

CR 15 151

JMK/SA:CO/MM
F. #2012R01636

ALABI, et al.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK **REYES M.J**

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UNITED STATES OF AMERICA

INDICTMENT

- against -

Cr. No. _____
(T. 26, U.S.C., §§ 7206(1) and 7206(2),
T.18, U.S.C. §§ 2 and 3551 et seq.)

ALABI GBANGBALA,

Defendant.

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THE GRAND JURY CHARGES:

At all times relevant to this Indictment, unless otherwise indicated:

1. The defendant ALABI GBANGBALA, operated Broadfield, a tax return preparation business located in Staten Island, New York. Broadfield was owned by Witness #1, an individual whose identity is known to the Grand Jury.

2. Through Broadfield, the defendant ALABI GBANGBALA prepared and caused to be prepared U.S. Individual Income Tax Returns, Forms 1040, and related Internal Revenue Service ("IRS") Schedules and Forms on behalf of clients for submission to the IRS using, among other means, the Electronic Filing Identification Number ("EFIN") assigned by the IRS to Broadfield on or about October 24, 2001.

3. An EFIN was a unique, non-transferable identification number assigned by the IRS to a firm that had completed an IRS electronic filing application to become an authorized IRS electronic file provider, in order to provide electronic tax return filing services to clients.

4. A Form 1040 was an annual income tax return filed with the IRS by citizens or residents of the United States that reports income, exemptions and deductions to determine the amount of tax owed or the amount to be refunded to the taxpayer. An exemption reduced an individual taxpayer's taxable income and was claimed on a Form 1040 based on the number of dependents claimed by the taxpayer. A Schedule A, "Itemized Deductions" ("Schedule A"), was an IRS form that was attached to a Form 1040 when applicable and was used by taxpayers to claim certain permissible deductions from taxable income. Deductions claimed on a Schedule A included, among other things, gifts to charity, job-related and other miscellaneous expenses, such as unreimbursed employee expenses, tax preparation fees and state and local taxes paid. A Schedule C, "Profit or Loss from Business (Sole Proprietorship)" ("Schedule C"), was an IRS form that was attached to a Form 1040 when applicable and was used by a taxpayer to report gross receipts, expenses and profit or loss from a business operated by the taxpayer as a sole proprietorship.

5. The defendant ALABI GBANGBALA prepared false Forms 1040 and related Schedules and Forms for Broadfield's clients for tax years 2008 and 2009 through a number of means. For example, GBANGBALA prepared Forms 1040 that failed to report accurate exemptions or reported inflated and fictitious exemptions. GBANGBALA also attached Schedules A that reported inflated or fictitious deductions for, among other things, charitable contributions, unreimbursed employee expenses and other expenses. GBANGBALA also attached Schedules C that reported businesses that clients did not own, operate and materially participate in, and business gross receipts and losses that the clients did not incur.

6. The defendant ALABI GBANGBALA's preparation of false Forms 1040 and related Schedules and Forms resulted in clients improperly benefitting from a decrease in the amount of tax due and owing to the IRS.

COUNTS ONE THROUGH THIRTY-TWO
(Aiding and Assisting in the Preparation of False and Fraudulent Tax Returns)

7. The allegations contained in paragraphs one through six are realleged and incorporated as if fully set forth in herein.

8. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendant ALABI GBANGBALA did willfully aid and assist in, and procure, counsel and advise the preparation and presentation to the IRS under the internal revenue laws, of U.S. Individual Income Tax Returns, Forms 1040 and attached Schedules and Forms, for the taxpayers, whose identities are known to the Grand Jury, and calendar years set forth below. The returns were false and fraudulent as to material matters, in that they represented in line items set forth in the Forms 1040 and attached Schedules and Forms that the taxpayers had (1) business income or losses, (2) exemptions, (3) deductions and (4) credits, as set forth below, whereas GBANGBALA then and there well knew and believed, that said taxpayers were not entitled to claim such line items in the following amounts:

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
1	Client #1	2008	February 26, 2009	a. Schedule A – Gifts to Charity by cash or check – Line 16, \$8,180 b. Schedule A – Unreimbursed employee expenses – Line 21, \$19,976

