

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : **CRIMINAL NO.** _____
v. : **DATE FILED:** 01/11/2011
CANDACE WHITMAN, : **VIOLATIONS:**
a/k/a “CANDACE CANNON” : **26 U.S.C. § 7201 (tax evasion – 4**
: **counts)**

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment, unless otherwise indicated:

1. The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury responsible for administering and enforcing the tax laws of the United States. Under these laws, individuals were required to report income to the IRS on federal income tax return forms. If a taxpayer failed accurately to report or pay his or her tax liability, the IRS could calculate, assess, and attempt to collect the tax liability.

2. Corporate Relocation Specialists, Inc. (“CRS”) was a company that provided temporary housing and relocation services to customers of various insurance companies with whom CRS had contracts, and maintained an office in Phoenix, Arizona.

3. From in or about 1999 to in or about August 2004 when she moved to Pennsylvania, defendant CANDACE WHITMAN, a/k/a CANDACE CANNON, was employed by CRS as a National Sales Representative and a Regional Sales Executive in Phoenix, Arizona. During her employment, defendant WHITMAN received from CRS an annual Form W-2 Wage and Tax Statement that reported her annual salary and commissions. During the calendar years

2001 through 2004, defendant WHITMAN earned substantial income from CRS totaling approximately \$171,002, \$172,000, \$134,370, and \$50,413 respectively.

4. As part of her employment, CRS required defendant CANDACE WHITMAN to complete and sign a Form W-4 Employee's Withholding Allowance Certificate so that CRS could withhold federal income taxes from defendant WHITMAN'S pay. On or about September 6, 2000, defendant WHITMAN began submitting to CRS an annual Form W-4 Employee's Withholding Allowance Certificate in which she claimed she was exempt from federal income tax withholdings. As a result, no federal income taxes were withheld from defendant WHITMAN'S pay for the calendar years 2001, 2002, 2003, and 2004.

5. From in or about 2001 to in or about 2003, defendant CANDACE WHITMAN also received from CRS an annual Form 1099-MISC that reported rental income defendant WHITMAN received for the use of her privately owned rental properties by CRS customers. During the calendar years 2001 through 2003, defendant WHITMAN received substantial rental income from CRS totaling approximately \$15,200, \$23,685, and \$7,780 respectively.

6. During the calendar year 2001, defendant CANDACE WHITMAN received gross income of approximately \$186,605. Defendant WHITMAN'S gross income for 2001 exceeded the threshold required for filing an individual income tax return with the IRS.

7. On this gross income, defendant CANDACE WHITMAN owed to the United States of America federal income tax of approximately \$35,096.

8. From in or about February 2001 through in or about April 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

**CANDACE WHITMAN,
a/k/a “CANDACE CANNON”**

willfully engaged in a continuing attempt to evade and defeat tax due and owing by her to the United States of America for the calendar year 2001 by committing, among others, the following affirmative acts:

a. On or about February 14, 2001, defendant CANDACE WHITMAN completed and signed a Form W-4 Employee’s Withholding Allowance Certificate claiming that she was exempt from federal income tax withholding, thereby causing no federal income taxes to be withheld from any salary and commissions that defendant WHITMAN received from CRS for the calendar year 2001.

b. Defendant CANDACE WHITMAN, despite having received gross income of approximately \$186,605, failed to make and file a 2001 U.S. Individual Income Tax Return, Form 1040, on or before April 15, 2002, as required by law.

c. On or about February 7, 2005, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Service Center at Philadelphia, Pennsylvania a false and fraudulent 2001 U.S. Individual Income Tax Return, Form 1040, which defendant WHITMAN signed and in which she reported a total income of approximately \$265.90, when, as defendant WHITMAN knew, she had received total income of approximately \$186,605. Defendant WHITMAN attached to the 2001 U.S. Individual Income Tax Return, Form 1040, a Form 4852, Substitute for Form W-2 Wage and Tax Statement, in which she falsely reported zero wages, and a Form 1099-MISC, in which she falsely reported zero rental income.

d. On or about April 2, 2007, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Office in Reading, Pennsylvania a false and fraudulent 2001 U.S. Amended Individual Income Tax Return, Form 1040X, which defendant WHITMAN signed and in which she reported zero interest income, when, as defendant WHITMAN knew, she had received interest income of approximately \$403 for the 2001 calendar year.

All in violation of Title 26, United States Code, Section 7201.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 of Count One are incorporated here.
2. During the calendar year 2002, defendant CANDACE WHITMAN received gross income of approximately \$196,283. Defendant WHITMAN'S gross income for 2002 exceeded the threshold required for filing an individual income tax return with the IRS.
3. On this gross income, defendant CANDACE WHITMAN owed to the United States of America federal income tax of approximately \$35,735.
4. From in or about February 2002 through in or about April 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

**CANDACE WHITMAN,
a/k/a "CANDACE CANNON"**

willfully engaged in a continuing attempt to evade and defeat tax due and owing by her to the United States of America for the calendar year 2002 by committing, among others, the following affirmative acts:

- a. On or about February 15, 2002, defendant CANDACE WHITMAN completed and signed a Form W-4 Employee's Withholding Allowance Certificate claiming that she was exempt from federal income tax withholding, thereby causing no federal income taxes to be withheld from any salary and commissions that defendant WHITMAN received from CRS for the calendar year 2002.
- b. Defendant CANDACE WHITMAN, despite having received gross income of approximately \$196,283, failed to make and file a 2002 U.S. Individual Income Tax Return, Form 1040, on or before April 15, 2003, as required by law

c. On or about February 7, 2005, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Service Center at Philadelphia, Pennsylvania a false and fraudulent 2002 U.S. Individual Income Tax Return, Form 1040, which defendant WHITMAN signed and in which she reported a total income of approximately \$598.43, when, as defendant WHITMAN knew, she had received total income of approximately \$196,283. Defendant WHITMAN attached to the 2002 U.S. Individual Income Tax Return, Form 1040, a Form 4852, Substitute for Form W-2 Wage and Tax Statement, in which she falsely reported zero wages, and a Form 1099-MISC, in which she falsely reported zero rental income.

d. On or about April 4, 2007, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Office in Reading, Pennsylvania a false and fraudulent 2002 U.S. Amended Individual Income Tax Return, Form 1040X, which defendant WHITMAN signed and in which she reported zero interest income, when, as defendant WHITMAN knew, she had received interest income of approximately \$598 for the 2002 calendar year.

All in violation of Title 26, United States Code, Section 7201.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 of Count One are incorporated here.
2. During the calendar year 2003, defendant CANDACE WHITMAN received gross income of approximately \$143,312. Defendant WHITMAN'S gross income for 2003 exceeded the threshold required for filing an individual income tax return with the IRS.
3. On this gross income, defendant CANDACE WHITMAN owed to the United States of America federal income tax of approximately \$23,832.
4. From in or about January 2003 through in or about April 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

**CANDACE WHITMAN,
a/k/a "CANDACE CANNON"**

willfully engaged in a continuing attempt to evade and defeat tax due and owing by her to the United States of America for the calendar year 2003 by committing, among others, the following affirmative acts:

- a. On or about January 8, 2003, defendant CANDACE WHITMAN completed and signed a Form W-4 Employee's Withholding Allowance Certificate claiming that she was exempt from federal income tax withholding, thereby causing no federal income taxes to be withheld from any salary that defendant WHITMAN received from CRS for the calendar year 2003.

- b. Defendant CANDACE WHITMAN, despite having received gross

income of approximately \$143,312, failed to make and file a 2003 U.S. Individual Income Tax Return, Form 1040, on or before April 15, 2004, as required by law.

c. On or about July 5, 2005, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Service Center at Philadelphia, Pennsylvania a false and fraudulent 2003 U.S. Individual Income Tax Return, Form 1040, which defendant WHITMAN signed and in which she reported a total income of approximately \$1,163.62, when, as defendant WHITMAN knew, she had received total income of approximately \$143,312. Defendant WHITMAN attached to the 2003 U.S. Individual Income Tax Return, Form 1040, a Form 4852, Substitute for Form W-2 Wage and Tax Statement, in which she falsely reported zero wages, and a Form 1099-MISC, in which she falsely reported zero rental income.

d. On or about April 4, 2007, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Office in Reading, Pennsylvania a false and fraudulent 2003 U.S. Amended Individual Income Tax Return, Form 1040X, which defendant WHITMAN signed and in which she reported zero interest income, when, as defendant WHITMAN knew, she had received interest income of approximately \$1,162 for the 2003 calendar year.

All in violation of Title 26, United States Code, Section 7201.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 of Count One are incorporated here.
2. During the calendar year 2004, defendant CANDACE WHITMAN received gross income of approximately \$51,925. Defendant WHITMAN'S gross income for 2004 exceeded the threshold required for filing an individual income tax return with the IRS.
3. On this gross income, defendant CANDACE WHITMAN owed to the United States of America federal income tax of approximately \$3,216.
4. From in or about January 2004 through in or about April 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

**CANDACE WHITMAN,
a/k/a "CANDACE CANNON"**

willfully engaged in a continuing attempt to evade and defeat tax due and owing by her to the United States of America for the calendar year 2004 by committing, among others, the following affirmative acts:

- a. On or about January 27, 2004, defendant CANDACE WHITMAN completed and signed a Form W-4 Employee's Withholding Allowance Certificate claiming that she was exempt from federal income tax withholding, thereby causing no federal income taxes to be withheld from any salary that defendant WHITMAN received from CRS for the calendar year 2004.

b. Defendant CANDACE WHITMAN, despite having received gross income of approximately \$51,925, failed to make and file a 2004 U.S. Individual Income Tax Return, Form 1040, on or before April 15, 2005, as required by law.

c. On or about March 29, 2006, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Service Center at Philadelphia, Pennsylvania a false and fraudulent 2004 U.S. Individual Income Tax Return, Form 1040, which defendant WHITMAN signed and in which she reported a total income of approximately \$1,512.74, when, as defendant WHITMAN knew, she had received total income of approximately \$51,925. Defendant WHITMAN attached to the 2004 U.S. Individual Income Tax Return, Form 1040, a Form 4852, Substitute for Form W-2 Wage and Tax Statement, in which she falsely reported zero wages.

d. On or about April 4, 2007, defendant CANDACE WHITMAN submitted, or caused to be submitted, to the IRS Office in Reading, Pennsylvania, a false and fraudulent 2004 U.S. Amended Individual Income Tax Return, Form 1040X, which defendant WHITMAN signed and in which she reported zero interest income, when, as defendant WHITMAN knew, she had received interest income of approximately \$1,512 for the 2004 calendar year.

All in violation of Title 26, United States Code, Section 7201.

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**