

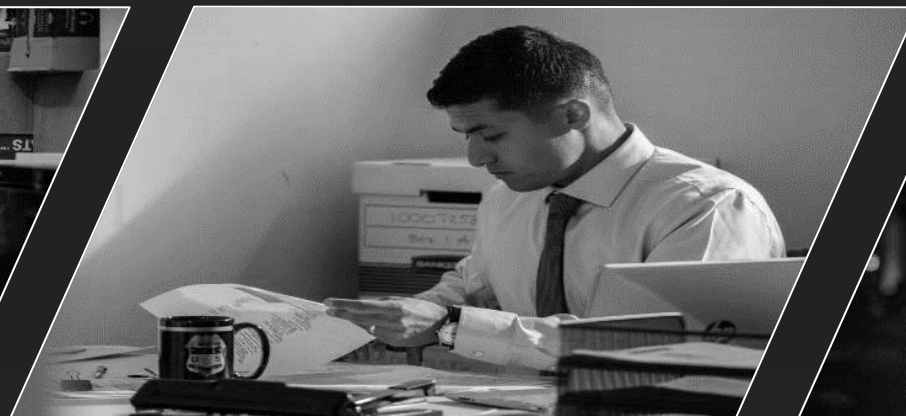
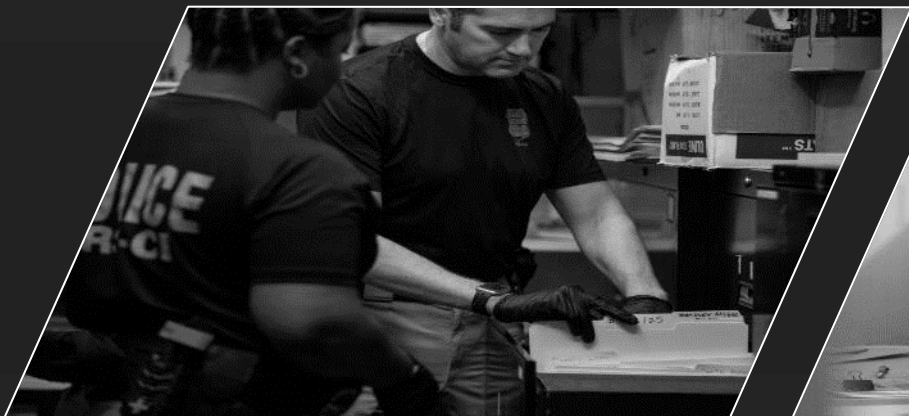


# Houston Field Office

Houston, Corpus Christi, Brownsville, McAllen, Laredo, El Paso,  
San Antonio, Austin, Waco

# CI Mission

IRS Criminal Investigation (CI) serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.



## Role of CI in Federal Law Enforcement

### Special Agents

Approximately  
2,100 sworn special  
agents and 994  
professional staff

### Jurisdiction

Investigative  
jurisdiction that  
includes violations of  
tax, money  
laundering, and Bank  
Secrecy Act laws

