

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION



UNITED STATES OF AMERICA,

Plaintiff,

v.

D-1 JEREMIAH CHEFF,

Defendant.

CASE NO: 4: 16-CR-20700

HON: LINDA V. PARKER  
United States District Judge

HON. STEPHANIE DAWKINS DAVIS  
United States Magistrate Judge

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**SUPERSEDING INDICTMENT**

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THE GRAND JURY CHARGES:

**INTRODUCTION**

At times material to this Indictment:

1. Defendant JEREMIAH CHEFF and his wife (not charged in this Superseding Indictment) resided in Grand Blanc, Michigan, within the Eastern District of Michigan.
2. By in or around 2010, defendant JEREMIAH CHEFF and his wife owned sixteen different Adult Foster Care homes ("AFCs") throughout Michigan that were operating under five business entities ("Cheff Businesses")

3. The AFCs were foster care homes for residents with mental illnesses, or developmental or physical disabilities that prevented them from living on their own. A substantial portion of the funding for the AFCs came from government sources.

4. The Cheff Businesses employed workers at the AFCs who took care of the residents. The workers at the AFCs were paid wages.

5. The defendant operated some of the Cheff Businesses as partnerships, with defendant JEREMIAH CHEFF and his wife each owning a 50 percent interest. The Cheff Businesses that were operated as partnerships included Hunter's Home, with two locations in White Lake, Michigan, along with locations in Groveland, Clarkston, Orion, Davisburg, Davison, Goodrich, and Holly, Michigan. Additional Cheff Businesses operated as partnerships by defendant JEREMIAH CHEFF and his wife included Nico's Place, with two locations in Goodrich, Michigan, and Harmony Manor, with three locations in Flint, Michigan.

6. The defendant operated some of the Cheff Businesses as corporations, with defendant JEREMIAH CHEFF and his wife each owning a 50 percent interest. The Cheff Businesses operated as corporations included Hilltop Estates, with a location in Pontiac, Michigan, and Deerwood Manor, with a location in Oxford, Michigan.

7. Defendant JEREMIAH CHEFF and his wife were jointly responsible for the operation, management, and business activity of the Cheff Businesses.

8. The Internal Revenue Service (“IRS”) was and is an agency of the United States Department of Treasury responsible for administering the tax laws of the United States including the ascertainment, computation, assessment, and collection of income taxes and payroll taxes.

### **Payroll Taxes**

9. Defendant JEREMIAH CHEFF and his wife caused the Cheff Businesses to withhold taxes from employees’ paychecks including federal income taxes, Medicare, and Social Security taxes. Medicare, and Social Security taxes are often referred to as Federal Insurance Contribution Act taxes or “FICA” taxes. Withheld federal income taxes and FICA taxes will be referred to collectively in this indictment as “payroll taxes.” The amount of payroll taxes withheld by an employer must be held in trust for the United States.

10. The Cheff Businesses were required to pay over the payroll taxes to the IRS on a periodic basis. The Cheff Businesses were also required to file with the IRS, on a quarterly basis, an Employer’s Quarterly Federal Income Tax Return (“Form 941”) due at the end of the month following the end of each calendar quarter. On the Forms 941, the Cheff Businesses were required to report the total amount of wages and other compensation subject to withholding, the total amount

of income tax withheld, the total amount of FICA taxes due, and the total tax deposits, among other things.

11. As the owners who controlled the operation, management, and business activity of the Cheff Businesses, defendant JEREMIAH CHEFF and his wife were both responsible for withholding payroll taxes from the paychecks of employees. They were also both responsible for accounting to the IRS for the payroll taxes of the Cheff Businesses by filing Forms 941 and were both responsible for paying the payroll taxes over to the IRS.

12. Defendant JEREMIAH CHEFF and his wife used an outside company for payroll services including the preparation of Forms 941 for the Cheff Businesses.

13. Defendant JEREMIAH CHEFF and his wife were regularly supplied with Forms 941 for the Cheff Businesses prepared by the outside company along with detailed mailing instructions, filing due dates, and payment amounts.

