

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. _____

26 U.S.C. § 7206(2)

26 U.S.C. § 7206(1)

UNITED STATES OF AMERICA

vs.

ZULLY M. CORDOBA,

Defendant.

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. The Internal Revenue Service (“IRS”) is an agency of the United States Department of the Treasury and is responsible for administering and enforcing the tax laws of the United States.
2. The Internal Revenue Code contains laws for the taxation of income. Under these laws, individuals are generally required to report their income to the IRS, since the computation of an individual’s tax obligation is substantially dependent upon the amount of income received.
3. For federal income tax purposes, a taxpayer’s gross income consists of all income, regardless of form, with the exception of certain types of income exempted from consideration. In general, an individual who receives gross income in excess of a certain threshold amount must file an income tax return. This threshold amount is the equivalent of the taxpayer’s “standard deduction” (an amount which varies depending upon the taxpayer’s “filing status”) plus another amount corresponding to the number of “exemptions” which the taxpayer may claim.

4. An individual may report relevant information to the IRS in connection with his or her income tax return filing obligations by means of a “U.S. Individual Income Tax Return, Form 1040” or certain abbreviated versions of the Form 1040 entitled “Form 1040EZ” or “Form 1040A.” The Form 1040, which may be filed in an individual status or upon a joint basis with a spouse, addresses such pertinent matters as: (1) filing status of the taxpayer(s), (2) number of claimed exemptions, (3) gross income, (4) applicable standard deduction, (5) certain personal expenses which are deductible as “itemized deductions,” (6) adjusted gross income, and (7) any tax credits available to the taxpayer(s).

5. An individual who files Form 1040 may be required to attach one or more schedules or supplemental forms to support the specific line-items within the Form 1040. One such schedule utilized by taxpayers who report itemized deductions is entitled “Schedule A.” Schedule A contains detailed information concerning deductible expenses which may, when totaled and subject to certain limitations, exceed the available standard deduction, in which case, these “itemized deductions” may be claimed as an alternative to the standard deduction. Such Schedule A deductions include certain types of: (1) medical expenses, (2) state and local tax payments, (3) mortgage interest, (4) charitable donations, (5) attorney, accountant, and investment advisor fees, and (6) unreimbursed employee business expenses, among others.

6. With regard to unreimbursed employee business expenses, an attachment to Schedule A entitled “Form 2106” is utilized for the purpose of supplying additional information in connection with the requirement that such costs must be expended by the taxpayer as an employee in connection with his or her employment and while working in pursuit of the employer’s business. Additionally, the taxpayer/employee must not have received any reimbursement for these expenses from his

employer. Expenses of this nature include: (1) certain motor-vehicle related transportation costs (but excluding such costs to the extent that they were expended for the purpose of commuting between the taxpayer's residence and regular place of work), (2) costs in connection with travel conducted by the taxpayer in pursuit of his or her employer's business if the travel required an overnight stay away from home, (3) costs of required uniforms purchased by the taxpayer as a condition of his or her employment, and (4) amounts spent by the taxpayer for business-related meals while in pursuit of his or her employer's business.

7. With regard to individuals who are self-employed and operate their own businesses, another schedule of Form 1040 is utilized entitled "Schedule C." Schedule C requires such a self-employed taxpayer to report, among other matters: (1) the name and address of his or her business, (2) the "gross receipts" taken in by the business, (3) the "gross profits" and "gross income" received by the business, (3) any deductible expenses and costs expended by the business in connection with its operations (itemized by category), and (4) the overall "net profit" or "net loss" experienced by the business.

8. Within three years of filing a Form 1040, 1040EZ or 1040A, an individual or married couple may file an "Amended U.S. Individual Income Tax Return, Form 1040X" to report corrections and add deductions and expenses not previously included in the original income tax return. In such cases, the resultant decrease in taxable income could give rise to a refund claimed by the taxpayer in an amount which may be proportional to the amount of additional deductions and expenses reported for the first time in the Form 1040X.