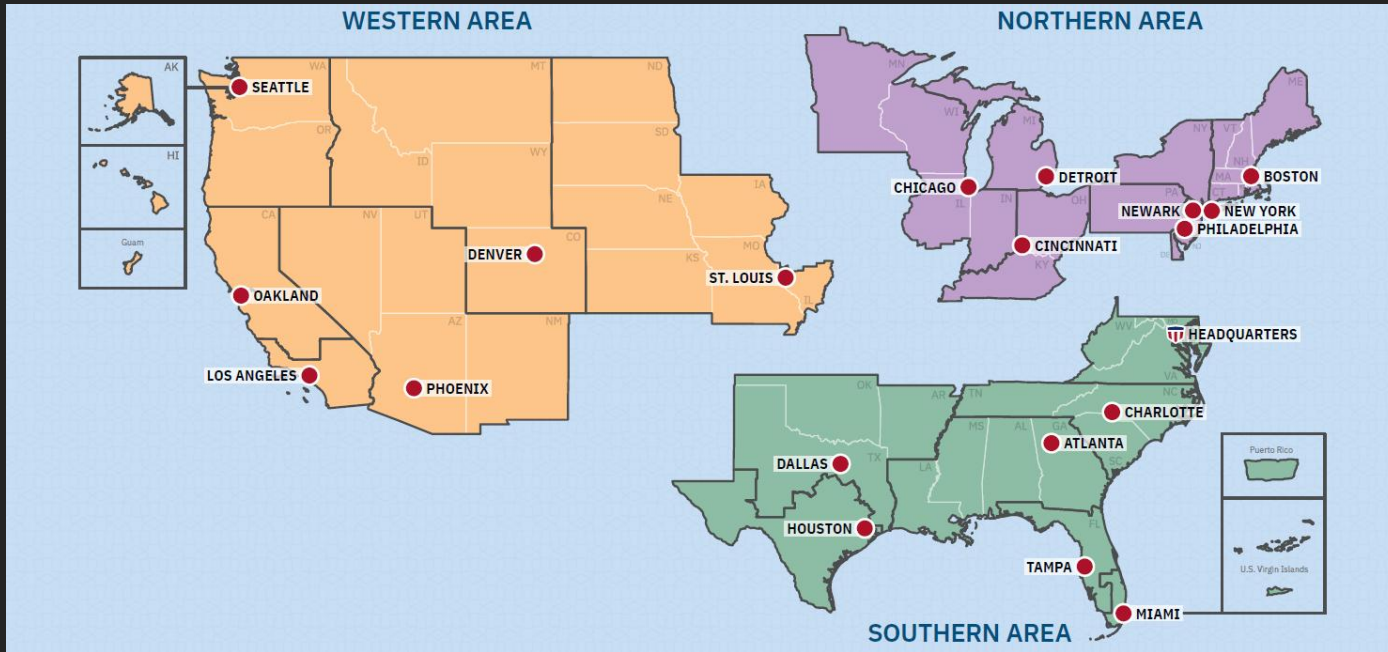
### Sole Authority

Only law  
enforcement  
agency that can  
investigate criminal  
violations of the  
Internal Revenue  
Code – Title 26

# History of CI

- Revenue Act of 1913 enacted
- 1919 - IRS Commissioner established the Intelligence Unit
- 1927 - Supreme Court ruled that criminals must pay income tax on their stolen property or face tax evasion charges
- 1931 - Successful prosecution of mobster Al Capone for tax evasion
- 1970 - Bank Secrecy Act is passed in Congress
- 1978 - Intelligence Unit changed its name to Criminal Investigation (CI)
- 1986 - Money Laundering Control Act makes money laundering a federal crime





# Houston Field Office

Boundaries are shared with the Southern and Western districts of Texas (U.S. District Court) and the U.S. Attorney's Offices for the Southern and Western districts of Texas.

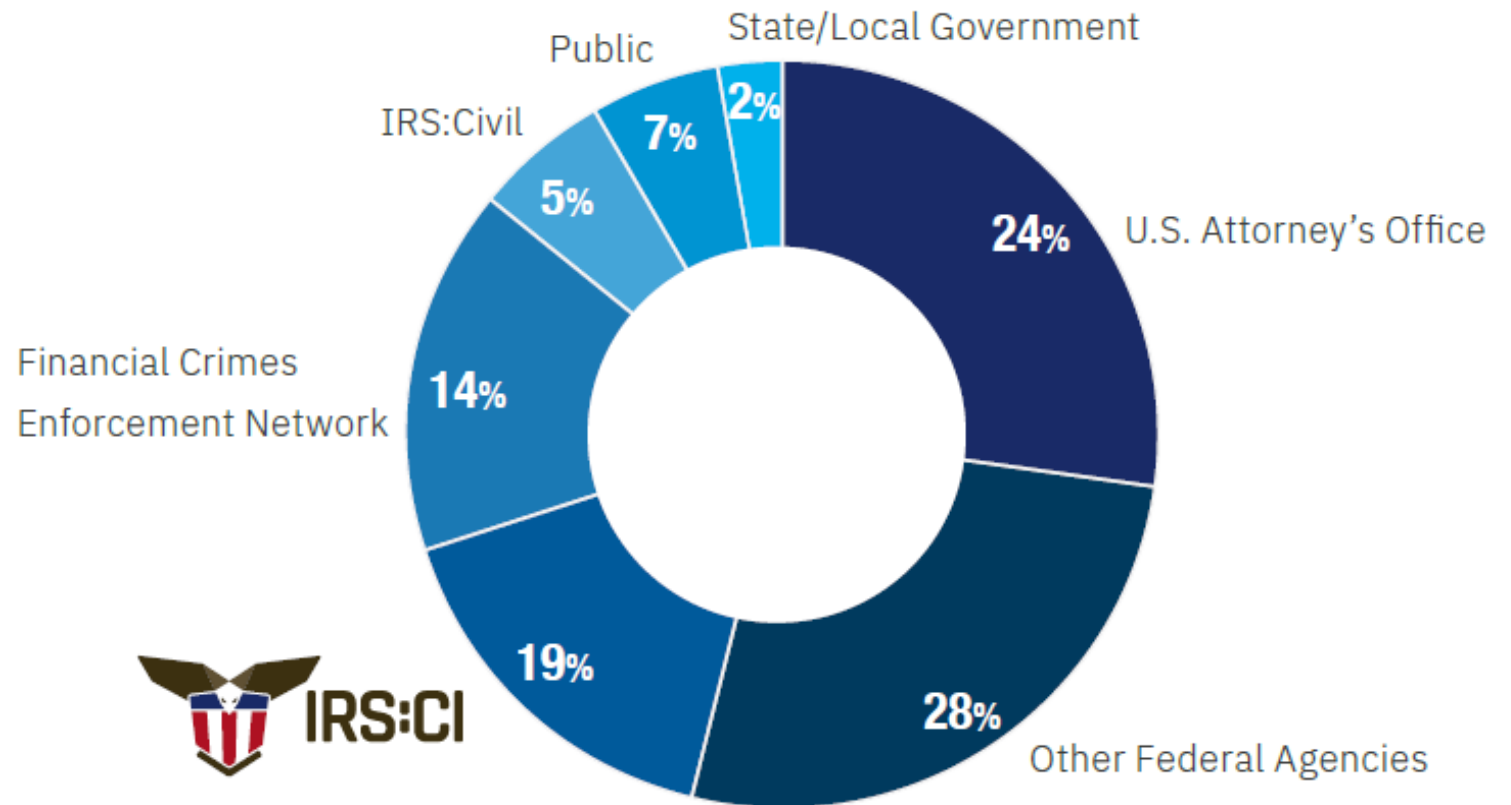
Field office names are derived from the cities where the special agent in charge is based.

