



# CITY OF TAMPA

Bob Buckhorn, Mayor

POLICE DEPARTMENT

Jane Castor  
Chief of Police

## United States Senate Special Committee on Aging

Mr. Chairman  
Members of the Committee

On behalf of the City of Tampa, Mayor Bob Buckhorn and Chief Jane Castor of the Tampa Police Department, I am Detective Sal Augeri and I would like to thank you for inviting me here today to testify before your committee regarding Identity Theft and specifically Stolen Identity Refund Fraud (S.I.R.F.).

Last March of 2012, I appeared before Senator Nelson to explain how rampant identity theft was in Tampa and the surrounding Bay Area. We were experiencing a crime wave that was unknowingly funded through hard working taxpaying Americans. "Turbo Tax", as it was commonly known among the criminals, was spreading throughout Tampa, the surrounding counties and the state of Florida at an alarming rate that estimates of the dollar loss were into the hundreds of millions, if not billions. The City of Tampa would later be identified as "Ground Zero" for this crime. Throughout the later part of 2010 and the first half of 2011, law enforcement could not develop a uniformed approach to combating the crime, solicit the necessary help of the Internal Revenue Service - Criminal Investigations (IRS-CI) or come to some type of consensus on the prosecution of these cases between the U.S. Attorney's Office and the State Attorney's Office of Hillsborough County. During this time, local and state law enforcement had very little, if any, joint cooperation with enforcement efforts from the Internal Revenue Service – Criminal Investigations. As many of us would later learn, disclosure laws

protecting the sharing of tax information basically “handcuffed” the Internal Revenue Service – Criminal Investigations and therefore the joint sharing of information could not take place.

Due to the many enforcement and prosecution issues, criminals continued to make a large sum of money from tax fraud all in the face of law enforcement.

After the successful operation headed by the United States Secret Service in September of 2011, Operation Rainmaker brought the problem to the attention of mainstream America and especially to the residents of Florida. With that, it also brought the problem that law enforcement was having dealing with this crime to the forefront.

Among them, a need to unify efforts between local, state and federal law enforcement officials, the ability to share critical information needed for establishing evidence that was crucial for a successful prosecution and a means to utilize that information for introduction into a state or federal judicial system.

Following the hearings in March of 2012, the Internal Revenue Service - Criminal Investigations introduced the new “Waiver Pilot Program” for the Tampa Bay Area. With that came the arrival of Special Agent in Charge, James Robnett and Assistant Special Agent in Charge, Ismael Nevarez.

Significant positive changes began and the Internal Revenue Service - Criminal Investigations became the focal point in bringing local, state and federal agencies together to combat this crime. The “Alliance Group” was formed in July of 2012 consisting of the Tampa Police Department, Hillsborough County Sheriff’s Office, Polk County Sheriff’s Office, Pasco County Sheriff’s Office, Pinellas County Sheriff’s Office, Manatee County Sheriff’s Office, Florida Department of Law Enforcement, United State’s Secret Service, FBI, United States Postal Service, the Hillsborough County and Polk County State Attorney’s Offices, Office of the State Wide Prosecutor and the U.S. Attorney’s Office for the Middle District of Florida. This collective effort is overseen and coordinated by the Internal Revenue Service - Criminal Investigations.

The “Waiver Program” introduced a format that allowed victims to sign an IRS form which would enable local law enforcement authorities to request a copy of the fraudulent return that was submitted and accepted by the IRS. This information allowed law enforcement to continue with their investigation, obtain critical and vital evidence and subsequently lead to either federal or state charges being brought against the known suspect committing the crime.

In addition, the Department of Justice - Tax Division (D.O.J.Tax), along with the Internal Revenue Service - Criminal Investigations streamlined their processes which have resulted in a quicker “turn around” of these financial investigations. With this, the U.S. Attorney’s Office has been able to expeditiously bring charges against these suspects and receive a final resolution within the court system.

