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FILED

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

APR 10 2018

CLERK U.S. DISTRICT COURT
WEST. DIST. OF PENNSYLVANIA

UNITED STATES OF AMERICA

v.

LOREN PULLIAM

Criminal No. 18-107

(26 U.S.C. §§ 7201 and 7203)

INDICTMENT

The grand jury charges:

At all times material to this Indictment, unless otherwise alleged:

INTRODUCTORY ALLEGATIONS

1. The defendant, LOREN PULLIAM ("PULLIAM"), was a resident of the Western District of Pennsylvania. PULLIAM was a certified registered nurse anesthetist ("CRNA") and held a master's degree in nursing.

2. The Internal Revenue Service (IRS) is and was an agency of the United States Department of the Treasury. The IRS has responsibility for the ascertainment, computation, assessment, and collection of taxes, including federal income taxes.

3. A Form 1099-MISC is and was an information return that an employer uses to report to the IRS income paid to independent contractors. Generally, businesses must issue Forms 1099-MISC to any individual who receives \$600 or more during the year.

4. From 2002 through at least 2014, PULLIAM, a CRNA, worked as an independent contractor at various hospitals and surgery centers. As an independent contractor, PULLIAM was required to file U.S. Individual Income Tax Returns, Forms 1040, ("tax returns") to report the income she earned working as a CRNA, as well as any other income she earned, to the IRS. However, PULLIAM failed to timely file tax returns for those years. PULLIAM untimely filed

tax returns for 2002 through 2006 and, after being notified she was under criminal investigation, untimely filed tax returns for 2008 through 2014. PULLIAM has never filed a return for 2007.

5. On her delinquently-filed tax returns for the 2002-2006 and 2008-2014 years, PULLIAM reported that she owed federal income taxes. However, PULLIAM failed to pay all taxes due and owing to the IRS for those years.

6. In and around December 2004, the IRS initiated an examination of PULLIAM's 2002 tax year. In and around March 2007, the IRS expanded its examination to include Pulliam's 2003 through 2005 tax years. Using the income reported to the IRS by her employers on Forms 1099, which totaled more than \$500,000 for the years 2002 through 2005, the IRS prepared substitutes for returns for 2002 through 2005.

7. LJP Enterprises, LLC, also known as LJP Enterprises, Inc. ("LJP Enterprises") was a nominee entity that PULLIAM formed in the Commonwealth of Pennsylvania in or around June 2006.

8. In and around August 2006, PULLIAM opened a bank account in the name of LJP Enterprises. PULLIAM had signature authority over the account. PULLIAM deposited her income into the LJP Enterprises bank account. She then used that account for the payment of personal expenses.

9. Beginning in and around 2007, PULLIAM instructed her employers to issue Forms 1099-MISC to LJP Enterprises. LJP Enterprises has never filed an income tax return with the IRS.

10. On or about September 18, 2008, in a consent order entered by the United States Tax Court, PULLIAM agreed she owed approximately \$281,149 in tax and penalties for the tax years 2002 through 2005 plus penalties which continued to accrue for 2004 and 2005.

11. Despite earning over \$1.2 million in total compensation for her work as a CRNA during the years 2008 through 2016, PULLIAM failed to pay the tax due and owing for the years 2002-2005.

12. Beginning in 2010, due to PULLIAM'S failure to pay to the IRS the tax due and owing for the 2002-2005 tax years and her failure to file her individual federal income tax returns for subsequent years, the IRS initiated additional collection activity in an effort to collect the unpaid tax liabilities. The IRS's efforts included, but were not limited to, issuing notices of intent to levy against one or more of PULLIAM's bank accounts and issuing a notice of intent to levy on wages paid by LJP Enterprises to PULLIAM. PULLIAM was sent copies of these notices, which notices specified the tax years and the amounts due.