Each field office has multiple offices, some spread across multiple states.

## HOUSTON FIELD OFFICE LOCATIONS:

- Houston
- Corpus Christi
- Brownsville
- McAllen
- Laredo
- El Paso
- San Antonio
- Austin
- Waco

## Sources of Investigations (nationwide FY 2023)



# Federal Fiscal Year 2023 - By the Numbers (nationwide)



Tax Fraud  
Identified

**\$5.5<sub>B</sub>**



Other Identified  
Financial Crimes

**\$31.6<sub>B</sub>**



Warrants  
Executed

**1334**



Referred For  
Prosecution

**1838**



Conviction  
Rate

**88.4%**

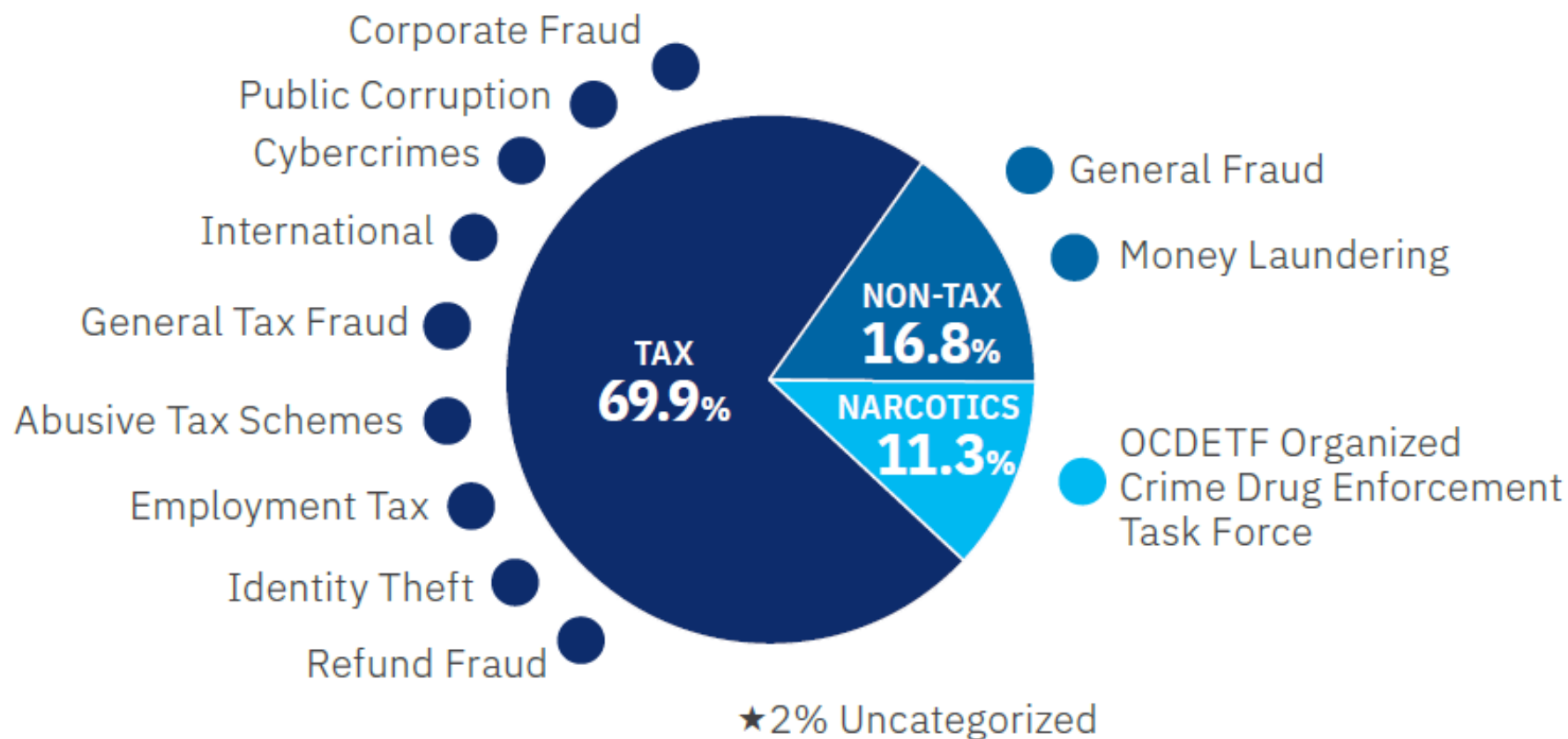


Convictions

**1508**

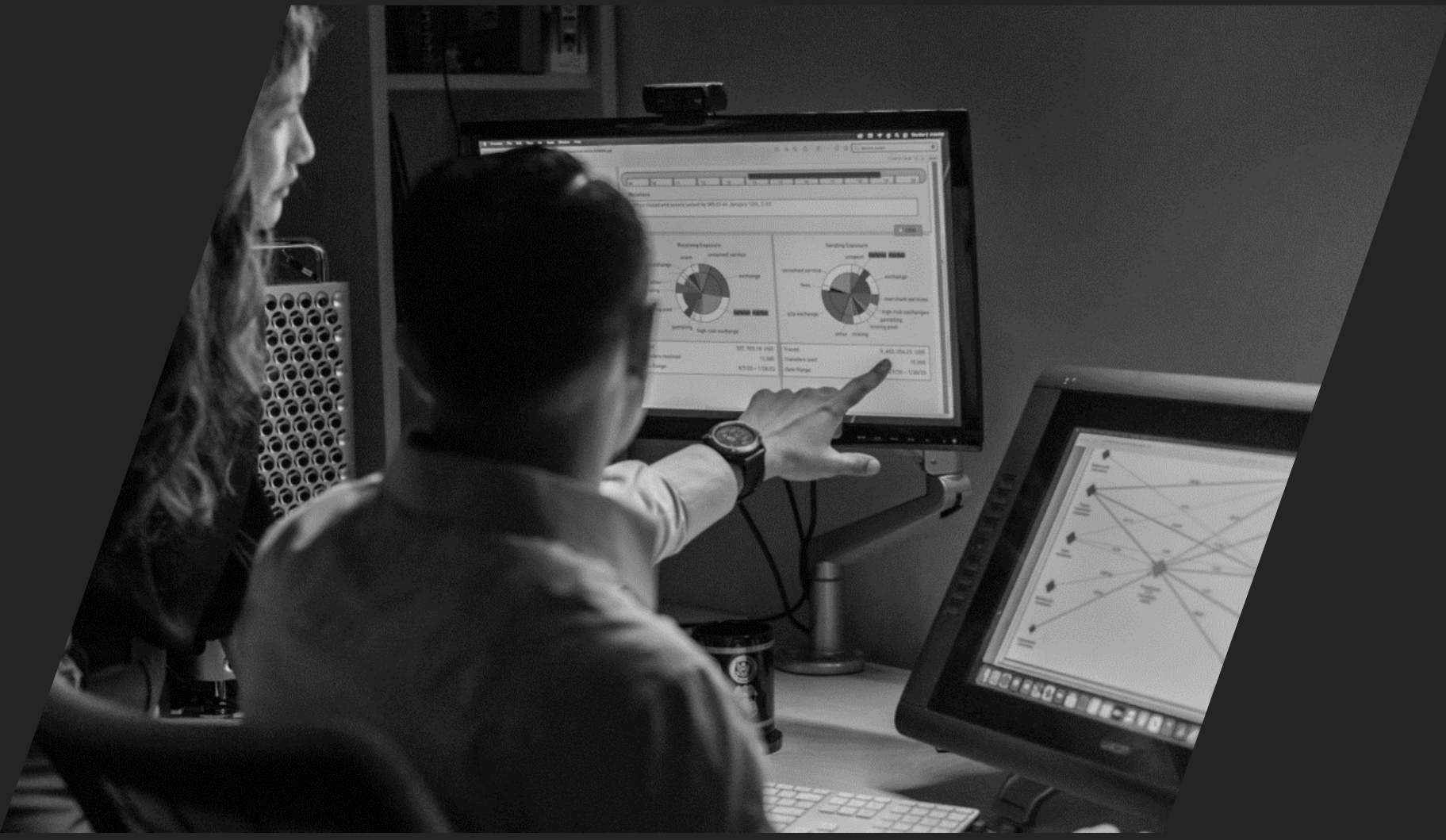
# Federal Fiscal Year 2023 - By the Numbers (nationwide)

## DIRECT INVESTIGATIVE TIME SPENT\*





# Criminal Investigation Priorities 2025 - 2026





## Tax Violations

26 USC §7201, Attempt to Evade or Defeat the Assessment of a Tax or the Payment Thereof

26 USC §7203, Failure to File

26 USC §7206(1), Fraud and False Statement

26 USC §7206(2), Aid or Assist False or Fraudulent Returns

Attempt to Evade  
or Defeat the  
Assessment of a Tax  
or the Payment  
Thereof

- 26 USC §7201
  - Attempt to evade or defeat the assessment of a tax or payment thereof
  - Additional tax due and owing
  - Willfulness

