UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO._____
18 U.S.C. § 371
26 U.S.C. § 7206(2)

UNITED STATES OF AMERICA

v.

ROBERT E. PAYNE,

Defendant.
_____/

INDICTMENT

The Grand Jury charges that at various times relevant to this Indictment:

GENERAL ALLEGATIONS

1. Defendant **ROBERT E. PAYNE** was the owner of International Tax Consultants, LLC, a tax return preparation business located in South Florida.

2. The Firm of Marc Harris was an offshore trust company located in Panama. Marc M. Harris served as president of this organization.

3. Between 1996 and 1998, **ROBERT E. PAYNE** was employed at The Firm of Marc Harris as Director, Tax Department.

4. On or about August 10, 1996, a known co-conspirator identified by the initials JMN ("JMN"), a client of The Firm of Marc Harris, was introduced to **ROBERT E. PAYNE**.

5. On December 30, 1999, **ROBERT E. PAYNE** formed Market Representatives, LLC, a Nevada corporation. **ROBERT E. PAYNE** and JMN were listed in Market Representatives, LLC's

Articles of Incorporation as its Organizer and Manager, respectively.

6. On October 9, 2000, **ROBERT E. PAYNE** caused Market Representatives, S.A., a Panamanian corporation, to be formed.

COUNT 1
Conspiracy
(18 U.S.C. § 371)

1. Paragraphs 1 through 6 of the General Allegations section of this Indictment are realleged and incorporated by reference herein.

2. On or about and between August 1996 and the date of this Indictment, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

ROBERT E. PAYNE,

and others known and unknown to the Grand Jury, did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree to defraud the United States Treasury Department and the Internal Revenue Service, a department and agency of the United States, by impeding, impairing, obstructing and defeating the lawful government functions of the Treasury Department and the Internal Revenue Service in the ascertainment, computation, assessment, and collection of federal income taxes.

MANNER AND MEANS TO ACCOMPLISH THE OBJECT OF THE CONSPIRACY

3. **ROBERT E. PAYNE** created and utilized, and caused others to create domestic and foreign nominee corporations that were used to disguise certain financial transactions for the purpose of concealing from the Internal Revenue Service the true nature, source and amount of taxable income received by JMN.

4. **ROBERT E. PAYNE** caused the diversion of JMN's taxable income into a bank account in Panama for JMN's personal benefit which was not reported on his individual income tax returns or partnership or corporate income tax returns associated with his nominee corporations.

5. **ROBERT E. PAYNE** prepared and filed, and caused the preparation and filing of false and fraudulent 2000 through 2003 individual, partnership, and corporate income tax returns for JMN and his nominee corporations.

6. **ROBERT E. PAYNE** and others known and unknown to the Grand Jury attempted to conceal the existence of the conspiracy and took steps designed to prevent the disclosure of their activities.

Overt Acts

In furtherance of the conspiracy and to effect the object thereof, at least one of the co-conspirators committed and caused to be committed, in the Southern District of Florida and elsewhere, at least one of the following overt acts, among others:

1. On or about April 1, 1999, JMN contacted **ROBERT E. PAYNE** in an effort to retrieve more than $1 million in untaxed income that had been secreted with The Firm of Marc Harris in Panama. During this meeting, **ROBERT E. PAYNE** explained to JMN how he could establish a new structure for him in the same manner that had been done with The Firm of Marc Harris.

2. On or about December 30, 1999, **ROBERT E. PAYNE** caused the formation of Market Representatives, LLC, a Nevada corporation, listing himself as the Organizer and JMN as Manager.

3. On or about October 9, 2000, **ROBERT E. PAYNE** caused the formation of Market Representatives, S.A., a Panamanian corporation.

