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8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

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11 UNITED STATES OF AMERICA,

12 PLAINTIFF,

13 vs.

14 JUDITH WOODWARD née ATWELL,

15 DEFENDANT.

) FIRST SUPERSEDING CRIMINAL
) INDICTMENT

) 2:16-CR-112

) VIOLATIONS:

) 26 U.S.C. § 7206(1) – Making and
) Subscribing a False Tax Return

) 26 U.S.C. § 7212(a) – Corrupt Interference
) with the Administration of the Internal
) Revenue Laws

18 **THE GRAND JURY CHARGES THAT**

19 **INTRODUCTORY ALLEGATIONS**

20 At all relevant times, the defendant’s legal name was **JUDITH L. ATWELL**
21 (hereinafter “**ATWELL**”). **ATWELL** was a resident of Las Vegas, Nevada, located in
22 the District of Nevada.

23 Defendant **ATWELL** operated a dry cleaning business called Canyon Gate
24 Cleaners located on West Sahara Avenue in Las Vegas, Nevada, which was held under
25 a Nevada Limited Liability Company called Canyon Enterprises LLC. Defendant
26

1 ATWELL established Canyon Enterprises LLC in or about 2005. Canyon Gate
2 Cleaners was the only business held by Canyon Enterprises LLC.

3 From at least in or about 2005 to at least in or about 2009, defendant ATWELL
4 reported the Canyon Enterprises LLC business income and expenses for Canyon Gate
5 Cleaners on Forms 1065, U.S. Return of Partnership Income. From at least in or about
6 2005 to at least in or about 2009, defendant ATWELL reported to the Internal Revenue
7 Service (hereinafter the "IRS") that she held a 99% partnership interest in Canyon
8 Enterprises LLC and that the defendant's daughter held a 1% partnership interest in
9 Canyon Enterprises LLC.

10 From at least in or about 2005 to at least in or about 2009, defendant ATWELL
11 reported her individual income on a Form 1040, U.S. Individual Income Tax Return.

12 **COUNT ONE**

13 **Making and Subscribing a False Tax Return**

14 The Grand Jury realleges and incorporates the Introductory Allegations as
15 though fully set out herein.

16 On or about April 15, 2010, in the State and Federal District of Nevada,

17 **JUDITH L. ATWELL,**

18 the defendant herein, did willfully make and subscribe a false U.S. Return of
19 Partnership Income ("Form 1065") for the calendar year 2009, which contained and was
20 verified by a written declaration that it was made under the penalties of perjury, which
21 the defendant did not believe to be true and correct as to every material matter.

22 Specifically, defendant ATWELL falsely reported on Line 1a of the Form 1065 for
23 Canyon Enterprises LLC for calendar year 2009 that Canyon Enterprises LLC's gross
24 receipts were \$349,834 when, in fact, as defendant ATWELL then well knew, the gross
25 receipts for Canyon Enterprises LLC for calendar year 2009 exceeded \$349,834.

26 All in violation of 26 U.S.C. § 7206(1).

COUNT TWO

Making and Subscribing a False Tax Return

The Grand Jury realleges and incorporates the Introductory Allegations as though fully set out herein.

On or about April 15, 2010, in the State and Federal District of Nevada,

JUDITH L. ATWELL,

the defendant herein, did willfully make and subscribe a false U.S. Individual Income Tax Return ("Form 1040") for the calendar year 2009, which contained and was verified by a written declaration that it was made under the penalties of perjury, which the defendant did not believe to be true and correct as to every material matter.

Specifically, defendant ATWELL falsely reported on Line 17 of her Form 1040 for calendar year 2009 that her income from Canyon Enterprises LLC was \$4,666, when, in fact, as defendant ATWELL then well knew, her income from Canyon Enterprises LLC for calendar year 2009 exceeded \$4,666.

All in violation of 26 U.S.C. § 7206(1).

COUNT THREE

Corrupt Interference with the Administration of the Internal Revenue Laws

The Grand Jury realleges and incorporates the Introductory Allegations as though fully set out herein.

Beginning in at least 2005 and continuing thereafter to at least June 8, 2010, in the State and District of Nevada and elsewhere,

JUDITH L. ATWELL,

the defendant herein, did corruptly endeavor to obstruct and impede the due administration of the internal revenue laws, by committing acts, including but not limited to the following:

- a. Concealing the true gross receipts of Canyon Enterprises LLC by depositing hundreds of thousands of dollars of unreported cash business receipts into

1 personal bank accounts she controlled, and by not depositing cash gross receipts into
2 any bank account, between calendar years 2005 to 2009, inclusive;

3 b. Using tens of thousands of dollars of unreported cash business receipts for
4 personal expenditures, including for the purchase of luxury vehicles;

5 c. Fraudulently withholding information regarding the true gross receipts of
6 Canyon Enterprises LLC for calendar years 2005, 2006, 2007, 2008 and 2009 from the
7 tax return preparer who prepared the U.S. Return of Partnership Income ("Form 1065")
8 for Canyon Enterprises LLC for calendar years 2005 through 2009, inclusive;

9 d. Filing, and causing to be filed with the IRS, false and fraudulent Forms
10 1065, for the calendar years 2005 through 2009, inclusive, wherein the defendant
11 fraudulently understated the gross receipts for Canyon Enterprises LLC on Line 1a;

12 e. Fraudulently withholding information regarding defendant **ATWELL'S**
13 true income from Canyon Enterprises LLC for calendar years 2005, 2006, 2007, 2008
14 and 2009 from the tax return preparer who prepared her U.S. Individual Income Tax
15 Return ("Form 1040") for calendar years 2005 through 2009, inclusive;

16 f. Filing, and causing to be filed with the IRS, false and fraudulent Forms
17 1040, for the calendar years 2005 through 2009, inclusive, wherein the defendant
18 fraudulently understated her income from Canyon Enterprises LLC on Line 17;

19 g. Falsely claiming in excess of \$50,000 of personal legal fees and expenses as
20 business expenses on the 2005 and 2006 Forms 1065 for Canyon Gate Enterprises LLC
21 when, in fact, as defendant **ATWELL** then well knew, those legal fees and expenses
22 arose from a personal lawsuit against her former employer that did not involve Canyon
23 Enterprises LLC;

24 h. Making false and misleading statements to IRS Criminal Investigation
25 Special Agents during an interview on or about June 8, 2010, specifically as follows: (1)
26 falsely stating that all cash business receipts were deposited into the business bank

1 accounts for Canyon Enterprises LLC; (2) falsely stating that she assumed all income
2 from all sources was reported on her filed returns; and (3) falsely stating that the
3 maximum amount of cash she had on hand between 2004 and 2009 was \$100,000, when
4 in fact, defendant ATWELL had in excess of \$100,000 in cash on hand during that
5 period.

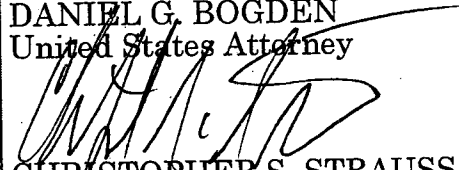
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7 All in violation of 26 U.S.C. § 7212(a).

8
9 **DATED:** this 10th day of May, 2016

10 **A TRUE BILL**

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12 */s/*
13 **FOREPERSON OF THE GRAND JURY**

14 **DANIEL G. BOGDEN**
15 **United States Attorney**

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17 **CHRISTOPHER S. STRAUSS**
18 **ERIC C. SCHMALE**
19 **Trial Attorneys, U.S. Department of Justice, Tax Division**