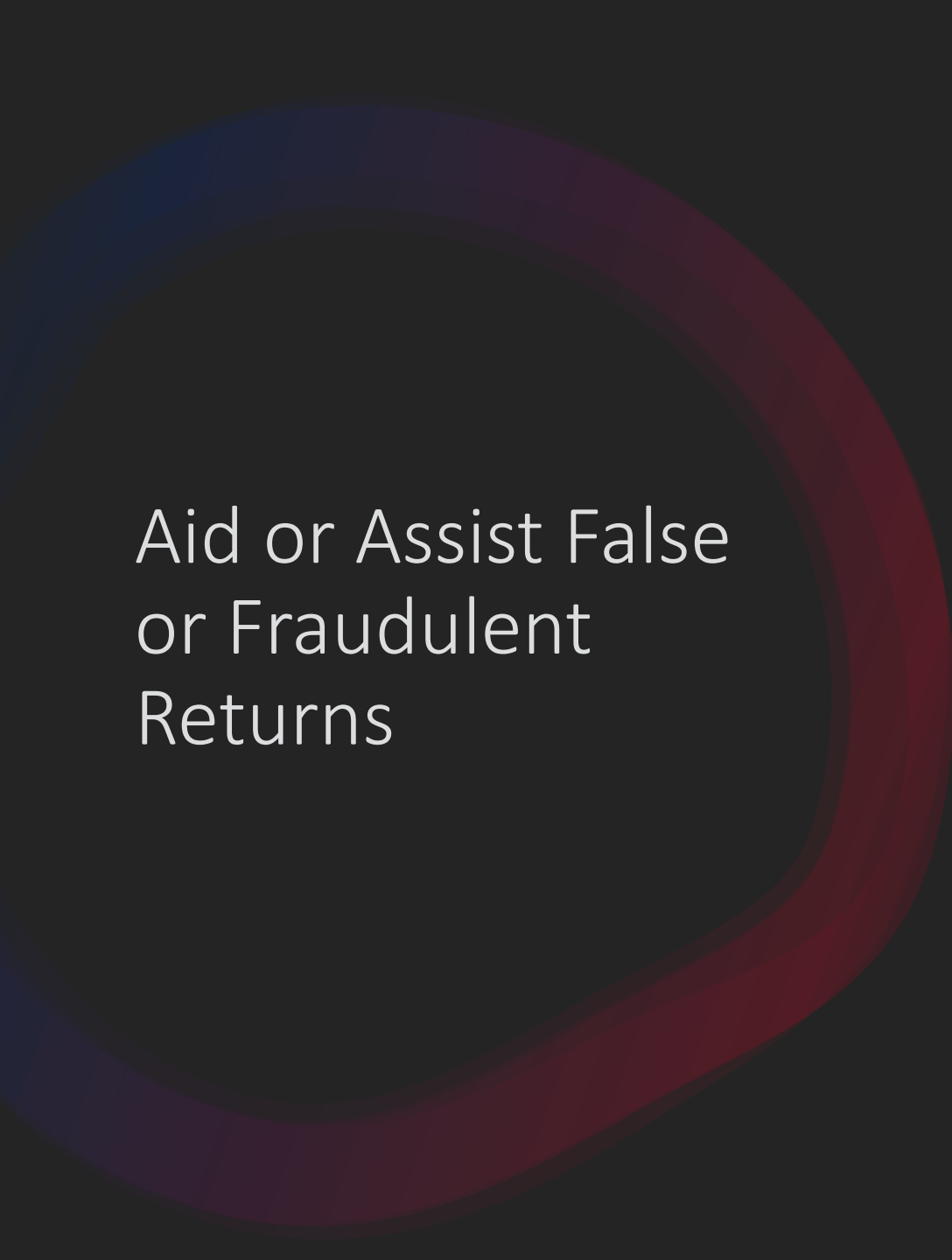


## Failure to File

- 26 USC §7203
  - Requirement by law to file
  - Failure to file at the time required by law
  - Willfulness

# Fraud and False Statement

- 26 USC §7206(1)
  - Make or subscribe a return, statement or other document
  - Written declaration under penalty or perjury
  - Belief that it is not true and correct as to every material matter
  - Willfulness



## Aid or Assist False or Fraudulent Returns

- 26 USC §7206(2)
  - Aid, procure, counsel or advise the preparation or presentation of a document
  - Document was false to a material matter
  - Willfulness



VARIOUS  
NON-TAX  
CRIMES

- Money Laundering
- Fraud/Corporate Fraud
- Bank Secrecy Act
- Sanction Evasion
- Cybercrimes (non-tax)
- Terrorism
- Illicit Finance
- Narcotics/Transnational Crime
- Public Corruption

# Digital Forensics



Petabytes Of  
Digital Data

**1.71**

- CI's Digital Forensics forensically acquire, preserve, and analyze the digital and multimedia evidence related to criminal investigations.
- CI seized 1.71 petabytes of data from 3,373 computers, external devices and mobile devices in FY23.
- 1 petabyte's worth of data is equal to taking over 4,000 digital photos every day for the rest of your life.







## Center for Science and Design

Provides forensic testing and technical services to support special agents through the efficient processing of crucial evidence in CI investigations.

Services include latent print analysis; audio, video, and image enhancement; polygraphs; DNA collection; questionable documents; ink chemistry; trial and design; and expert testimony.