13. From approximately 2011 through 2014, PULLIAM continued to work as a CRNA. PULLIAM received adjusted gross income in the following approximate amounts: \$159,866 in 2011; \$75,186 in 2012; \$159,107 in 2013; and \$110,099 in 2014. PULLIAM failed to pay the taxes due on these amounts.

COUNT ONE

(26 U.S.C. § 7201 – Evasion of Payment of Income Tax)

The grand jury further charges that:

14. The factual allegations of Paragraphs 1 through 13 are re-alleged and incorporated by reference as if fully set forth herein.

15. Beginning in and around 2003, and continuing until on or about April 10, 2018, in the Western District of Pennsylvania and elsewhere, the defendant, LOREN PULLIAM, did willfully attempt to evade and defeat the payment of income tax, interest, and penalties due and owing by her to the United States of America for the calendar years 2002 through 2005, by committing the following affirmative acts, among others:

- a. Creating and causing the entity LJP Enterprises to serve as her nominee and alter ego;
- b. Directing third parties to pay her compensation to LJP Enterprises;
- c. Depositing income into, and causing income to be deposited into, a bank account held in the name of LJP Enterprises;
- d. Paying personal expenses from a bank account held in the name of LJP Enterprises; and
- e. Keeping her personal checking account balance at minimal levels.

In violation of Title 26, United States Code, Section 7201.

COUNT TWO

(26 U.S.C. § 7201 – Evasion of Assessment of Income Tax – 2011)

The grand jury further charges that:

16. The factual allegations of Paragraphs 1 through 13 are re-alleged and incorporated by reference as if fully set forth herein.

17. During the calendar year 2011, the defendant, LOREN PULLIAM, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax return, on or before April 16, 2012, as required by law, to any proper officer of the Internal Revenue Service, and to pay income tax to the Internal Revenue Service, LOREN PULLIAM, beginning in and around January 2011 and continuing until on or about December 23, 2015, in the Western District of Pennsylvania and elsewhere, willfully attempted to evade and defeat the assessment of income tax due and owing by her to the United States of America, for the calendar year 2011, by committing the following affirmative acts, among others:

- a. Causing third parties to pay her compensation to LJP Enterprises;
- b. Depositing income into, and causing income to be deposited into, a bank account held in the name of LJP Enterprises; and
- c. Paying personal expenses from a bank account held in the name of LJP Enterprises.

In violation of Title 26, United States Code, Section 7201.

COUNT THREE

(26 U.S.C. § 7201 – Evasion of Assessment of Income Tax – 2012)

The grand jury further charges that:

18. The factual allegations of Paragraphs 1 through 13 are re-alleged and incorporated by reference as if fully set forth herein.

19. During the calendar year 2012, the defendant, LOREN PULLIAM, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax return, on or before April 15, 2013, as required by law, to any proper officer of the Internal Revenue Service, and to pay income tax to the Internal Revenue Service, LOREN PULLIAM, beginning in and around January 2012 and continuing until on or about December 23, 2015, in the Western District of Pennsylvania and elsewhere, willfully attempted to evade and defeat the assessment of income tax due and owing by her to the United States of America, for the calendar year 2012, by committing the following affirmative acts, among others:

- a. Causing third parties to pay her compensation to LJP Enterprises;
- b. Depositing income into, and causing income to be deposited into, a bank account held in the name of LJP Enterprises; and
- c. Paying personal expenses from a bank account held in the name of LJP Enterprises.

In violation of Title 26, United States Code, Section 7201.

COUNT FOUR

(26 U.S.C. § 7201 – Evasion of Assessment of Income Tax – 2013)

The grand jury further charges that:

20. The factual allegations of Paragraphs 1 through 13 are re-alleged and incorporated by reference as if fully set forth herein.

