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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

SARAH VIDICAN,

Defendant.

Case:4:18-cr-20087
Judge: Leitman, Matthew F.
MJ: Davis, Stephanie Dawkins
Filed: 02-07-2018 At 03:46 PM
INDI SEALED v SEALED (sk)

_____/

INDICTMENT

The Grand Jury in and for the Eastern District of Michigan charges that:

INTRODUCTION

Defendant and Entities

At all times relevant to this Indictment:

1. MgNoulty Marketing, LLC was a limited liability company operating in and around Rochester Hills, Michigan, Southfield, Michigan, and Boca Raton, Florida, using the business name Magnalty, LLC ("Magnalty"). Magnalty was a partnership that purported to provide marketing and consulting services to physicians and chiropractors.

2. Defendant SARAH VIDICAN was the operator and majority owner of Magnalty.

3. From in or about January 2013 to in or about May 2014, Integrated HCS Practice Management ("Integrated Management") was a limited liability company operating in Southfield, Michigan. Integrated Management provided management services to healthcare providers. Integrated Management's day-to-day operations and finances were controlled by Defendant SARAH VIDICAN's husband, a person whose identity is known to the grand jury. During calendar year 2013, Magnalty received payment of over $28,000 of non-employment income from Integrated Management.

4. Partnerships, such as Magnalty, were required to file a U.S. Return of Partnership Income, Form 1065 ("Form 1065") each year, specifically stating the items of the partnership's gross income and the deductions and credits allowed by law. Income of the partnership, reported on the Form 1065, flowed through to the U.S. Individual Income Tax Returns, Forms 1040 ("Form 1040") of the partners.

5. 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.

COUNT 1

26 U.S.C. § 7206(2)
Aiding and Assisting in the Filing of False Tax Return

6. The allegations in Paragraphs 1 through 5 of this Indictment are re-alleged as if set forth in full herein.

7. On or about April 10, 2013, in the Eastern District of Michigan and elsewhere,

SARAH VIDICAN,

the Defendant herein, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS of a false and fraudulent Form 1065 on behalf of Magnalty for the calendar year 2012. The return was false and fraudulent as to a material matter in that the return falsely reported Line 1a Gross Receipts or Sales of $25,117, whereas, as Defendant SARAH VIDICAN then and there well knew and believed, Magnalty had Gross Receipts or Sales in excess of $25,117.

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

COUNT 2

26 U.S.C. § 7203
Failure to File a Tax Return

8. The allegations in Paragraphs 1 through 5 of this Indictment are re-alleged as if set forth in full herein.

9. Defendant SARAH VIDICAN filed Forms 1040 and associated schedules with the IRS for tax years 2011 and 2012, as required by law.

10. During calendar year 2013, in the Eastern District of Michigan and elsewhere,

SARAH VIDICAN,

the Defendant herein, who was a resident of Rochester Hills, Michigan, had and received gross income through Magnalty in excess of $20,000. By reason of such gross income, she was required by law, following the close of calendar year 2013 and on or before April 15, 2014, to make an income tax return to the IRS, stating specifically the items of her gross income and any deductions and credits to which she was entitled.

Well knowing and believing all of the foregoing, she did willfully fail, on or about April 15, 2014, in the Eastern District of Michigan and elsewhere, to make an income tax return.

All in violation of Title 26, United States Code, Section 7203.

COUNT 3

26 U.S.C. § 7203
Failure to File a Tax Return

11. The allegations in Paragraphs 1 through 5 of this Indictment are re-alleged as if set forth in full herein.

12. During calendar year 2014, Magnalty received non-employment income from various sources.

13. During the calendar year 2014, in the Eastern District of Michigan and elsewhere,

SARAH VIDICAN,

the Defendant herein, conducted a business as a partnership under the name of Magnalty, with its principal place of business at Rochester Hills, Michigan. Defendant SARAH VIDICAN was therefore required by law, following the close of the calendar year 2014 and on or before April 15, 2015, to make, for and on the behalf of the partnership, a Form 1065 partnership return of income to the IRS, stating specifically the items of the partnership's gross income and the deductions and credits allowed by law. Well knowing and believing all of the foregoing, Defendant SARAH VIDICAN did willfully fail, on or before April 15, 2015, to make a partnership return on behalf of Magnalty.

All in violation of Title 26, United States Code, Section 7203, and Title 18, United States Code, Section 2.

THIS IS A TRUE BILL

s/GRAND JURY FOREPERSON

Dated: February 7, 2018

s/ROSEMARY E. PAGUNI
ROSEMARY E. PAGUNI
Chief, Northern Criminal Enforcement Section
U.S. Department of Justice, Tax Division

s/MARK MCDONALD
MARK MCDONALD
DOJ Tax Attorney
Northern Criminal Enforcement Section
601 D Street N.W. - Room 7544
Washington D.C. 20004

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Companion Case information MUST be completed

United States District Court Eastern District of Michigan	**Criminal Case**

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information	**Companion Case Number:**
This may be a companion case based upon **LCrR 57.10 (b)(4)[1]:**	**Judge Assigned:**
☐ **Yes** ☑ **No**	**AUSA's Initials:** MSM

Case Title: USA v. Sarah Vidican

County where offense occurred : Genesee County(defendant venue waiver anticipated)

Check One: ☑ **Felony** ☐ **Misdemeanor** ☐ **Petty**

X Indictment/____Information --- **no** prior complaint.
____Indictment/____Information --- based upon prior complaint [**Case number:** _____]
____Indictment/____Information --- based upon **LCrR 57.10 (d)** ***[Complete Superseding section below].***

Superseding Case Information

Superseding to Case No: _____ **Judge:** _____

☐ Original case was terminated; no additional charges or defendants.
☐ Corrects errors; no additional charges or defendants.
☐ Involves, for plea purposes, different charges or adds counts.
☐ Embraces same subject matter but adds the additional defendants or charges below:

Defendant name	**Charges**	**Prior Complaint (if applicable)**

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

February 7, 2018
Date

s/MARK McDONALD

MARK McDONALD
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Northern Criminal Enforcement Section
601 D Street N.W. - Room 7544
Washington D.C. 20004
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[1] Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.