



Department of Justice

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Southern District of Illinois

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MISSOURI WOMAN INDICTED FOR FEDERAL PRISON TAX FRAUD SCHEME

An O'Fallon, Missouri, woman was indicted on June 23, 2011, for Conspiracy to Commit Mail Fraud and Money Laundering, the United States Attorney for the Southern District of Illinois, Stephen R. Wigginton, announced today. Barbara J. Singletary, age 62, was indicted for her role in assisting her son, Michael S. Chaney, commit tax fraud while incarcerated in FCI Greenville.

According to the Indictment, Singletary was charged for participating in an income tax refund scheme where the participants supplied fictitious tax returns and bogus IRS Forms W-2 to numerous state taxing authorities to falsely claim that inmates - and their friends and family members - had earned income in those states and were owed a tax refund. Singletary mailed blank tax forms along with documents necessary to create false Forms W-2 to Chaney in prison. Chaney then completed the fraudulent returns and mailed them back to Singletary. The mailings to Singletary were purportedly addressed to a law firm located at her home so prison staff would not review their contents. After receiving the packages, Singletary mailed each of the returns to the applicable state taxing authorities in order to claim the refunds.

The Indictment alleges that Chaney personally completed fraudulent tax returns to nine (9) different state taxing authorities which resulted in those states being defrauded out of \$152,893. Singletary opened multiple bank accounts to receive the fraudulent refunds, which helped conceal the existence of the scheme as well as the identity of the coconspirators. Singletary also withdrew money obtained from the tax refund scheme to purchase marijuana that was smuggled into the prison through another inmates' spouse during visitation. Chaney and the other inmate sold the marijuana for profit to federal inmates residing at FCI Greenville. Singletary filed tax returns for herself in Hawaii, Oregon, Kentucky, Illinois, Maine, Nebraska, Colorado, Maryland, Arizona, New Mexico, and Oklahoma, falsely claiming approximately \$49,000 in fraudulent state income tax refunds.

The crime of Conspiracy to Commit Mail Fraud and Money Laundering is punishable by not more than 5 years' imprisonment, a fine of up to \$250,000, and 3 years' Supervised Release

The case was investigated by agents of the FCI Greenville Special Investigations Office, Internal Revenue Service, US Postal Inspection Service, Social Security Administration Office of the Inspector General, US Department of Health and Human Services Office of the Inspector General, US Department of Justice Office of the Inspector General, and the Federal Bureau of Investigation. The case is being prosecuted by Assistant United States Attorney Steven D. Weinhoeft.

An indictment is a formal charge against a defendant. Under the law, that charge is merely an accusation and the defendant is presumed innocent unless proven guilty.

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