21. During the calendar year 2013, the defendant, LOREN PULLIAM, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax return, on or before April 15, 2014, as required by law, to any proper officer of the Internal Revenue Service, and to pay income tax to the Internal Revenue Service, LOREN PULLIAM, beginning in and around January 2013 and continuing until on or about December 23, 2015, in the Western District of Pennsylvania and elsewhere, willfully attempted to evade and defeat the assessment of income tax due and owing by her to the United States of America, for the calendar year 2013, by committing the following affirmative acts, among others:

- a. Causing third parties to pay her compensation to LJP Enterprises;
- b. Depositing income into, and causing income to be deposited into, a bank account held in the name of LJP Enterprises; and
- c. Paying personal expenses from a bank account held in the name of LJP Enterprises.

In violation of Title 26, United States Code, Section 7201.

COUNT FIVE

(26 U.S.C. § 7201 – Evasion of Assessment of Income Tax – 2014)

The grand jury further charges that:

22. The factual allegations of Paragraphs 1 through 13 are re-alleged and incorporated by reference as if fully set forth herein.

23. During the calendar year 2014, the defendant, LOREN PULLIAM, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax return, on or before April 15, 2015, as required by law, to any proper officer of the Internal Revenue Service, and to pay income tax to the Internal Revenue Service, LOREN PULLIAM, beginning in and around January 2014 and continuing until on or about October 21, 2016, in the Western District of Pennsylvania and elsewhere, willfully attempted to evade and defeat the assessment of income tax due and owing by her to the United States of America, for the calendar year 2014, by committing the following affirmative acts, among others:

- a. Causing third parties to pay her compensation to LJP Enterprises;
- b. Depositing income into, and causing income to be deposited into, a bank account held in the name of LJP Enterprises; and
- c. Paying personal expenses from a bank account held in the name of LJP Enterprises.

In violation of Title 26, United States Code, Section 7201.

COUNTS SIX THROUGH NINE

(26 U.S.C § 7203 – Failure to File Tax Returns and Failure to Pay Taxes)

The grand jury further charges that:

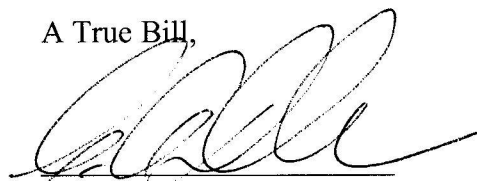
24. The factual allegations of Paragraphs 1 through 13 are re-alleged and incorporated by reference as if fully set forth herein.

25. During the calendar years set forth below, the defendant, LOREN PULLIAM, had received adjusted gross income in the approximate amounts set forth below, on which taxable income there was owing to the United States of America an income tax in the approximate amounts set forth below. By reason of her gross income, LOREN PULLIAM was required by law, following the close of the calendar year, and on or before the due dates set forth below, to make an income tax return to any proper officer of the Internal Revenue Service, stating specifically the items of her gross income and any deductions and credits to which she was entitled. LOREN PULLIAM was further required to pay the income tax to the Internal Revenue Service Center, at Pittsburgh, Pennsylvania, to a person assigned to receive returns at the local office of the Internal Revenue Service at Pittsburgh, Pennsylvania, or to another Internal Revenue Service office permitted by the Commissioner of Internal Revenue. Well knowing all of the foregoing, LOREN PULLIAM did willfully fail, on or about the due dates set forth below, in the Western District of Pennsylvania and elsewhere, to make an income tax return and to pay the income tax due.

COUNT	CALENDAR YEAR	APPROXIMATE DUE DATE OF RETURN	APPROXIMATE AMOUNT OF ADJUSTED GROSS INCOME	APPROXIMATE AMOUNT OF INCOME TAX DUE
SIX	2011	April 16, 2012	\$159,866	\$53,015
SEVEN	2012	April 15, 2013	\$75,186	\$22,038
EIGHT	2013	April 15, 2014	\$159,107	\$54,310
NINE	2014	April 15, 2015	\$110,099	\$28,314

In violation of Title 26, United States Code, Section 7203.

A True Bill,


Foreperson

SCOTT W. BRADY
United States Attorney
PA ID No. 88352