14. From the quarter ending September 30, 2010, through the quarter ending September 30, 2014, defendant JEREMIAH CHEFF and his wife withheld payroll taxes from the paychecks of the employees of the Cheff Businesses but failed to pay over those funds to the IRS and failed to timely file Forms 941 for those quarters.

15. While failing to pay over payroll taxes due to the IRS, defendant JEREMIAH CHEFF and his wife spent portions of the funds of the Cheff Businesses for their personal benefit and enjoyment.

#### **IRS Collection Actions**

16. On or about January 20, 2012, defendant JEREMIAH CHEFF and his wife were contacted by an IRS Revenue Officer about delinquent Forms 941 for Nico's Place.

17. On or about February 4, 2012, defendant JEREMIAH CHEFF signed Forms 941 for Nico's Place and caused them to be sent to the IRS but did not send any payment.

18. On or about April 20, 2012, the IRS filed a Notice of Federal Tax Lien in an effort to collect the delinquent payroll taxes for Nico's Place.

19. After the Notice of Federal Tax Lien was filed, defendant JEREMIAH CHEFF and his wife still failed to pay over the payroll taxes due.

20. On or about May 9, 2012, defendant JEREMIAH CHEFF sent an \$80,000 fake financial instrument to an IRS Revenue Officer in purported payment of delinquent payroll taxes.

21. On or about August 1, 2012, defendant JEREMIAH CHEFF sent a letter to an IRS Revenue Officer falsely claiming that he had paid the delinquent payroll taxes with the \$80,000 fake financial instrument.

### **False Tax Returns**

22. In and around June of 2016, defendant JEREMIAH CHEFF supplied his tax preparer with false information regarding his businesses, including Hunter's Home.

23. On or about June 13, 2016, defendant JEREMIAH CHEFF caused the filing with the IRS of false Partnership Income Returns for Hunter's Home for 2013, 2014, and 2015. These returns contained false entries for deductions and false entries for partners' distributive share items, among other falsities.

### **COUNTS ONE THROUGH SIXTY**

(26 U.S.C. § 7202 – Failure to Account For and Pay Over Payroll Taxes;  
18 U.S.C. § 2 Aiding and Abetting)

24. Paragraphs 1 through 19 of this Indictment are realleged and reincorporated herein.

25. Beginning on or about October 31, 2010, and continuing up to and including on or about October 31, 2014, in the Eastern District of Michigan, defendant JEREMIAH CHEFF did willfully fail to truthfully account for and pay over to the IRS all of the federal income taxes withheld and FICA taxes due and owing to the United States on behalf of his businesses and employees, for each of the following quarters, with each calendar quarter constituting a separate count of this Superseding Indictment, as set forth below:

<b>Count</b>	<b>Cheff Business</b>	<b>Quarter/Year</b>	<b>Form 941 Due on or About Date</b>
<b>1</b>	Hilltop Estates	Fourth Quarter 2010	January 31, 2011
<b>2</b>	Hilltop Estates	First Quarter 2011	April 30, 2011
<b>3</b>	Hilltop Estates	Second Quarter 2011	July 31, 2011
<b>4</b>	Hilltop Estates	Third Quarter 2011	October 31, 2011
<b>5</b>	Hilltop Estates	Fourth Quarter 2011	January 31, 2012
<b>6</b>	Hilltop Estates	First Quarter 2012	April 30, 2012
<b>7</b>	Hilltop Estates	Second Quarter 2012	July 31, 2012
<b>8</b>	Hilltop Estates	Third Quarter 2012	October 31, 2012
<b>9</b>	Hilltop Estates	Fourth Quarter 2012	January 31, 2013
<b>10</b>	Harmony Manor	First Quarter 2011	April 30, 2011
<b>11</b>	Harmony Manor	Second Quarter 2011	July 31, 2011
<b>12</b>	Harmony Manor	Third Quarter 2011	October 31, 2011
<b>13</b>	Harmony Manor	Fourth Quarter 2011	January 31, 2012
<b>14</b>	Harmony Manor	First Quarter 2012	April 30, 2012
<b>15</b>	Harmony Manor	Second Quarter 2012	July 31, 2012
<b>16</b>	Harmony Manor	Third Quarter 2012	October 31, 2012
<b>17</b>	Harmony Manor	Fourth Quarter 2012	January 31, 2013
<b>18</b>	Hunter's Home	Third Quarter 2010	October 31, 2010
<b>19</b>	Hunter's Home	Fourth Quarter 2010	January 31, 2011
<b>20</b>	Hunter's Home	First Quarter 2011	April 30, 2011