Recently, the successful federal prosecution of Russell Simmons, a Tampa used car salesman and convicted drug trafficker, highlighted the enormous problems associated with this type of crime. The Simmons investigation began in the early part of 2011, involved a search warrant of his business on August 31, 2011 and his arrest for a state charge of Identity Theft and Credit Card Fraud. The investigation took many months due to the obstacles in place at that time. Federal charges were eventually brought against him and Simmons was indicted in May of 2012. This was a multi- agency effort comprised of the Tampa Police Department, the United States Secret Service and the Internal Revenue Service – Criminal Investigations which culminated in Simmons pleading guilty in November of 2012 to Identity Theft related charges. The investigation found that prior to his arrest in August 2011, Simmons had attempted to defraud the U.S. Treasury of 8.9 million dollars and ultimately received 1.7 million dollars. Simmons was sentenced on March 18, 2013 to fifteen years in federal prison, a sentence which has resonated throughout Tampa and the Bay Area.

Given the close coordination between the Internal Revenue Service - Criminal Investigations and the Alliance partners, the Russell Simmons investigation would move much faster today. All identity theft leads are brought to the Alliance group and there is immediate coordination and sharing of intelligence. Joint investigative

actions are taken, resources are shared, evidence is gathered and quick arrests are made. Our local Crime Stoppers is also part of the effort and tips from Tampa Area citizens go directly to the Alliance members. The Alliance Group concept has resulted in many more prosecutions than last year.

Some of the recent prison sentences handed out by the Federal Court of the Middle District of Florida include Remesa Buemer, 65 months prison, Danielle Denson, 76 months prison and most recently, the “guilty” pleas entered by Rashia Wilson and Maurice Larry who’s names are synonymous with tax refund fraud.

These cases are a direct reflection of U.S. Attorney Robert O’Neill’s office and their commitment to this fight.

Chief Castor and the Tampa Police Department are committed to their law enforcement counterparts that comprise the “Alliance Group” and we are part of the recently appointed Task Force Officers assigned to the Internal Revenue Service - Criminal Investigations. I sit here before you as a Deputized IRS Task Force Officer, with expanded jurisdictions, federal authorities and on a daily basis, work alongside the IRS-CI Special Agents on Identity Theft related tax fraud cases.

Within the Tampa Bay Area, outreach efforts through SAC James Robnett’s office with local banks has streamlined the expedient detection and recognition of fraudulent tax refund deposits and the subsequent seizure and return of stolen tax payer money to the U.S. Treasury.

Although this crime is still prevalent and lucrative to the criminals that engage in it, law enforcement efforts have had positive changes. My sources on the street talk of the increased police effort and that it is harder to get returns back from the U.S. government. However, this is not a problem that law enforcement can solve on its own. There are at least two other aspects that need addressing.

Efforts to stop the “initial filing” of a fraudulent tax return can be combated through better safeguards by the Internal Revenue Service – Civil whereby the return is stopped at the point of filing through either the IRS itself or through parent

companies of electronic tax preparation programs. I understand from my partners at the IRS that they have installed filters to better identify false returns before they are processed. While we are seeing some evidence of this working, the issue of Pre-Paid cards is still a problem and these Pre-Paid cards are a favorite tool of the criminal. Criminals' use of Pre-Paid cards to receive stolen tax money causes investigators to take more steps during the investigation which increases the time to prosecute the case. A recent arrest made by the Alliance Group found that a local Probation Officer used these cards and would have gotten away with the crime if it had not been for a thorough investigation by a local IRS-CI Special Agent and a Hillsborough County Sheriff's Department detective. Something has to be done to address Pre-Paid cards being used to receive a tax refund.

A second initiative should be to hold companies that maintain records of personal identification information (PII) to a standard that meets the responsibility and obligation of securing that information. Currently, there appears to be no penalty for companies that allow PII to be stolen from their record keeping systems. Without the theft of PII, there is no fuel for this tax crime and other such fraud related activity. Protection of customer information should be a top priority of these companies. Breaches within these companies due to substandard PII safeguards should incur a civil and / or criminal penalty. A majority of the breaches that we see in the Tampa Bay Area are involving companies that have a direct link to the medical profession. With that, our elderly are victimized on a consistent basis.

Senator Nelson, thank you for your continued interest and inquiry into future deterrents that may someday stop this crime completely.

I believe that our collective 2013 enforcement effort involving Stolen Identity Refund Fraud within the Tampa Bay Area has never been better and I foresee a continued positive progression with that endeavor.

Thank you.

Salvatore J. Augeri, Detective

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Tampa Police Department