IN THE UNITED STATES DISTRICT COURT

FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

FILED IN THIS OFFICE DEC 19 2016 Clerk U.S. District Court Greensboro, NC BY

UNITED STATES OF AMERICA	:	
	:	
v.	:	1:16CR 434-1
	:	
JESSICA SHANICE TAYLOR	:	

The Grand Jury charges:

INTRODUCTION

At all times relevant to this Indictment:

1. JESSICA SHANICE TAYLOR is a resident of Rockingham, in the County of Richmond, North Carolina, which is located in the Middle District of North Carolina.

2. Herbert Lee Martin owned and operated a tax preparation business in Rockingham, North Carolina, located in the Middle District of North Carolina. JESSICA SHANICE TAYLOR and others worked in his tax preparation business and prepared and electronically filed federal income tax returns on behalf of their clients.

3. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury responsible for the collection of federal taxes.

4. The Earned Income Tax Credit ("EITC") was a refundable credit for low-income working individuals and families. The EITC was calculated as a percentage of an earned income level. The EITC

increased as a taxpayer earned increasing amounts of income until the taxpayer's income reached a specified amount. The EITC then decreased and phased out completely for taxpayers who made more than a specified amount.

COUNT ONE

5. The factual allegations contained in Paragraphs One through Four of the Introduction are hereby re-alleged and incorporated by reference as if set forth in full herein.

6. From in or about January, 2012, continuing up to and including in or about April, 2016, the exact dates to the Grand Jurors unknown, in the County of Richmond, in the Middle District of North Carolina, and elsewhere, JESSICA SHANICE TAYLOR and Herbert Lee Martin did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree together and with each other, and with other individuals, both known and unknown to the Grand Jurors, to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the IRS in the ascertainment, computation, assessment, and collection of revenue: to wit, income taxes.

MANNER AND MEANS

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

7. Herbert Lee Martin and JESSICA SHANICE TAYLOR would and did agree to falsify items on the federal income tax returns of

clients for the purpose of increasing refunds issued by the IRS to those clients.

8. Herbert Lee Martin and JESSICA SHANICE TAYLOR would and did purchase and steal the means of identification of individuals, including their names, dates of birth, and Social Security numbers, and would and did list these individuals as false dependents on the federal income tax returns of clients. A number of these names, dates of birth, and Social Security numbers belonged to the children of people familiar to Herbert Lee Martin and JESSICA SHANICE TAYLOR through either a business or personal relationship.

9. Herbert Lee Martin and JESSICA SHANICE TAYLOR would and did include false items on the federal income tax returns of clients, including but not limited to false filing status, false dependents, false wages, false business income, false Schedule A deductions, false childcare expenses, and false EITCs.

10. Herbert Lee Martin and JESSICA SHANICE TAYLOR would and did collect fees from clients for preparing their false federal income tax returns.

11. Herbert Lee Martin and JESSICA SHANICE TAYLOR would and did direct some of the refunds of clients into the bank accounts of Herbert Lee Martin and JESSICA SHANICE TAYLOR, as well as the bank accounts of other co-conspirators.

12. Herbert Lee Martin and JESSICA SHANICE TAYLOR would and did conceal from the IRS that they prepared and filed the federal

income tax returns of clients by failing to complete the paid preparer section of the federal income tax returns.

OVERT ACTS

13. In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed or caused to be committed, by one or more members of the conspiracy, in the Middle District of North Carolina and elsewhere:

14. From in or about January, 2012, continuing up to and including in or about April, 2012, the exact dates unknown to the Grand Jurors, Herbert Lee Martin and JESSICA SHANICE TAYLOR prepared false federal income tax returns from Martin's residence.

15. In or about January, 2013, Herbert Lee Martin bought the property located at 160 Central Avenue, Rockingham, North Carolina, and Martin and JESSICA SHANICE TAYLOR used that property for the operation of the tax preparation business for filing seasons 2013 through 2016.

