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Man in Prison Charged of Scamming IRS

Michael Joseph, 51 an prisoner in Apalachee Correctional Institute in Jackson County allegedly scammed more than \$100,000 from the IRS, all the while behind bars. He filed false tax returns from his prison cell and managed to obtain thousands of dollars for himself and dozens of fellow prisoners, earning himself the nickname 'H & R Block'.

Joseph, whose record of crimes include grand theft, sexual battery, kidnapping, possession of cocaine and burglary was released after serving his latest sentence. But he was re-arrested after a US Postal Service inspector got suspicious seeing the amount of mail going out from the Apalachee Institution to the IRS. The Post Office successfully worked with the FDLE to end the scam.

Joseph was to go to trial in November but he did not show up.

Subsequently, he was found and arrested. His case goes to trial sometime next year.

But the problem is widespread and not limited to only one prisoner in one prison. According to a CBS News report, prisoners collected more than \$130 million in tax refunds that are not theirs. The main culprits are

inmates in prisons in Georgia, Florida and California.

While the IRS has declined comments on this matter, it has issued a memo to the Treasury Inspector General for Tax Administration in which Richard Byrd Jr., the Commissioner for the Wage and Investment Division stated that the IRS had prevented \$1.48 billion in fraudulent claims. This represented 98% of all 'questionable refund claims'.

Byrd added that prisoner tax returns are closely scrutinized but admitted that it would be impossible for the IRS to vet through and ensure the authenticity of every return submitted by an inmate. Earlier this year, there was another case in which the State Attorney's Office prosecuted another inmate for the same crime and the inmate took a 3-year plea arrangement. State Attorney Glen Hess made a suggestion that the Department of Corrections carefully inspect all mail sent from their facilities to the IRS by checking all taxpayer's dates against the dates of incarceration and identifying certain forms frequently used by inmates when filing fraudulent tax returns.

Florida Department of Corrections Secretary Walter A. McNeil has not responded to the State Attorney's suggestion. However the Department's officers issued a written statement in which they assured their full corroboration with the IRS on this matter.