



**September 22, 2011**

## Tax Refund Scam, 14 Indicted

In what is shaping up to be the biggest tax refund fraud case in Missouri, 14 individuals from across the country have been indicted for allegedly cheating the IRS of millions of dollars in false tax claims. In her comments on the case, US Attorney Beth Philips said, “Kansas City was the hub of a nationwide conspiracy that attempted to receive nearly \$100 million in fraudulent tax refunds”. The alleged leader of the scheme hails from Kansas City and was identified as Gerald A. Poynter II, also known as ‘Brother Jerry Love’.

Assistant US Attorney Dan Nelson described Poynter’s alleged role as the “center hub and spoke” of the fraudulent scheme that spanned the nation. The indictment revealed the modus operandi in the conspiracy. It stated that Poynter and his associates would bring in taxpayers who wished to reduce their tax obligations, promising them a way to do so if they agreed to allow Poynter to prepare their tax returns for them. Naturally, many agreed to this proposal.

Upon being hired, Poynter and his associates would allegedly prepare these tax returns as though they were owed large amounts in refunds from taxes withheld from interest income. Sometimes, these refund claims could reach up to a million dollars. Then the conspirators would file the returns as though the taxpayer themselves had filed them, while in the meantime submit false papers substantiating the refund claims.

When the IRS granted the refunds, each of Poynter’s associates (called ‘branch managers’), would deduct their fees that included a “love donation” to Jerry Love Ministries. The conspirators also allegedly maintained a website called ‘Luckytown’ to

promote their services.

More than 80 such tax returns were allegedly filed by Poynter himself, making claims of about \$25 million in refunds. All in all, the scheme tried to claim a total of about \$96 million in refunds but the IRS actually paid out about \$3.5 million as a majority of the claims were denied.

In March, a federal judge permanently prohibited Poynter from preparing tax returns when the government filed a civil suit against him.

Others indicted along with Poynter in the indictment were Shirley J. Oyer, 70, of Overland Park, Kristi L. Jones, 38, of Riverside, Earl Lee Davis, 52, of Monroe, La, Nkosi Gray, 38, of New Fairfield, Conn, Billy Ray Hall, 72, of Newton, Ala, Kimberly Johnson, 41, of Chickamauga, Ga, Darryl E. Larkins, 49, of Chicago, Robert E. Morris, 65, of Rocklin, Calif, Mark J. Murray, 49, of Newton, Ala, Jeffrey and Karen Olson, both 40, of Wood Dale, Ill, John V. Perdido, 55, of Temecula, Calif, and Jennifer S. Wilson, 34, of Cumming, Ga.

None of them was represented by legal counsel.