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
2	Client #2	2009	January 16, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 –Line 42, Exemptions, \$10,950 c. Schedule C – Gross receipts – Line 1, \$18,900 d. Schedule C – Total expenses – Line 28, \$1,745
3	Client #3	2008	February 23, 2009	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$6,300
4	Client #3	2009	February 5, 2010	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$6,300
5	Client #4	2008	January 17, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,500 c. Schedule C – Gross receipts – Line 1, \$13,698 d. Schedule C – Total expenses – Line 28, \$695
6	Client #5	2008	January 19, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,500 c. Schedule C – Gross receipts – Line 1, \$16,325 d. Schedule C – Total expenses – Line 28, \$1,075
7	Client #5	2009	January 16, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,950 c. Schedule C – Gross receipts – Line 1, \$18,500 d. Schedule C – Total expenses – Line 28, \$1,455

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
8	Client #6	2009	January 19, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 –Line 42, Exemptions, \$10,950 c. Schedule C – Gross receipts – Line 1, \$19,230 d. Schedule C – Total expenses – Line 28, \$1,485
9	Client #7	2008	February 11, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 –Line 42, Exemptions, \$7,000 c. Schedule A – Gifts to Charity by cash or check – Line 16, \$6,030 d. Schedule A – Gifts to charity, other than by cash or check – Line 17, \$3,900 e. Schedule A – Unreimbursed employee expenses – Line 21, \$5,118
10	Client #7	2009	February 5, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$7,300 c. Schedule A – Gifts to Charity by cash or check – Line 16, \$6,000 d. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$2,800 e. Schedule A – Unreimbursed employee expenses – Line 21, \$6,744

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
11	Client #8	2008	February 2, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 –Line 42, Exemptions, \$10,500 c. Schedule A – Gifts to Charity by cash or check – Line 16, \$5,320 d. Schedule A – Unreimbursed employee expenses – Line 21, \$4,727 e. Schedule A – Other expenses – Line 23, \$4,188
12	Client #8	2009	February 2, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 –Line 42, Exemptions, \$10,950 c. Schedule A – Gifts to Charity by cash or check – Line 16, \$5,750 d. Schedule A – Unreimbursed employee expenses – Line 21, \$6,600 e. Schedule A – Other expenses – Line 23, \$5,855
13	Client #9	2009	January 16, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2). Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,950 c. Schedule C – Gross receipts – Line 1, \$15,000 d. Schedule C – Total expenses – Line 28, \$1,285

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
14	Client #10	2008	February 12, 2009	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$15,100 b. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$6,900 c. Schedule A – Unreimbursed employee expenses – Line 21, \$6,977 d. Schedule A – Other expenses – Line 23, \$15,764
15	Client #10	2009	January 27, 2010	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$23,400 b. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$7,200 c. Schedule A – Unreimbursed employee expenses – Line 21, \$6,292 d. Schedule A – Other expenses – Line 23, \$18,840
16	Client #11	2008	January 30, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,500
17	Client #11	2009	January 28, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,950 c. Schedule C – Total expenses – Line 28, \$8,745
18	Client #12	2008	February 18, 2009	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$9,310 b. Schedule A – Unreimbursed employee expenses – Line 21, \$8,580

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
19	Client #12	2009	February 20, 2010	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by Cash or Check – Line 16, \$14,425 b. Schedule A – Unreimbursed employee expenses – Line 21, \$11,850
20	Client #13	2008	February 5, 2009	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$8,502 b. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$5,800 c. Schedule A – Unreimbursed employee expenses – Line 21, \$9,218
21	Client #13	2009	February 1, 2010	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$12,700 b. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$4,800 c. Schedule A – Unreimbursed employee expenses – Line 21, \$4,920
22	Client #14	2008	January 17, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,500 c. Schedule C – Gross receipts – Line 1, \$18,500 d. Schedule C – Total expenses – Line 28, \$980
23	Client #14	2009	January 16, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s Social Security Number b. Form 1040 – Line 42, Exemptions, \$10,950 c. Schedule C – Gross receipts – Line 1, \$17,020 d. Schedule C – Total expenses – Line 28, \$705

