

UNITED STATES OF AMERICA : CRIMINAL NO. 04- _____

v. : DATE FILED: _____

WEN J. LIANG, : VIOLATIONS: 26 U.S.C. § 7206(1)
LI KAI LIANG (Filing False Returns - 3 counts)
26 U.S.C. § 7206(2)
(Aiding and assisting the
preparation of false returns
- 3 counts)

INTRODUCTION

At all times material to this Indictment:

2. L&J Clothing was incorporated under the laws of the Commonwealth of Pennsylvania on or about June 15, 1995.

3. Jimmy Fashion was the successor corporation to L&J Clothing, and was incorporated under the laws of the Commonwealth of Pennsylvania on or about December 17, 1997.

4. From on or about June 15, 1995 through on or about December 17, 1997, defendant WEN J. LIANG was President and Chief Executive Officer of L&J Clothing.

5. From on or about December 17, 1997 through on or about April 7, 2000, LI KAI LIANG was President and Chief Executive Officer of Jimmy Fashion.

COUNT ONE

(26 U.S.C. § 7206(1))

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 3, 4, and 5 of the Introduction are alleged as if fully restated.
2. On or about March 18, 1998, in the Eastern District of Pennsylvania,

WEN J. LIANG,

a resident of Philadelphia, Pennsylvania, did willfully make and subscribe a U.S. Corporation Income Tax Return, Form 1120, for L&J Clothing, for the calendar year 1997, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, Philadelphia Service Center, Philadelphia, Pennsylvania, which income tax return he did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$403,462 (Line 1a), when in fact, as defendant WEN J. LIANG well knew, L&J Clothing had gross receipts/sales in addition to that stated.

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

COUNT TWO

(26 U.S.C. § 7206(2))

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 3, 4 and 5 of the Introduction are alleged as if fully restated.

2. On or about March 18, 1998, in the Eastern District of Pennsylvania, defendant

LI KAI LIANG,

a resident of Philadelphia, Pennsylvania, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of a U.S. Corporation Income Tax Return, Form 1120, for L&J Clothing for the calendar year 1997, which was false and fraudulent as to a material matter, in that the tax return falsely reported gross receipts/sales in the amount of \$403,462 (Line 1a), when in fact, as defendant LI KAI LIANG well knew, L&J Clothing had gross receipts/sales in addition to that stated.

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

COUNT THREE

_____(26 U.S.C. § 7206(1))

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 3, 4 and 5 of the Introduction are alleged as if fully restated.
2. On or about March 17, 1999, in the Eastern District of Pennsylvania,

LI KAI LIANG,

a resident of Philadelphia, Pennsylvania, did willfully make and subscribe a U.S. Corporation Short-Form Income Tax Return, Form 1120-A, for Jimmy Fashion for the calendar year 1998, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, Philadelphia Service Center, Philadelphia, Pennsylvania, which income tax return she did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$197,246 (Line 1a), when in fact, as defendant LI KAI LIANG well knew, Jimmy Fashion had gross receipts/sales in addition to that stated.

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

COUNT FOUR

(26 U.S.C. § 7206(2))

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 3, 4 and 5 of the Introduction are alleged as if fully restated.

2. On or about March 17, 1999, in the Eastern District of Pennsylvania, defendant

WEN J. LIANG,

a resident of Philadelphia, Pennsylvania, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of a U.S. Corporation Short-Form Income Tax Return, Form 1120-A, for Jimmy Fashion for the calendar year 1998, which was false and fraudulent as to a material matter, in that the tax return falsely reported gross receipts/sales in the amount of \$197,246 (Line 1a), when in fact, as defendant WEN J. LIANG well knew, Jimmy Fashion had gross receipts/sales in addition to that stated.

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

COUNT FIVE

_____(26 U.S.C. § 7206(1))

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 3, 4 and 5 of the Introduction are alleged as if fully restated.

2. On or about April 15, 2000, in the Eastern District of Pennsylvania,

LI KAI LIANG,

a resident of Philadelphia, Pennsylvania, did willfully make and subscribe a U.S.

Corporation Income Tax Return, Form 1120, for Jimmy Fashion, for the calendar year

1999, which was verified by a written declaration that it was made under the penalties of

perjury and was filed with the Internal Revenue Service, Philadelphia Service Center,

Philadelphia, Pennsylvania, which income tax return she did not believe to be true and

correct as to every material matter in that the return reported gross receipts/sales in the

amount of \$169,750 (Line 1a), when in fact, as defendant LI KAI LIANG well knew,

Jimmy Fashion had gross receipts/sales in addition to that stated.

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

COUNT SIX

(26 U.S.C. § 7206(2))

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 3, 4 and 5 of the Introduction are alleged as if fully restated.

2. On or about April 15, 2000, in the Eastern District of Pennsylvania, defendant

WEN J. LIANG,

a resident of Philadelphia, Pennsylvania, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of a U.S. Corporation Income Tax Return, Form 1120, for Jimmy Fashion for the calendar year 1999, which was false and fraudulent as to a material matter, in that the tax return falsely reported gross receipts/sales in the amount of \$169,750 (Line 1a), when in fact, as defendant WEN J. LIANG well knew, Jimmy Fashion had gross receipts/sales in addition to that stated.

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

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney

