



Department of Justice

United States Attorney Stephen R. Wigginton
Southern District of Illinois

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 7, 2011
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CONTACT: James L. Porter
PHONE: (618) 628-3700

FEDERAL INMATE SENTENCED FOR TAX FRAUD

A federal prisoner incarcerated at FCI Greenville was sentenced in U.S. District Court on October 7, 2011, for Conspiracy to Commit Mail Fraud and Money Laundering, the United States Attorney for the Southern District of Illinois, Stephen R. Wigginton, announced today.

Michael S. Chaney, 41, originally from St. Charles, Missouri, was sentenced to 4 ½ years imprisonment, restitution of \$89,808 and three years of supervision upon his release from prison. That sentence will be consecutive, or in addition to, two federal sentences that Chaney is presently serving. Chaney is serving a 100 month sentence for a 2002, conviction for Possession of Pseudoephedrine with the Intent to Manufacture Methamphetamine; and a 63 month sentence for a 2004, conviction for Assaulting an Inmate within United States Penitentiary.

Chaney was charged for participating in an income tax refund scheme where the participants supplied fictitious tax returns and bogus IRS Forms W-2 to numerous state taxing authorities to falsely claim that inmates - and inmates' friends and family members - had earned income in those states and overpaid their state income taxes, thereby entitling them to a tax refund. Chaney personally completed fraudulent tax returns to eleven (11) different state taxing authorities in which he attempted to defraud those states out of \$164,288. Barbara J. Singletary, Chaney's mother, opened multiple bank accounts to receive the fraudulent refunds, which helped conceal the existence of the scheme as well as the identity of the coconspirators. Chaney also used money obtained from the tax refund scheme to purchase marijuana that was smuggled into the prison during visitation and resold for a profit. Singletary pled guilty to participating in the conspiracy on August 24, 2011, and is scheduled to be sentenced on December 16, 2011.

The case was investigated by agents of the Internal Revenue Service, US Postal Inspection Service, US Department of Justice Office of the Inspector General, Social Security Administration Office of the Inspector General, US Department of Health and Human Services Office of the Inspector General and the Federal Bureau of Investigation. The case is being prosecuted by Assistant United States Attorney Steven D. Weinhoeft.

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