16. On or about the dates set forth below, Herbert Lee Martin and JESSICA SHANICE TAYLOR prepared and filed, and caused to be prepared and filed, false U. S. Individual Income Tax Returns, Forms 1040, in the names of the following individuals whose initials are listed below, for the tax years listed below, containing false items including, but not limited to, the items listed below:

Paragraph	Taxpayer	Tax Year	Date of Filing (on or about)	False Item(s)
16(a)	V.R.	2011	01/22/2012	1) Line 7, Wages
16(b)	V.R.	2012	01/24/2013	1) Line 6c, Dependents 2) Line 7, Wages
16(c)	V.R.	2013	01/31/2014	1) Line 7, Wages
16(d)	V.R.	2014	01/21/2015	1) Line 6c, Dependents 2) Line 7, Wages
16(e)	R.A.	2011	01/22/2012	1) Line 7, Wages
16(f)	R.A.	2012	02/04/2013	1) Line 7, Wages
16(g)	R.A.	2013	01/29/2014	1) Line 7, Wages
16(h)	R.A.	2014	01/23/2015	1) Line 7, Wages
16(i)	J.E.	2012	01/29/2013	1) Line 7, Wages
16(j)	J.E.	2013	02/08/2014	1) Line 7, Wages
16(k)	J.E.	2014	01/15/2015	1) Line 7, Wages
16(l)	J.E.	2015	02/02/2016	1) Line 7, Wages
16(m)	S.E.	2012	03/16/2013	1) Line 7, Wages
16(n)	S.E.	2013	02/09/2014	1) Line 7, Wages 2) Line 12, Business Income
16(o)	B.J.M.	2011	01/19/2012	1) Line 7, Wages
16(p)	B.J.M.	2012	01/31/2013	1) Line 7, Wages
16(q)	B.J.M.	2013	01/31/2014	1) Line 7, Wages
16(r)	B.J.M.	2014	01/20/2015	1) Line 7, Wages
16(s)	S.M.	2013	01/28/2014	1) Line 6c, Dependents 2) Line 7, Wages
16(t)	S.M.	2014	01/24/2015	1) Line 6c, Dependents 2) Line 7, Wages
16(u)	S.M.	2015	02/02/2016	1) Line 7, Wages
16(v)	N.C.	2012	02/07/2013	1) Line 7, Wages 2) Line 12, Business Income
16(w)	N.C.	2013	01/14/2014	1) Line 7, Wages 2) Line 12, Business Income
16(x)	N.C.	2014	01/19/2015	1) Line 7, Wages 2) Line 12, Business Income
16(y)	K.D.M.	2013	02/14/2014	1) Line 7, Wages
16(z)	V.F.	2013	02/02/2014	1) Line 7, Wages
16(aa)	S.M.	2012	02/02/2013	1) Line 29, Dependent Care Expenses
16(ab)	S.M.	2013	02/01/2014	1) Line 48, Dependent Care Expenses

16(ac)	S.M.	2014	01/27/2015	1) Line 31, Dependent Care Expenses
16(ad)	S.M.	2015	01/28/2016	1) Line 40, Schedule A Deductions
16(ae)	A.D.	2011	01/27/2012	1) Line 6c, Dependents 2) Line 7, Wages
16(af)	A.D.	2012	01/25/2013	1) Line 7, Wages
16(ag)	A.D.	2013	01/30/2014	1) Line 7, Wages
16(ah)	D.T.	2012	02/04/2013	1) Line 6c, Dependents 2) Line 19, Tuition Fees 3) Line 29, Dependent Care Expenses
16(ai)	R.S.	2011	01/28/2012	1) Line 7, Wages
16(aj)	R.S.	2012	01/23/2013	1) Line 7, Wages
16(ak)	R.S.	2013	01/09/2014	1) Line 7, Wages 2) Line 12, Business Loss
16(al)	R.S.	2014	01/14/2015	1) Line 7, Wages 2) Line 12, Business Income
16(am)	S.R.	2012	02/08/2013	1) Line 7, Wages
16(an)	S.R.	2014	02/02/2015	1) Line 7, Wages
16(ao)	D.L.	2013	02/07/2014	1) Line 7, Wages
16(ap)	A.A.	2013	01/23/2014	1) Line 7, Wages
16(aq)	N.G.	2013	01/28/2014	1) Line 7, Wages 2) Line 12, Business Income
16(ar)	J.B.	2014	03/25/2015	1) Line 7, Wages
16(as)	T.C.	2013	01/28/2014	1) Line 6c, Dependents 2) Line 7, Wages
16(at)	T.M.	2012	03/13/2013	1) Line 6c, Dependents
16(au)	S.A.	2011	03/09/2012	1) Line 6c, Dependents 2) Line 7, Wages
16(av)	S.A.	2012	02/01/2013	1) Line 6c, Dependents 2) Line 7, Wages 3) Line 12, Business Income
16(aw)	S.A.	2013	02/15/2014	1) Line 7, Wages
16(ax)	S.A.	2014	02/05/2015	1) Line 7, Wages 2) Line 12, Business Income

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH EIGHT

1. The factual allegations contained in Paragraphs One through Four of the Introduction are hereby re-alleged and incorporated by reference as if set forth in full herein.