21	Hunter's Home	Second Quarter 2011	July 31, 2011
22	Hunter's Home	Third Quarter 2011	October 31, 2011
23	Hunter's Home	Fourth Quarter 2011	January 31, 2012
24	Hunter's Home	First Quarter 2012	April 30, 2012
25	Hunter's Home	Second Quarter 2012	July 31, 2012
26	Hunter's Home	Third Quarter 2012	October 31, 2012
27	Hunter's Home	Fourth Quarter 2012	January 31, 2013
28	Hunter's Home	First Quarter 2013	April 30, 2013
29	Hunter's Home	Second Quarter 2013	July 31, 2013
30	Hunter's Home	Third Quarter 2013	October 31, 2013
31	Hunter's Home	Fourth Quarter 2013	January 31, 2014
32	Hunter's Home	First Quarter 2014	April 30, 2014
33	Hunter's Home	Second Quarter 2014	July 31, 2014
34	Hunter's Home	Third Quarter 2014	October 31, 2014
35	Deerwood Manor	First Quarter 2011	April 30, 2011
36	Deerwood Manor	Second Quarter 2011	July 31, 2011
37	Deerwood Manor	Third Quarter 2011	October 31, 2011
38	Deerwood Manor	Fourth Quarter 2011	January 31, 2012
39	Deerwood Manor	First Quarter 2012	April 30, 2012
40	Deerwood Manor	Second Quarter 2012	July 31, 2012
41	Deerwood Manor	Third Quarter 2012	October 31, 2012
42	Deerwood Manor	Fourth Quarter 2012	January 31, 2013



43	Deerwood Manor	First Quarter 2013	April 30, 2013
44	Deerwood Manor	Second Quarter 2013	July 31, 2013
45	Nico's Place	Third Quarter 2010	October 31, 2010
46	Nico's Place	Fourth Quarter 2010	January 31, 2011
47	Nico's Place	First Quarter 2011	April 30, 2011
48	Nico's Place	Second Quarter 2011	July 31, 2011
49	Nico's Place	Third Quarter 2011	October 31, 2011
50	Nico's Place	Fourth Quarter 2011	January 31, 2012
51	Nico's Place	First Quarter 2012	April 30, 2012
52	Nico's Place	Second Quarter 2012	July 31, 2012
53	Nico's Place	Third Quarter 2012	October 31, 2012
54	Nico's Place	Fourth Quarter 2012	January 31, 2013
55	Nico's Place	First Quarter 2013	April 30, 2013
56	Nico's Place	Second Quarter 2013	July 31, 2013
57	Nico's Place	Third Quarter 2013	October 31, 2013
58	Nico's Place	Fourth Quarter 2013	January 31, 2014
59	Nico's Place	First Quarter 2014	April 30, 2014
60	Nico's Place	Second Quarter 2014	July 31, 2014

Each of these counts is a separate violation of 26 U.S.C. § 7202 and 18 U.S.C. § 2.

