



Department of Justice

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Southern District of Illinois

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MISSOURI WOMAN SENTENCED FOR ASSISTING A PRISON BASED TAX FRAUD SCHEME

The mother of a federal prisoner incarcerated at FCI Greenville was sentenced in US District Court on December 16, 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, 62, from O'Fallon, Missouri, was sentenced to federal prison for her role in assisting her son execute an income tax refund scheme while he was serving a sentence for unrelated federal crimes. Singletary, who pled guilty on August 24, 2011, was sentenced to one year of incarceration, including 6 months' home confinement. She was also ordered to pay restitution of \$89,808 and serve three years of supervised release upon her release from prison.

On October 7, 2011, Singletary's son, Michael S. Chaney, 41, originally from St. Charles, Missouri, was sentenced to 4 ½ years imprisonment, restitution of \$89,808 and three years of supervision upon his release from prison. That sentence was consecutive, or in addition to, two federal sentences that Chaney is presently serving. Chaney is serving a 100 month sentence for a 2002, conviction for Possession of Pseudoephedrine with the Intent to Manufacture Methamphetamine; and a 63 month sentence for a 2004, conviction for Assaulting an Inmate within United States Penitentiary.

Singletary and Chaney were 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 inmates' friends and family members - had earned income in those states and overpaid their state income taxes, thereby entitling them to a tax refund. Chaney personally completed fraudulent tax returns to eleven (11) different state taxing authorities in which he attempted to defraud those states out of \$164,288. Singletary opened multiple bank accounts to receive the fraudulent refunds and acted as the power of attorney for several inmates. Money generated from the tax scheme was used to purchase marijuana that was smuggled into the prison during visitation and resold for a profit.

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

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