2. On or about the dates set forth below, each date constituting a separate Count of this Indictment, in the County of Richmond, in the Middle District of North Carolina, and elsewhere, JESSICA SHANICE TAYLOR did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS of the following U.S. Individual Income Tax Returns, Forms 1040, which were false and fraudulent as to a material matter:

Count	Taxpayer	Tax Year	Date of Filing (on or about)	False Matter(s)
TWO	R.A.	2014	01/23/2015	1) Line 7, Wages
THREE	A.A.	2013	01/23/2014	1) Line 7, Wages
FOUR	N.C.	2014	01/19/2015	1) Line 7, Wages 2) Line 12, Business Income
FIVE	D.L.	2013	02/07/2014	1) Line 7, Wages
SIX	S.R.	2014	02/02/2015	1) Line 7, Wages
SEVEN	V.R.	2013	01/31/2014	1) Line 7, Wages
EIGHT	R.S.	2012	01/23/2013	1) Line 7, Wages

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

COUNTS NINE AND TEN

1. The factual allegations contained in Paragraphs One through Four of the Introduction are hereby re-alleged and incorporated by reference as if set forth in full herein.

2. From in or about January, 2012, continuing up to and including in or about April, 2016, the exact dates to the Grand Jurors unknown, in the County of Richmond, in the Middle District of North Carolina, and elsewhere, JESSICA SHANICE TAYLOR, having knowingly and intentionally devised and intended to devise a scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, caused to be transmitted by means of wire communication in interstate commerce, communications, signals, and writings, to wit: electronically filed false federal income tax returns.

THE SCHEME AND ARTIFICE

3. The factual allegations contained in Paragraphs Seven through Twelve of Count One of this Indictment are hereby re-alleged and incorporated by reference as if set forth in full herein.

THE WIRE COMMUNICATIONS

4. On or about the date listed below, each date constituting a separate Count of this Indictment, in the Middle District of North Carolina, and elsewhere, JESSICA SHANICE TAYLOR, for the purpose of executing such scheme and artifice to defraud,

transmitted, and caused to be transmitted, by means of wire communication in interstate commerce writings, signs, signals, pictures, and sounds, as described for each count below:

Count	Date of Offense (on or about)	Wire Communication(s)
NINE	01/24/2012	Electronically filed federal income tax return representing that C.F. was JESSICA SHANICE TAYLOR's nephew and dependent
TEN	01/27/2016	Electronically filed federal income tax return representing that Z.A. was B.Q.'s niece and dependent

All in violation of Title 18, United States Code, Section 1343.

COUNTS ELEVEN AND TWELVE

1. The factual allegations contained in Paragraphs One through Four of the Introduction are hereby re-alleged and incorporated by reference as if set forth in full herein.

2. On or about the dates listed below, in the County of Richmond, in the Middle District of North Carolina, and elsewhere, JESSICA SHANICE TAYLOR did knowingly transfer, possess, and use the means of identification of another person, without lawful authority, during and in relation to the offense in this Indictment described as a Related Count below, that is, knowingly transferred, possessed, and used the names, dates of birth, and Social Security numbers of actual persons known to the Grand Jurors, listed by his

or her initials below, for use in the electronic filing of a false federal income tax return:

Count	Date of Filing (on or about)	Related Count	Individual
ELEVEN	01/24/2012	Nine	C.F.
TWELVE	01/27/2016	Ten	Z.A.

All in violation of Title 18, United States Code, Section 1028A(a)(1).

A TRUE BILL:

CLIFTON T. BARRETT
ASSISTANT UNITED STATES ATTORNEY

KATHRYN A. KIMBALL
TRIAL ATTORNEY
DEPARTMENT OF JUSTICE, TAX DIVISION

for RIPLEY RAND
UNITED STATES ATTORNEY