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United States Attorney's Office
District of Oregon

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Florida Man Sentenced to Federal Prison for Filing Hundreds of False Tax Returns

PORTLAND, Ore.—A Homestead, Florida man was sentenced to federal prison today for perpetrating a multi-year fraud scheme wherein he filed 745 false tax returns in 19 different states.

Damian O. Barrett, 40, was sentenced to 54 months in federal prison and three years' supervised release.

“With tax filing season right around the corner, it is important that all Americans who choose to hire a tax preparation professional take the necessary precautions to ensure they are legitimate and have their best interests in mind, said Scott Erik Asphaug, Acting U.S. Attorney for the District of Oregon. “Misusing personally identifiable information to submit fraudulent tax returns in the names of unknowing clients is a serious crime and be treated as such by our office. We applaud the IRS’s effort to hold Mr. Barrett accountable for his crimes.”

“Mr. Barrett used his specialized knowledge as a tax preparer to obtain false refunds at the cost of honest taxpayers all over the United States. Today’s sentence is a victory for those of us who have been victims of a sophisticated tax refund scheme,” said IRS Criminal Investigation (IRS:CI) Special Agent in Charge Bret Kressin. “IRS:CI continues to prioritize investigating individuals who diminish the integrity of our tax systems to hold them accountable for their fraud.”

According to court documents, Barrett owned two tax preparation companies, Max Tax Experts, LLC and Winngate Tax Services, LLC. Barrett used Max Tax Experts to service and submit tax returns on behalf of legitimate clients. He used Winngate Tax Services to submit false and fraudulent income tax returns. From approximately January 2015 through December 2018, Barrett filed 745 false tax returns to 19 different state taxing authorities. The Oregon Department of Revenue alone received 348 tax returns requesting more than \$322,000 in fraudulent refunds. The agency paid out more than \$130,000 in fraudulent refunds to Barrett.

To further his scheme, Barrett used the names, social security numbers, and employer identification numbers of various individuals, some of whom were his clients, to submit fraudulent returns. Additionally, he set up bank accounts in the names of some of his victims to receive fraudulent refunds. In total, Barrett sought nearly \$900,000 and received more than \$234,000 in fraudulent refunds.

In addition to his fraud scheme, in 2016, Barrett intentionally excluded more than \$21,000 in income from his personal income tax return, resulting in a tax loss of \$5,506. In 2017, Barrett failed to file a personal income tax return, creating an additional tax loss of \$68,918.

On August 5, 2020, a federal grand jury in Portland returned a six-count indictment charging Barrett with mail fraud and money laundering. Later, on June 17, 2021, he was charged by superseding criminal information with mail fraud, filing a false tax return, and aggravated identity theft. On July 19, 2021, Barrett pleaded guilty to all three charges in the superseding information.

During sentencing, U.S. District Court Judge Michael H. Simon ordered Barrett to pay more than \$234,000 in restitution to 11 state departments of revenue, including the taxing authorities in Arizona, Connecticut, Iowa, Louisiana, Michigan, Missouri, New Jersey, New Mexico, Oklahoma, Oregon, and South Carolina, and more than \$74,000 to the IRS.

Acting U.S. Attorney Asphaug and Special Agent in Charge Kressin made the announcement.

This case was investigated by IRS:CI with assistance from the U.S. Postal Inspection Service. Assistant U.S. Attorneys Katherine A. Rykken and Seth D. Uram prosecuted the case.

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