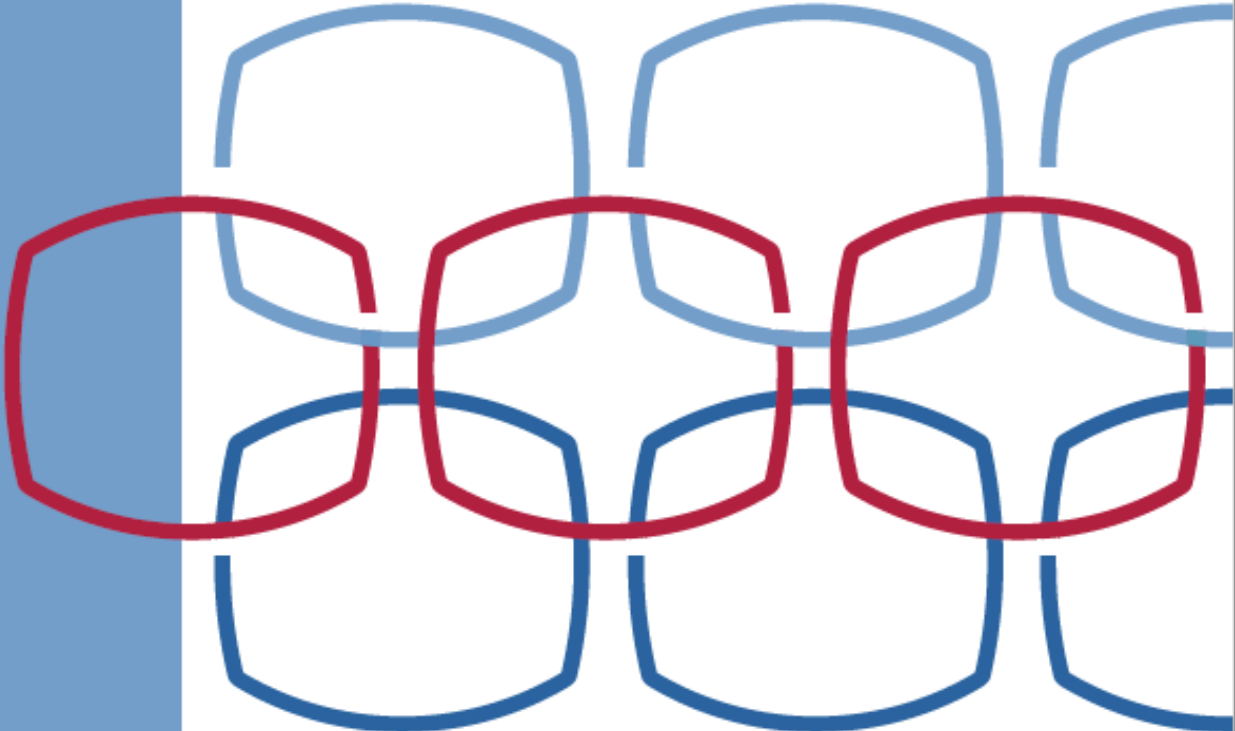
# ASSET RECOVERY

- An investigative tool to disrupt and dismantle criminal enterprises
- Forfeited funds used to:
  - refund victims of criminal activity
  - reimburse expenses incurred during investigations
  - acquire new investigative technology and resources
- In FY23, approximately \$30.3 million was refunded to original owners and victims of criminal activities.

[Publication 4557 \(Rev. 5-2024\) \(irs.gov\)](https://www.irs.gov/publications/4557)

# Safeguarding Taxpayer Data

A GUIDE FOR YOUR BUSINESS



# Tax Scam Warning Signs

## Recognize tax scams and fraud

English | [Español](#) | [中文\(简体\)](#) | [中文\(繁體\)](#) | [한국어](#) | [Русский](#) | [Tiếng Việt](#) | [Kreyòl ayisyen](#)

### Interactive Tax Assistant

#### Tools

#### Report phishing

#### Tax scams

##### Recognize tax scams and fraud

If you were scammed

Report tax scam or fraud

Get help with identity theft

#### Notices and letters

#### Appeals

#### Frequently asked questions

#### Accessibility

#### Contact your local IRS office

#### Contact an international IRS office

You can avoid falling victim to a tax scam. Know what to watch out for and how the IRS contacts you.

### Tax scam warning signs

Scammers mislead you about tax refunds, credits and payments. They pressure you for money, personal, financial or employee information. IRS impersonators try to look like us.

Watch out for:

- **A big payday** - If it sounds too good to be true, it probably is. Bad tax advice on social media could urge you to falsify tax forms or credit claims.
- **Demands or threats** - Impersonators want you to pay “now or else.” They threaten arrest or deportation.
- **Website links** - Odd or misspelled web links can take you to malicious sites instead of IRS.gov.

Impersonators don't let you question or appeal the amount of tax you owe. [Know your taxpayer rights](#).

### How to know it's the IRS

Here's how to know it's really us contacting you:

- **Email** - We email you only with your permission.
- **Mail** - Typically, we contact you first by U.S. mail. Most IRS letters include a letter or number. To verify it's us, [search for a letter or notice](#). Some letters might be from [IRS-assigned private debt collection agencies](#).
- **Social media** - You can [follow us](#), but we never contact you about your taxes on social media. Check with a trusted tax professional.
- **Text message** - We only send you text messages with your permission.
- **Website** - Our official web address is IRS.gov.
- **Phone call** - Typically, we mail you first. We might call about an audit or to verify information.
- **Fax** - Sometimes we send a fax to verify employment or request reported income or withholdings.
- **In-person visit** - Generally, we notify you by mail before we visit your home or business.

[Recognize tax  
scams and fraud](#)  
[| Internal  
Revenue Service](#)  
[\(irs.gov\)](#)

## Common tax scams

Be aware of the telltale signs of tax scams.