**COUNT SIXTY-ONE**

(26 U.S.C. § 7212(a) – Corrupt Endeavor to Obstruct Due Administration of Internal Revenue Laws)

26. Paragraphs 1 through 23 of this Superseding Indictment are re-alleged and incorporated as if fully set forth herein.

27. Beginning in or around January of 2012, and continuing through June of 2016, in the Eastern District of Michigan and elsewhere, defendant, JEREMIAH CHEFF, did corruptly endeavor to obstruct and impede the due administration of the internal revenue laws by the following means, among others: (1) fraudulently treating AFC workers as independent contractors rather than employees; (2) attempting to pay delinquent payroll taxes with a fake financial instrument; (3) spending funds from the Cheff Businesses for the personal benefit of himself and others instead of paying those funds to the IRS; (4) supplying false information to his tax preparer regarding the Cheff businesses, including Hunter's Home; and (5) causing tax returns containing false items to be filed with the IRS for the Cheff businesses, including, among others, false Partnership Income Returns for Hunter's Home for 2013, 2014, and 2015.

All in violation of Title 26, United States Code, Section 7212(a).

**COUNT SIXTY-TWO**

(26 U.S.C. § 7203 – Willful Failure to File)

28. During the calendar year 2013, defendant JEREMIAH CHEFF had and received gross income in excess of the threshold requiring him to file an income tax return. By reason of that gross income, he was required by law, following the close of the calendar year 2013 and on or before April 15, 2014, to file an income tax return with the IRS stating specifically the items of his gross income and any deductions and credits to which he was entitled. Well knowing and believing all the foregoing, he did willfully fail, on or about April 15, 2014, in the Eastern District of Michigan to file an income tax return.

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

**COUNT SIXTY-THREE**

(26 U.S.C. § 7203 – Willful Failure to File)

29. During the calendar year 2014, defendant JEREMIAH CHEFF had and received gross income in excess of the threshold requiring him to file an income tax return. By reason of that gross income, he was required by law, following the close of the calendar year 2014 and on or before April 15, 2015, to file an income tax return with the IRS stating specifically the items of his gross income and any deductions and credits to which he was entitled. Well knowing and believing all

the foregoing, he did willfully fail, on or about April 15, 2015, in the Eastern District of Michigan to file an income tax return.

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

**COUNT SIXTY-FOUR**

(26 U.S.C. § 7203 – Willful Failure to File)

30. During the calendar year 2015, defendant JEREMIAH CHEFF had and received gross income in excess of the threshold requiring him to file an income tax return. By reason of that gross income, he was required by law, following the close of the calendar year 2015 and on or before April 18, 2016, to file an income tax return with the IRS stating specifically the items of his gross income and any deductions and credits to which he was entitled. Well knowing and believing all the foregoing, he did willfully fail, on or about April 18, 2016, in the Eastern District of Michigan to file an income tax return.

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

THIS IS A TRUE BILL

Dated: April 19, 2017

s/GRAND JURY FOREPERSON

DANIEL L. LEMISCH  
Acting United States Attorney

s/JEFFREY A. MCLELLAN  
Trial Attorney  
U.S. Department of Justice, Tax Division

s/CARL F. BROOKER, IV  
Trial Attorney  
U.S. Department of Justice, Tax Division

(Companion Case information MUST be completed by AUSA and initialed.)

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

Case Number 16-cr-20700

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: **APR 19 2017**This may be a companion case based upon LCrR 57.10 (b)(4)<sup>1</sup>:Judge Assigned: Linda V. Parker  
DISTRICT COURT  
EAST LANSING, MICHIGAN☐ Yes ☒ No

AUSA's Initials: JM

Case Title: USA v. JEREMIAH CHEFFCounty where offense occurred: Genesee and other countiesCheck One: ☒ Felony ☐ Misdemeanor ☐ Petty☐ Indictment/ ☐ Information --- no prior complaint.☐ Indictment/ ☐ Information --- based upon prior complaint [Case number: ]☒ Indictment/ ☐ Information --- based upon LCrR 57.10 (d) [Complete Superseding section**Superseding Case Information**Superseding to Case No: 16-cr-20700Judge: Linda V. Parker☐ 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)**Jeremiah Cheff26 U.S.C sec 7212(a)26 U.S.C sec 7203 (three counts)

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

April 19, 2017

Date

JEFFREY A. MCLELLAN, Trial Attorney  
U.S. Department of Justice, Tax Division<sup>1</sup> Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same 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.