9. From at least as early as January 1, 2001 through approximately April, 2003, defendant **ZULLY M. CORDOBA** was a paid tax preparer and conducted a tax-return preparation

service business as a sole proprietor from within her residence in Hialeah, Florida. From approximately April, 2003 through April, 2005, **CORDOBA** continued operating as a paid tax preparer conducting this same business under the d/b/a “Cordoba Tax Services.” During this same period, **CORDOBA** met with clients and conducted her business from storefront offices situated within a mall located in Hialeah, Florida and periodically performed additional tax preparation work at her residence.

10. Between January, 2001 through April, 2005, **CORDOBA** served as the return preparer of record and prepared and assisted in the preparation of at least 3,737 Form 1040 tax returns for clients of her business (including a comparatively small number of Forms 1040A and 1040EZ), as well as approximately 6,108 Form 1040X amended tax returns. For each 1040 return thus prepared, **CORDOBA** regularly charged a fee ranging from \$35.00 to \$110.00. With respect to Form 1040X amended tax return preparations, **CORDOBA** initially charged a \$10.00 fee to “review” a client’s original income tax returns which previously had been filed by the client and prepared by someone other than **CORDOBA**. Upon completing the review, **CORDOBA** required the client to pay a percentage-based payment, a portion of which was to be paid in advance, amounting to 10% of the tax refund which **CORDOBA** then calculated would be claimed as a consequence of substantial additional deductions and expenses which **CORDOBA** determined would be included within the amended return(s) that she was about to prepare.

11. Due to the contingent, refund-dependent nature of **CORDOBA**’s 10% fee arrangement, **CORDOBA** benefitted financially to an extent which increased proportionally in relation to the amount of additional deductions and expenses included in the 1040X returns which she prepared.

COUNTS 1-42
Aiding in the Preparation of a False Tax Return
(26 U.S.C. § 7206(2))

1. Paragraphs 1 through 11 of the General Allegations section are realleged and incorporated as though fully set forth herein.

2. On or about the dates set forth below for each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

ZULLY M. CORDOBA,

did willfully aid and assist in, and procure, counsel, and advise the preparation of and presentation to the Internal Revenue Service of certain U.S. Individual Income Tax Returns, Forms 1040, for the calendar years specified below, for individuals known to the Grand Jury who are described below by their initials, and certain Amended U.S. Individual Income Tax Returns, Forms 1040X, for the calendar years specified below, for individuals also known to the Grand Jury and described below by their initials, along with accompanying Schedules A for each such tax return, which returns were all false and fraudulent as to a material matter, in that each represented that the individual or, in the case of joint returns, individuals, were entitled under the provisions of the Internal Revenue laws to claim certain unreimbursed employee business expenses as deductions under Schedule A and, in addition, with respect to certain of these same below-described individuals and returns, charitable donation deductions and other expenses identified as miscellaneous deductions, all as described within the applicable counts identified below, whereas, as the defendant then and there well knew and believed, said individual(s) were not entitled to claim any amounts for said deductions or entitled only to claim substantially less than had been represented:

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
1	6/17/2003	O.V. & A.B. (Joint)	Form 1040X (2000)	(a) \$3,984 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$4,784 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
2	6/17/2003	O.V. & J.B. (Joint)	Form 1040X (2001)	(a) \$13,066 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$13,866 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
3	7/2/2003	A.G.	Form 1040X (2002)	(a) \$5,288 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$5,688 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
4	7/2/2003	M.E.G.	Form 1040X (2002)	(a) \$5,588 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$6,188 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$2,000 total “gifts to charity” (Schedule A, Line 18).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
5	7/2/2003	A.S. & M.A. (Joint)	Form 1040X (2000)	(a) \$13,847 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$14,547 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,100 total “gifts to charity” (Schedule A, Line 18).
6	7/2/2003	A.S. & M.A. (Joint)	Form 1040X (2001)	(a) \$14,368 "unreimbursed employee expenses" (Schedule A, Line 20). (b) \$15,093 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,300 total “gifts to charity” (Schedule A, Line 18).
7	7/2/2003	A.S. & M.A. (Joint)	Form 1040X (2002)	(a) \$4,503 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$5,203 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$2,900 total “gifts to charity” (Schedule A, Line 18).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
8	7/3/2003	R.A.	Form 1040X (2002)	(a) \$13,278 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$13,928 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$4,200 total “gifts to charity” (Schedule A, Line 18).
9	7/3/2003	R.A.	Form 1040X (2001)	(a) \$3,444 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$4,044 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$2,000 total “gifts to charity” (Schedule A, Line 18).
10	7/3/2003	R.A.	Form 1040X (2000)	(a) \$5,250 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$5,850 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$2,700 total “gifts to charity” (Schedule A, Line 18).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
11	7/26/2003	R.T. & G.T. (Joint)	Form 1040X (2000)	(a) \$24,520 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$25,120 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,000 total “gifts to charity” (Schedule A, Line 18).
12	7/28/2003	R.T. & G.T. (Joint)	Form 1040X (2001)	(a) \$23,138 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$23,738 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,000 total “gifts to charity” (Schedule A, Line 18).
13	7/28/2003	R.T. & G.T. (Joint)	Form 1040X (2002)	(a) \$19,890 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$20,670 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,300 total “gifts to charity” (Schedule A, Line 18).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
14	8/23/2003	N.F. & R.F. (Joint)	Form 1040X (2000)	(a) \$11,300 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$11,900 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,900 total “gifts to charity” (Schedule A, Line 18).
15	8/23/2003	N.F. & R.F. (Joint)	Form 1040X (2001)	(a) \$7,395 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$8,145 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
16	8/25/2003	N.F. & R.F. (Joint)	Form 1040X (2002)	(a) \$9,953 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$10,553 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
17	9/19/2003	K.B.	Form 1040X (2002)	\$5,591 “unreimbursed employee expenses” (Schedule A, Line 20).
18	9/19/2003	K.B.	Form 1040X (2001)	\$5,333 “unreimbursed employee expenses” (Schedule A, Line 20).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
19	9/19/2003	K.B.	Form 1040X (2000)	\$3,965 “unreimbursed employee expenses” (Schedule A, Line 20).
20	9/24/2003	O.C.	Form 1040X (2000)	(a) \$6,540 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$6,840 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
21	9/24/2003	O.C.	Form 1040X (2001)	(a) \$8,134 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$8,734 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
22	9/25/2003	O.C.	Form 1040X (2002)	\$5,803 “unreimbursed employee expenses” (Schedule A, Line 20).
23	1/20/2004	M.D.	Form 1040 (2003)	(a) \$10,737 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$11,337 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,600 total “gifts to charity” (Schedule A, Line 18).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
24	2/5/2004	E.V.	Form 1040 (2003)	(a) \$9,867 "unreimbursed employee expenses" (Schedule A, Line 20). (b) \$10,532 total "job expenses and most other miscellaneous deductions" (Schedule A, Line 23). (c) \$3,600 total "gifts to charity" (Schedule A, Line 18).
25	2/7/2004	M.L.	Form 1040 (2003)	(a) \$8,131 "unreimbursed employee expenses" (Schedule A, Line 20). (b) \$8,731 total "job expenses and most other miscellaneous deductions" (Schedule A, Line 23). (c) \$3,200 total "gifts to charity" (Schedule A, Line 18).
26	2/11/2004	R.L. & A.L. (Joint)	Form 1040 (2003)	(a) \$16,319 "unreimbursed employee expenses" (Schedule A, Line 20). (b) \$16,919 total "job expenses and most other miscellaneous deductions" (Schedule A, Line 23).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
27	2/20/2004	N.F. & R.F. (Joint)	Form 1040 (2003)	(a) \$11,825 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$12,425 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,700 total “gifts to charity” (Schedule A, Line 18).
28	2/23/2004	A.G. & M.E.G. (Joint)	Form 1040 (2003)	(a) \$12,825 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$13,425 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$3,700 total “gifts to charity” (Schedule A, Line 18).
29	3/2/2004	R.T. & G.T. (Joint)	Form 1040 (2003)	(a) \$13,700 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$14,375 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
30	3/25/2004	F.M.	Form 1040 (2003)	(a) \$8,390 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$9,045 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$2,900 total “gifts to charity” (Schedule A, Line 18).
31	1/28/2005	F.M.	Form 1040 (2004)	(a) \$12,075 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$12,640 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$1,500 total “gifts to charity” (Schedule A, Line 18).
32	2/5/2005	A.M.	Form 1040 (2004)	(a) \$8,735 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$8,990 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23). (c) \$2,600 total “gifts to charity” (Schedule A, Line 18).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
33	2/23/2005	M.D.	Form 1040 (2004)	(a) \$10,860 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$1,450 total “gifts to charity” (Schedule A, Line 18).
34	3/1/2005	M.L.	Form 1040 (2004)	(a) \$8,550 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$8,820 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
35	3/7/2005	R.L. & A.L. (Joint)	Form 1040 (2004)	(a) \$19,929 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$21,604 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
36	3/23/2005	E.V.	Form 1040 (2004)	\$14,228 “unreimbursed employee expenses” (Schedule A, Line 20).
37	3/29/2005	A.M.	Form 1040X (2001)	(a) \$7,710 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$8,460 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).