- + **Charity impersonators**
- + **COVID-19 pandemic schemes**
- + **Credits and refunds misinformation**
- + **Disaster fraud**
- + **Dishonest tax preparers**
- + **Email and text message impersonators**
- + **Seniors targeted**
- + **Social media bad tax advice and scams**
- + **Tax debt settlement or relief services**
- + **Unclaimed tax refund**
- + **Unemployment claims identity theft**
- + **Unexpected tax bill**
- + **W-2 Form fraud**

# Reporting possible criminal activity

## Form 3949-A, Information Referral



The screenshot shows the IRS website page for reporting fraud and abuse. The page has a blue header with the IRS logo and navigation links. The main content area is white with a blue sidebar on the left. The sidebar contains a list of links, with 'Criminal Investigation' highlighted. The main content area has a title 'Reporting Fraud and Abuse Within the IRS e-file Program' and a sub-section 'Criminal Investigation' with a list of links. The 'Report Tax Fraud' link is highlighted. The main content area also contains a 'Report Format' table with three columns: Field, Source, and Formatting.

**Reporting Fraud and Abuse Within the IRS e-file Program**

**Criminal Investigation**

- What We Investigate
- Identify Tax Schemes
- Report Tax Fraud**
- Voluntary Disclosure
- About Us
- Investigation Process

**Report Format**

Field	Source	Formatting
Acknowledgement Date	IRS Acknowledgement	MM/DD/YYYY
DCN	IRS Acknowledgement	14 numbers including leading zeroes
Primary SSN	Return	Like 123-12-1234

<https://www.irs.gov/compliance/criminal-investigation>

Form **3949-A**  
(October 2020)

Department of the Treasury - Internal Revenue Service

## Information Referral

(See instructions on reverse)

OMB Number  
1545-1980

Use this form to report suspected tax law violations by a person or a business.

**CAUTION: READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM.** There may be other more appropriate forms specific to your complaint. (For example, if you suspect your identity was stolen, use [Form 14039](#).)

### Section A – Information About the Person or Business You Are Reporting

Complete 1, if you are reporting an individual. Complete 2, if you are reporting a business only. Complete 1 and 2 if you are reporting a business and its owner. (Leave blank any lines you do not know.)

1a. Name of individual		b. Social Security Number/TIN		c. Date of birth	
d. Street address		e. City		f. State	g. ZIP code
h. Occupation		i. Email address			
j. Marital status (check one, if known)					k. Name of spouse
<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Head of Household <input type="checkbox"/> Divorced <input type="checkbox"/> Separated					
2a. Name of business		b. Employer Tax ID number (EIN)		c. Telephone number	
d. Street address		e. City		f. State	g. ZIP code
h. Email address		i. Website			

### Section B – Describe the Alleged Violation of Income Tax Law

3. Alleged violation of income tax law. (Check all that apply.)

- |   |  |  |  |
|---|--|--|--|
| <input type="checkbox"/> False Exemption  | <input type="checkbox"/> Unsubstantiated Income      | <input type="checkbox"/> Unreported Income | <input type="checkbox"/> Failure to Withhold Tax |
| <input type="checkbox"/> False Deductions | <input type="checkbox"/> Earned Income Credit        | <input type="checkbox"/> Narcotics Income  | <input type="checkbox"/> Failure to File Return  |
| <input type="checkbox"/> Multiple Filings | <input type="checkbox"/> Public/Political Corruption | <input type="checkbox"/> Kickback          | <input type="checkbox"/> Failure to Pay Tax      |
| <input type="checkbox"/> Organized Crime  | <input type="checkbox"/> False/Altered Documents     | <input type="checkbox"/> Wagering/Gambling | <input type="checkbox"/> Other (describe in 5)   |

**4. Unreported income and tax years**

Fill in Tax Years and dollar amounts, if known (e.g., TY 2010- \$10,000)

TY  \$  TY  \$  TY  \$  TY  \$  TY  \$  TY  \$

**5. Comments** (Briefly describe the facts of the alleged violation-Who/What/Where/When/How you learned about and obtained the information in this report. Attach another sheet, if needed.)


**6. Additional information.** Answer these questions, if possible. Otherwise, leave blank.

a. Are book/records available? (If available, do not send now. We will contact you, if they are needed for an investigation.)  Yes  No

b. Do you consider the taxpayer dangerous  Yes  No

c. Banks, Financial Institutions used by the taxpayer

Name			Name		
<input type="text"/>			<input type="text"/>		
Street address			Street address		
<input type="text"/>			<input type="text"/>		
City	State	ZIP code	City	State	ZIP code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Section C – Information About Yourself**

(We never share this information with the person or business you are reporting.)

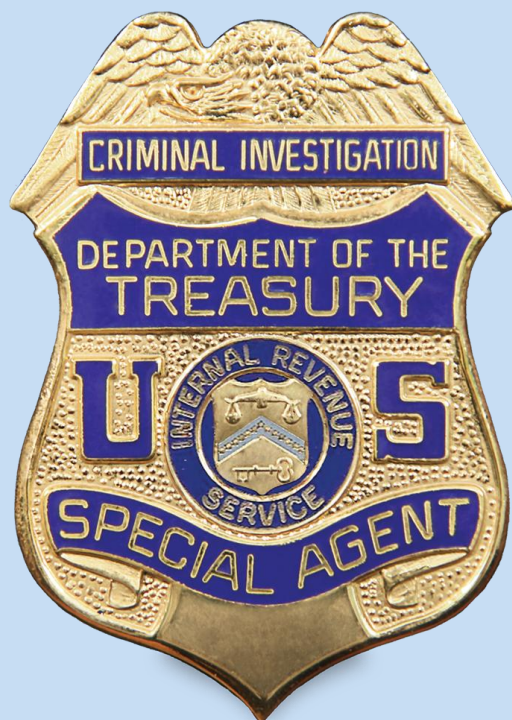
This information is not required to process your report, but would be helpful if we need to contact you for any additional information.