4-7. On or about the dates specified below, **ROBERT E. PAYNE** prepared and caused the preparation of the following U.S. Individual Income Tax Returns, Forms 1040, in the name of JMN for the stated calendar years, which falsely reported to the Internal Revenue Service the following amounts as taxable income:

OVERT ACT	CALENDAR YEAR	DATE FILED	TAXABLE INCOME REPORTED
4.	2000	08/22/01	$ - 0 -
5.	2001	08/06/02	$ 1,737
6.	2002	06/28/03	$ 8,083
7.	2003	08/26/04	$ 8,662

8-11. On or about the dates specified below, **ROBERT E. PAYNE** prepared and caused the preparation of U.S. Returns of Partnership Income, Forms 1065, in the name of Market Representatives, LLC, for the stated calendar years, which falsely reported to the Internal Revenue Service the following amounts as ordinary income:

OVERT ACT	CALENDAR YEAR	DATE FILED	ORDINARY INCOME REPORTED
8.	2000	04/19/01	($ 1,940)
9.	2001	05/02/02	$146,227
10.	2002	04/11/03	$129,143
11.	2003	08/30/04	$ 45,519

12-13. On or about the dates identified below, **ROBERT E. PAYNE** prepared and caused the preparation of U.S. Corporate Income Tax Returns, Forms 1120, in the name of Market Representatives, S.A., for the stated calendar years, which falsely reported to the Internal Revenue Service the following amounts as taxable income:

OVERT ACT	CALENDAR YEAR	DATE FILED	TAXABLE INCOME REPORTED
12.	2001	09/20/02	$11,465
13.	2002	06/16/03	$ 3,419

14. On or about July 19, 2002, **ROBERT E. PAYNE** instructed JMN to mail his 2001 U.S. Individual Income Tax Return, Form 1040, from the Bahamas to create the appearance that the false address reported on the return was correct.

15. On or about September 18, 2002, JMN caused cashier's check number 3298377 in the amount of $1,813.81 to be issued listing Market Representatives, S.A. as remitter, from First Citizens Bank, Charlotte, North Carolina. Check number 3298377 was made payable to United States Treasury for the 2001 tax liability due from Market Representatives, S.A.

16. On or about June 13, 2003, JMN caused cashier's check number 38317 in the amount of $528 to be issued listing Market Representatives, S.A. as remitter, from Banco Continental, Republic of Panama. Check number 38317 was made payable to United States Treasury for the 2002 tax liability due from Market Representatives, S.A.

17. On or about July 4, 2003, JMN issued check number 897 in the amount of $625, which was drawn on Market Representatives, LLC bank account number 131497082 at First Citizens Bank, Charlotte, North Carolina. Check number 897 was made payable to International Tax

Consultants for the preparation of JMN's 2002 individual income tax return, as well as the 2002 partnership and corporate income tax returns for Market Representatives, LLC and Market Representatives, S.A., respectively.

18. On or about August 6, 2004, JMN issued check number 1084 in the amount of $700, which was drawn on Market Representatives, LLC bank account number 131497082 at First Citizens Bank, Charlotte, North Carolina. Check number 1084 was made payable to International Tax Consultants for the preparation of JMN's 2003 individual income tax return, as well as the 2003 corporate income tax return for Market Representatives, LLC.

All in violation of Title 18, United States Code, Section 371.

COUNTS 2 - 5
Aiding and Assisting in the Preparation of a False Tax Return
(26 U. S. C. § 7206(2))

1. Paragraphs 1 through 6 of the General Allegations section of this Indictment are realleged and incorporated by reference herein.

2. On or about the dates listed below in each Count, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

ROBERT E. PAYNE,

did willfully aid and assist in, and procure, counsel and advise the preparation and presentation under the Internal Revenue laws, of an U.S. Individual Income Tax Return, Form 1040, of JMN which was false and fraudulent as to material matters, in that it understated his taxable income, whereas, the defendant then and there well knew and believed that the amount of taxable income exceeded the amount reported on said return:

COUNT	CALENDAR YEAR	DATE OF OFFENSE	TAXABLE INCOME REPORTED
2	2000	08/22/01	$ - 0 -
3	2001	08/06/02	$ 1,737
4	2002	06/28/03	$ 8,083
5	2003	08/26/04	$ 8,662

In violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL

FOREPERSON

R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY

MITCHELL S. BOBER
SPECIAL ATTORNEY
U.S. DEPARTMENT OF JUSTICE

GREGORY E. TORTELLA
SPECIAL ATTORNEY
U.S. DEPARTMENT OF JUSTICE