COUNT	APPROX. DATE	TAX-PAYER(S)	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
38	3/29/2005	A.M.	Form 1040X (2002)	(a) \$8,660 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$9,510 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
39	3/29/2005	A.M.	Form 1040X (2003)	(a) \$8,760 “unreimbursed employee expenses” (Schedule A, Line 20). (b) \$9,510 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).
40	3/3/2005	W.R. (Assumed Name)	Form 1040 (2004)	\$8,900 unreimbursed employee expenses (Schedule A, Line 20).
41	3/21/2005	W.R. (Assumed Name)	Form 1040X (2002)	\$8,910 unreimbursed employee expenses (Schedule A, Line 20).
42	3/21/2005	W.R. (Assumed Name)	Form 1040X (2001)	(a) \$8,550 unreimbursed employee expenses (Schedule A, Line 20). (b) \$8,750 total “job expenses and most other miscellaneous deductions” (Schedule A, Line 23).

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

COUNTS 43-45
Making and Subscribing a False Tax Return
(26 U.S.C. § 7206(1))

1. Paragraphs 1 through 11 of the General Allegations section are realleged and incorporated as though fully set forth herein and it is further generally alleged that, in connection with her own income tax return filing obligations, defendant **ZULLY M. CORDOBA** self-prepared Forms 1040 for years 2002, 2003 and 2004 and, with respect to each of these returns, Schedules C were supplied which purported to report the “gross receipts,” “net profit,” and other pertinent information concerning **CORDOBA’s** tax preparation service business for each such tax year.

2. On or about the dates set forth below for each count, in Miami-Dade County, in the Southern District of Florida, the defendant,

ZULLY M. CORDOBA,

did willfully make and subscribe U.S. Individual Income Tax Returns, Forms 1040, for the calendar years listed below, each of which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, and which the defendant did not believe to be true and correct as to every material matter in that the aforementioned tax returns included false items as listed and described in the applicable counts set forth below, whereas, as the defendant then and there well knew and believed, the amounts for said items were not the true and correct amounts, but were substantially more than had been represented.

COUNT	APPROX. DATE	RETURN (TAX YEAR)	MATERIAL MATTER(S) FALSELY CLAIMED
43	11/25/2003	Form 1040 (2002)	(a) \$17,000 "gross receipts" (Schedule C, Line 1)
44	9/22/2004	Form 1040 (2003)	(a) \$11,300 "gross receipts" (Schedule C, Line 1)
45	3/24/2006	Form 1040 (2004)	(a) \$20,000 "gross receipts" (Schedule C, Line 1)

In violation of Title 26, United States Code, Section 7206(1).

A TRUE BILL

FOREPERSON

JEFFREY H. SLOMAN
ACTING UNITED STATES ATTORNEY

PETER B. OUTERBRIDGE
ASSISTANT UNITED STATES ATTORNEY