentenced to 11 years and three months in prison for her role in the biggest criminal fraud scheme in the history of the Eastern District of California.

Carpoff served as chief operating officer of DC Solar where she controlled Ponzi-like payments that hid the company's lack of third-party lease revenue, caused fake engineering reports for MSGs that the company sold but never built, and helped fool investors into thinking DC Solar was a success.

In November 2021, her husband, Jeff Carpoff, was sentenced to 30 years in prison and ordered to pay \$790.6 million in restitution for conspiracy to commit wire fraud and money laundering.

2. Sarasota man sentenced to 23 years in federal prison for running \$80 million "oasis" FOREX Ponzi scheme

Michael J. DaCorta was sentenced to 23 years in federal prison for conspiracy to commit wire fraud and mail fraud, money laundering, and filing a false income tax return. As part of his sentence, the court also entered an order of forfeiture of nearly 2.82 million, a portion of the proceeds of the charged criminal conduct.

For nearly eight years, DaCorta ran an investment company named Oasis International Group Ltd. (OIG). DaCorta and his co-conspirators persuaded at least 700 victims to invest in OIG through promissory notes and other means, causing victims' losses exceeding \$80 million. DaCorta and his conspirators then used the balance of the victim-investors' funds to make Ponzi-style payments to perpetuate the scheme and to fund lavish lifestyles, which included luxury cars, multimillion dollar homes, lavish trips and more.

In addition, DaCorta underreported his income on his 2017 federal income tax return, claiming negative income and receiving a tax refund.

1. Lawyer Michael Avenatti sentenced to 14 years in federal prison for stealing millions of dollars from clients and tax fraud

Michael Avenatti was sentenced to 14 years in prison for defrauding four of his clients out of millions of dollars and obstructing the IRS's attempts to collect payroll taxes from his coffee business. He must also pay \$10.8 million in restitution to his clients and to the IRS.

The 14-year sentence will be served consecutively to sentences Avenatti is already serving. Avenatti is currently serving time in a Southern California prison after he was convicted of stealing proceeds from Stormy Daniels, the adult film actress he represented in her legal fight with former President Donald Trump. Avenatti was also convicted for trying to extort millions of dollars from Nike.

Avenatti's latest sentencing follows his guilty plea in June to a tax-related charge and four counts of wire fraud. At the time, he said he wanted to spare his family from any additional embarrassment. At the sentencing hearing, the judge said Avenatti "has done great evil for which he must answer."

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