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OSIG NEWS

Office of the State Inspector General • P.O. Box 1151 • Richmond, VA 23218

News Release Contact:

Kate Hourin – 804-625-3276

Email: kate.hourin@osig.virginia.gov

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OSIG INVESTIGATION INTO \$1.3 MILLION TAX FRAUD SCHEME GOES TO COURT

A retired Virginia Department of Taxation (Virginia Tax) employee will be in court soon to face charges of misappropriating taxpayer funds, totaling nearly \$1.3 million. The Virginia Office of the State Inspector General conducted a yearlong investigation after Virginia Tax conducted an internal investigation and notified OSIG about the allegations concerning a retired Compliance Supervisor and two Virginia Tax employees who allegedly gave him access to Virginia Tax computer systems and confidential taxpayer accounts. A Richmond grand jury indicted the retired Compliance Supervisor last month. He is scheduled to be arraigned July 6 on one felony count of embezzlement and one felony count of computer trespass. These charges carry a sentence of up to 25 years in prison. The Office of the Attorney General (OAG) is prosecuting the case in Richmond City Circuit Court.

“This was a complicated and serpentine investigation that reached a successful conclusion through the perseverance and thoroughness of our special agents here at OSIG and in collaboration with Virginia Tax and OAG staff,” said State Inspector General Michael C. Westfall. “This is another example of the hard work that state agencies provide the citizens of the Commonwealth.”

The retired employee has repaid the Commonwealth about \$250,000.

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Established in 2012, the Virginia Office of the State Inspector General manages the State Fraud, Waste and Abuse Hotline; conducts investigations and performance audits of state agencies; provides training and standards for the commonwealth’s internal audit programs; and conducts inspections and reviews of Virginia Department of Behavioral Health and Developmental Services-run facilities and programs.