



**U.S. Department of Justice**

*United States Attorney  
Eastern District of Wisconsin*

Press Release

June 13, 2017

**Man Sentenced to 28 Months of Imprisonment for Tax Fraud Scheme**

Gregory J. Haanstad, United States Attorney for the Eastern District of Wisconsin, announced that on June 8, 2017, Javier Zarate-Flores (age 29), of Milwaukee, Wisconsin, was sentenced in federal court to 28 months in prison. The sentence follows his guilty plea to theft of government money, in violation of Title 18, United States Code, Section 641. Mr. Zarate-Flores was also ordered to pay \$1,201,935.00 in restitution to the Internal Revenue Service. Zarate-Flores additionally agreed to be voluntarily deported from the United States and return to Mexico due to his lack of legal status in the United States.

According to the plea agreement, Zarate-Flores fraudulently obtained Individual Tax Identification Numbers (ITINs) from the IRS. An ITIN is what the IRS issues to individuals who cannot, due to their immigration status, obtain a Social Security number. Individuals who obtain an ITIN use it to file their income tax returns. To obtain an ITIN, an applicant has to provide the IRS certain personal identifying documents. Zarate-Flores obtained personal identifying documents from citizens of Mexico, fraudulently applied for ITINs in their names, and then filed fraudulent tax returns using the ITINs he obtained.

In the fraudulent tax returns that he filed, Zarate-Flores claimed the Additional Child Tax Credit (ACTC). The ACTC reduces tax liability dollar for dollar, and the unused portion of a refundable credit is still payable to the taxpayer. So, when an individual has no income tax liability, a person may still file a tax return and receive a refund for the ACTC. Zarate-Flores falsely claimed dependents in the tax returns that he filed to receive the ACTC.

From February 2013 through June 2014, Zarate-Flores received \$1,201,935.00 in U.S. Treasury refund checks from his scheme. When handing down the sentence, United States District Judge J.P. Stadtmueller said that his sentence must “send a message” to others that tax fraud offenses are serious crimes that require significant sentences.

This case was investigated by IRS Criminal Investigation. The case was prosecuted by Assistant United States Attorney Keith S. Alexander

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