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PRESS RELEASE

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Former D.C. Tax Examiner Sentenced to 30 Months in Prison In Scam Involving More Than \$400,000 in Refunds - Defendant Had Refunds Sent to Herself and Others -

WASHINGTON - Mary Ayers-Zander, 47, a former tax examiner for the District of Columbia Office of Tax and Revenue (OTR), was sentenced today to a 30-month prison term on a federal charge of wire fraud stemming from a scheme involving more than \$400,000 in fraudulent refunds.

The sentencing, in the U.S. District Court for the District of Columbia, was announced by U.S. Attorney Ronald C. Machen Jr., James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office, Charles J. Willoughby, Inspector General for the District of Columbia, and Natwar M. Gandhi, Chief Financial Officer for the District of Columbia.

Ayers-Zander, of College Park, Md., pled guilty in October 2011 before the Honorable Richard W. Roberts. As part of the plea agreement, Ayers-Zander must forfeit the proceeds of her crimes and pay restitution of \$413,651 to the District government. Upon completion of her prison term, she will be placed on three years of supervised release.

According to the government's evidence, Ayers-Zander used her position to issue fraudulent tax refunds that went into the bank accounts of herself and others.

Her activities came under scrutiny as a result of enhanced control techniques by the Office of the Chief Financial Officer's Office of Tax and Revenue to detect tax fraud and criminal activity. An audit uncovered abnormalities in the amount of tax credits Ayers-Zander was issuing. The findings were shared with the Chief Financial Officer's Office of Integrity and Oversight. The Office of Integrity and Oversight reported the matter to the FBI's Washington Field Office and the Inspector General's Office for the District of Columbia.

A joint investigation was conducted. Ayers-Zander was placed on administrative leave and her employment was subsequently terminated in June 2011 by the Office of Tax and Revenue.

“Mary Ayers-Zander treated the D.C. treasury like her personal piggy bank,” said U.S. Attorney Machen. “Over four years, on dozens of occasions, she sent thousands of tax dollars to her own bank accounts. Today’s sentence reflects the seriousness of our determination to protect the citizens of the District of Columbia from fraud.”

“Ms. Ayers-Zander stole from the very system that she was entrusted to support,” said Assistant Director in Charge McJunkin. “Along with our partner agencies, the FBI will continue to vigorously pursue those who breach the public trust for their own private gain. We ask anyone with information about fraud and corruption to contact the FBI.”

“The sentencing today is further evidence of not only how the Office of the Inspector General partners with local and federal entities to safeguard the interests of the citizens of the District and maintain the integrity of the District government, but also how the Office of the Inspector General strives to protect the District fisc, a task that is all the more important, particularly in these economic times,” said Inspector General Willoughby.

According to a statement of offense, signed by the defendant, Ayers-Zander was hired by OTR in August 2001 as a tax examining assistant. She was promoted to the position of tax examining technician in June 2007. Her duties included discussing tax situations with taxpayers, researching and analyzing current and historical tax cases, interpreting and applying guidelines and policies of the District of Columbia code, and making adjustments to existing tax filings.

As a tax examining technician, Ayers-Zander had the ability to access a taxpayer’s account to make adjustments, including issuing refunds without contacting the taxpayer. If the amount was below \$10,000, she could do this without supervisory approval. In addition, she could make electronic payments by entering a financial institution’s routing information and account number.

On 48 occasions, from February 2007 through January 2011, Ayers-Zander accessed taxpayer accounts of four individuals and credited them with fraudulent withholding credit adjustments. This caused a total of \$365,281 in electronic fund transfers to be sent from OTR’s bank account to two personal accounts that Ayers-Zander maintained.

In addition to those payments, Ayers-Zander accessed the accounts of five other individuals 10 times, likewise crediting them with fraudulent withholding credits. This caused a total of \$46,175 in fraudulent refunds to be issued directly to those individuals. Ayers-Zander also eliminated a \$1,147 tax liability for one of these individuals.

Ayers-Zander also prepared and filed fraudulent income tax returns for individuals, including one that caused a \$2,195 refund to be sent.

In announcing the sentence, U.S. Attorney Machen, Assistant Director McJunkin, Inspector General Willoughby, and Chief Financial Officer Gandhi praised the work of those who investigated the case from the various agencies. They also praised those who worked on the case

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from the U.S. Attorney's Office, including the Asset Forfeiture and Money Laundering Section, Paralegal Specialist Tasha Harris, and Legal Assistant Jared Forney. Finally, they commended the efforts of Assistant U.S. Attorney Susan Menzer, who prosecuted the case.

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