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
24	Client #15	2008	February 12, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 –Line 42, Exemptions, \$10,500
25	Client #16	2009	January 23, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$10,950 c. Schedule C – Gross receipts – Line 1, \$15,300 d. Schedule C – Total expenses – Line 28, \$735
26	Client #17	2008	February 9, 2009	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$7,030 b. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$7,530 c. Schedule A – Unreimbursed employee expenses – Line 21, \$4,975 d. Schedule A – Other expenses – Line 23, \$7,456
27	Client #17	2009	January 27, 2010	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$4,940 b. Schedule A – Unreimbursed employee expenses – Line 21, \$5,720 c. Schedule A – Other expenses – Line 23, \$2,646

COUNT	TAXPAYER	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM(S)
28	Client #18	2008	February 7, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s Social Security Number b. Form 1040 – Line 42, Exemptions, \$3,500 c. Schedule A – Gifts to Charity by Cash or Check – Line 16, \$6,603 d. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$3,500 e. Schedule A – Unreimbursed employee expenses – Line 21, \$6,462
29	Client #18	2009	February 26, 2010	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line 42, Exemptions, \$3,650 c. Schedule A – Gifts to Charity by cash or check – Line 16, \$7,500 d. Schedule A – Unreimbursed employee expenses – Line 21, \$5,565
30	Client #19	2008	February 9, 2009	<ul style="list-style-type: none"> a. Form 1040 – Line 6c(2), Dependent’s social security number b. Form 1040 – Line, 42, Exemptions, \$7,000 c. Schedule A – Gifts to Charity by cash or check – Line 16, \$24,100 d. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$6,500
31	Client #19	2009	February 13, 2010	<ul style="list-style-type: none"> a. Schedule A – Gifts to Charity by cash or check – Line 16, \$22,800 b. Schedule A – Gifts to Charity, other than by cash or check – Line 17, \$4,900

(Title 26, United States Code, Section 7206(2); Title 18, United States Code, Sections 2 and 3551 et seq.)

COUNTS THIRTY-TWO THROUGH THIRTY-FOUR
(Willfully Filing A False Tax Return)

9. The allegations contained in paragraphs one through six are realleged and incorporated as if fully set forth in herein.

10. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendant ALABI GBANGBALA did willfully make and subscribe U.S. Individual Income Tax Returns, Forms 1040, for the tax years listed below, which were verified by written declaration that they were made under the penalties of perjury and which were filed with the IRS Center at Andover, Massachusetts, which tax returns the defendant did not believe to be true and correct as to every material matter, in that the returns stated at Line 22 that the defendant received total income in the amounts identified below, whereas, as the defendant then and there well knew and believed, he received materially more than he reported:

COUNT	TAX YEAR	APPROXIMATE FILING DATE	FALSE ITEM
32	2008	February 23, 2009	Form 1040 – Total Income – Line 22, \$18,900
33	2009	February 22, 2010	Form 1040 – Total Income – Line 22, \$18,613
34	2010	January 29, 2011	Form 1040 – Total Income – Line 22, \$21,469


(Title 26, United States Code, Section 7206(1); Title 18, United States Code, Sections 3551 et seq.)

A True Bill



FOREPERSON

LORETTA E. LYNCH
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

BY: 
ACTING UNITED STATES ATTORNEY
PURSUANT TO 28 C.F.R. 0.136

F. #2012R01636
FORM DBD-34
JUN. 85

No. _____

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

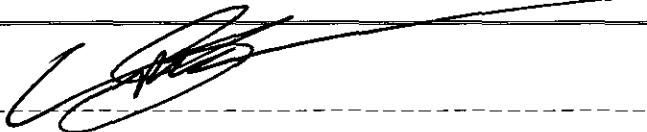
ALABI GBANGBALA,

Defendant.

INDICTMENT

(T. 26, U.S.C., §§ 7206(1) and 7206(2), T.18, U.S.C. §§ 2 and 3551 et seq.)

A true bill.



Foreperson

Filed in open court this _____ day,

of _____ A.D. 20 _____

Clerk

Bail. \$ _____