7a. Your name		b. Telephone number	c. Best time to call	
<input type="text"/>		<input type="text"/>	<input type="text"/>	
d. Street address	e. City		f. State	g. ZIP code
<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>

Print and send your completed form to: Internal Revenue Service  
PO Box 3801  
Ogden, UT 84409



## Case Study – Krystal Wright



PRISON SENTENCE: 24 months

CRIME: Aiding and assisting in the preparation  
and presentation of false tax returns

RESTITUTION: \$525,404

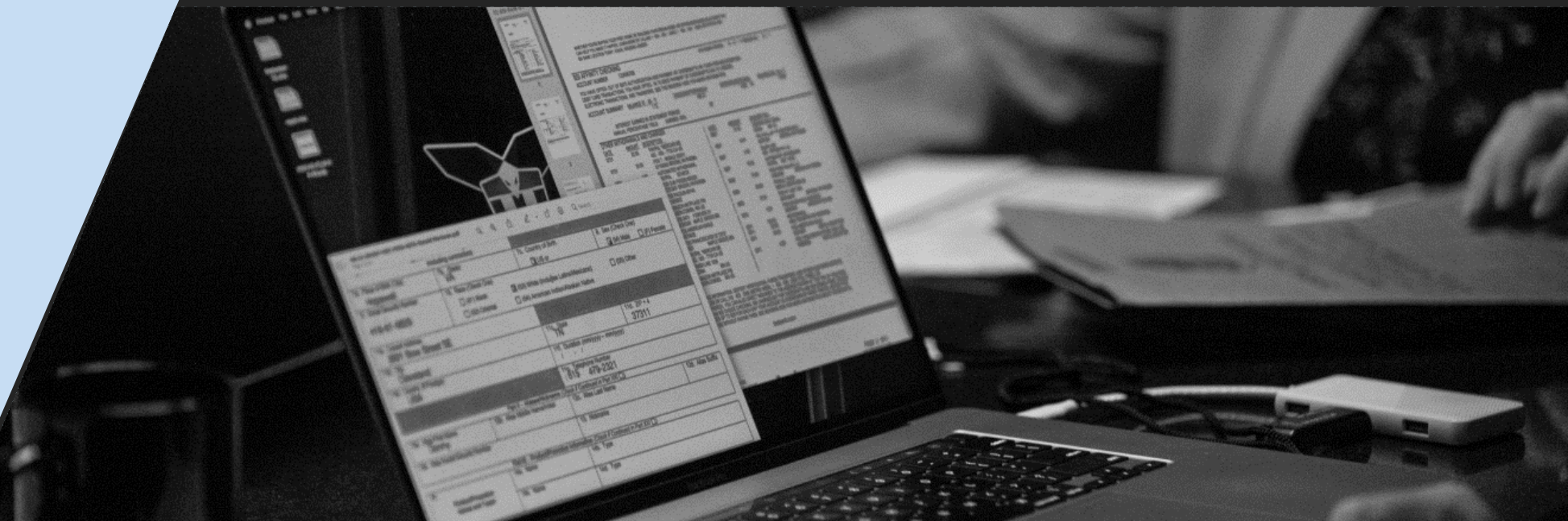
## Case Study – Jack Fischer & James Sinnott



PRISON SENTENCE: Fisher – 25 years  
Sinnott – 23 years

CRIME: Conspiracy, Aiding and assisting in the preparation and presentation of false tax returns, Subscribing to false tax returns

RESTITUTION: Fisher - \$457,855,755  
Sinnott - \$443,760,035





THE UNITED STATES  
DEPARTMENT *of* JUSTICE

United States Attorney's Office  
Western District of Texas

FOR IMMEDIATE RELEASE  
January 11, 2024  
[WDTX.gov](http://WDTX.gov) | [@USAO\\_WDTX](https://twitter.com/USAO_WDTX)

Contact:  
[USATXW.MediaInquiry@usdoj.gov](mailto:USATXW.MediaInquiry@usdoj.gov)

**Former Nonprofit Leaders Sentenced in San Antonio for Fraud**

**Hector Barreto:**

- 20 months in federal prison
- 3 years of supervised release
- \$100,000 fine

**Miguel Gutierrez :**

- 10 months in federal prison
- 5 years of supervised release
- \$100,000 fine
- \$250,000 tax restitution

**Both ordered to share \$944,693 restitution**



# Join IRS Criminal Investigation

## HOW TO APPLY

Scan the QR code or visit the link to our webpage for information about open job announcements and details about how to apply.

<https://go.usa.gov/xeRXS>



## Special Agents

Special agents conduct investigations related to criminal statutes of tax administration, financial crimes, and other offenses. Special agents execute search warrants and arrests.

## Investigative Analysts

Investigative Analysts research, collect, analyze, and/or evaluate information to assist and support ongoing criminal investigations.

## Professional Staff

Professional Staff is behind the scenes of every CI activity and participate in aspects of criminal investigations from inception to prosecution.

Questions?

Carol Frakes

[Carol.Frakes@ci.irs.gov](mailto:Carol.Frakes@ci.irs.gov)

(210) 612-2010

