



**U. S. Department of Justice**

United States Attorney  
Northern District of Illinois

*Gary S. Shapiro*  
*Acting United States Attorney*

*Dirksen Federal Courthouse*  
*219 South Dearborn Street, Fifth Floor*  
*Chicago, Illinois 60604*  
*(312) 353-5300*

FOR IMMEDIATE RELEASE  
WEDNESDAY NOVEMBER 7, 2012  
[www.justice.gov/usao/iln](http://www.justice.gov/usao/iln)

PRESS CONTACTS:  
AUSA Patrick King 312-353-5341  
AUSA / PIO Randall Samborn 312-353-5318

**BARBADOS MAN SENTENCED TO 9½ YEARS IN PRISON FOR USING  
STOLEN IDENTITIES TO FRAUDULENTLY OBTAIN TAX REFUNDS**

CHICAGO — A Barbados national who lived in cities across the United States was sentenced today to 9½ years in federal prison for using stolen identities to file approximately 645 false federal income tax returns in the names of deceased individuals and seeking refunds totaling more than \$120 million. The defendant, **Andrew J. Watts**, was ordered to pay restitution of more than \$1.6 million that he actually obtained and used from the scheme.

Watts, 35, whose last known residence was in Los Angeles, was sentenced to 7½ years for mail fraud, followed by a mandatory consecutive term of 2 years in prison for aggravated identity theft. U.S. District Judge Joan Gottschall, who imposed the sentence in Federal Court in Chicago, also ordered Watts to pay \$1,676,399 in restitution and ordered forfeiture of the same amount.

Watts, a permanent resident alien who resided previously in Chicago, New York, and Beverly Hills, Calif., was arrested in April 2011 in Kansas City. He pleaded guilty in July 2012.

The sentence was announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Kathryn Keneally, Assistant Attorney General, Department of Justice, Tax Division; Richard Weber, Chief of the Internal Revenue Service Criminal Investigation; and

Thomas Jankowski, Acting Special Agent-in-Charge of the IRS Criminal Investigation Division in Chicago.

“IRS-Criminal Investigation has made investigating refund fraud and identity theft a top priority and we will vigorously pursue those who undermine the integrity of the U.S. tax system,” Mr. Weber said. “Individuals who commit refund fraud and identity theft of this magnitude deserve to be punished to the fullest extent of the law.”

Watts fraudulently obtained more than \$19 million in tax refunds by filing hundreds of bogus tax returns claiming refunds between 2007 and 2011. Watts prepared and submitted false federal tax returns using the names and social security numbers of actual taxpayers who were deceased and in the names of deceased individuals who were falsely represented to be alive at the time the returns were filed. He then directed that the false tax refunds be mailed to addresses he controlled and electronically deposited into bank accounts under his control, including an address and a bank account in Chicago.

According to court documents, Watts used more than \$1.6 million in tax refunds to rent apartments in various cities, to purchase luxury automobiles, jewelry, airline tickets between California and New York, as well as for gambling and to provide cash to his girlfriend. Approximately \$17 million that Watts obtained in fraudulent refunds was frozen in various accounts and recovered by the IRS.

The government is being represented by Assistant U.S. Attorney Patrick J. King, Jr., and Michelle M. Petersen, Trial Attorney in the Justice Department’s Tax Division.

###