

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA * **CRIMINAL NO. 13-125**

v. * **SECTION: "B"**

CATHY ROSS VINNETT *

* * *

FACTUAL BASIS

Should this matter have proceeded to trial, the Government would have proven, through the introduction of competent testimony and admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Indictment now pending against the defendant.

INTRODUCTION

The Government would establish that the defendants, **CATHY ROSS VINNETT** ("**CATHY VINNETT**") and her daughter, Lashanda Ruth Vinnett ("**Lashanda Vinnett**"), were engaged in the practice and business of preparing false individual tax returns in the Eastern District of Louisiana and elsewhere. Specifically, on or about December 12, 2008, **CATHY VINNETT** established River Parish Tax Professionals ("**River Parish**") located in LaPlace, Louisiana.

The Government would establish that from on or about December 12, 2008, and continuing to June 1, 2009, the defendants, **CATHY VINNETT** and Lashanda Vinnett, entered into an agreement, a combination, and a conspiracy with each other to defraud the Internal Revenue Service ("IRS"), a department of the United States Treasury, by obtaining and aiding to obtain the payment and allowance of false, fictitious, and fraudulent claims for tax refunds. The Government would establish that the defendants, **CATHY VINNETT** and Lashanda Vinnett, collected personal information from individuals to prepare and file approximately three hundred 2008 U.S. Individual Income Tax Returns which fraudulently claimed the First-Time Homebuyer Credit ("FTHBC"), the Earned Income Tax Credit ("EITC"), as well as the listing of false dependents resulting in approximately \$1,800,000.00 in false claims against the United States.

The FTHBC was a refundable tax credit up to \$7,500.00 that was only available to individuals who purchased a home between April 1, 2008 and December 1, 2009, and who did not own any other primary residence during the three year time period preceding the purchase of the home. Each claim was false because the individuals listed on the subject 2008 U.S. Individual Income Tax Returns did not purchase a home between April 1, 2008 and December 1, 2009, and thus did not qualify for the FTHBC. A tax filer could claim the FTHBC by completing an IRS Form 1040 with an attached IRS Form 5405 regardless of whether the filer had any federal tax withholdings.

The Government would further establish that the IRS was an agency of the United States and a branch of the United States Department of the Treasury and the IRS was responsible for the collection of federal income taxes owed by individual taxpayers and business entities.

THE OFFENSE

The Government would establish that on or about November 8, 2008, Lashanda Vinnett rented office space for River Parish located at 526 East Airline Highway in LaPlace, Louisiana and on or about January 1, 2009, **CATHY VINNETT** and Lashanda Vinnett opened River Parish.

The Government would further establish that prior to December 12, 2008, Lashanda Vinnett, using the identity of an acquaintance applied for an EFIN¹ with the IRS. **CATHY VINNETT** and Lashanda Vinnett specifically tried to conceal and shield **CATHY'S** identity with the IRS, knowing that the IRS had previously suspended **CATHY'S** EFIN number as a result of another fraudulent tax scheme involving D&C Tax Service. In addition, the Government would show that beginning sometime after December 2008, and continuing through June 1, 2009, **CATHY VINNETT** and Lashanda Vinnett utilized "recruiters" to locate potential "clients." These recruiters advised potential clients that the President and the federal Government were giving out stimulus money and instructed the individuals to visit River Parish in order to obtain their money.

CATHY VINNETT and Lashanda Vinnett would interview clients at their office in LaPlace, Louisiana to obtain their personal information. **CATHY VINNETT** and Lashanda Vinnett would then use that personal information to file false tax returns. The clients had no knowledge that **CATHY VINNETT** and Lashanda Vinnett were filing false returns in their names.

On or about January 5, 2009, **CATHY VINNETT** instructed her brother to open a bank account for River Parish at the J.P. Morgan Chase Bank branch located in LaPlace, Louisiana

¹ An Electronic Filing Identification Number ("EFIN") is assigned by the IRS to identify tax preparation firms or businesses that have completed the IRS e-file application process and an EFIN is required for the firm or business to electronically file federal tax returns.

and the following day, on January 6, 2009, **CATHY VINNETT** instructed her brother to obtain an occupational license for River Parish. On May 1, 2009, **CATHY VINNETT** instructed her brother to open a bank account for River Parish at Omni Bank located in LaPlace, Louisiana. Throughout the course of the conspiracy, **CATHY VINNETT** instructed her brother to make hundreds of thousands of dollars in cash withdrawals from River Parish bank accounts. **CATHY** kept the majority of the money withdrawn by her brother. **CATHY** used the money to support her gambling habit and other personal expenditures.

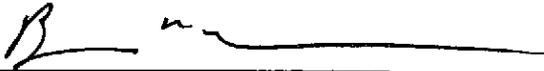
The Government would establish that on or about May 15, 2009, **CATHY VINNETT** knowingly made material false statements to IRS federal agents when she claimed she had no knowledge about false tax returns being prepared at River Parish, she did not own a tax business, and that her brother was the owner of River Parish.

From on or about December 12, 2008, and continuing through on or about June 1, 2009, **CATHY VINNETT** and Lashanda Vinnett used, or directed others to use, a fraudulently obtained EFIN to file approximately three hundred 2008 U.S. Individual Income Tax Returns with the IRS. The Government would establish at trial that the defendants **CATHY VINNETT** and Lashanda Vinnett intended to cause a total loss to the United States of \$1.845 million dollars. The Government would have established at trial that on or about the dates listed below, the defendants, as specified below, after meeting with the below listed River Parish clients, filed, or directed someone to file, a tax return with the IRS in the client's name that fraudulently claimed a refund in the amounts listed below based on a false FTHBC, false dependent information, and false EITC.

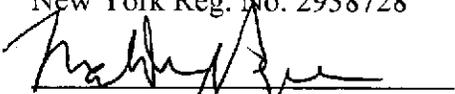
Date	Defendant	Client's Initials	Amount of Fraudulent Claim
January 5, 2009	Cathy Vinnett	M.F.	\$10,263.00

Date	Defendant	Client's Initials	Amount of Fraudulent Claim
March 16, 2009	Cathy Vinnett	P.W.	\$6,974.00
April 1, 2009	Cathy Vinnett	W.L.	\$10,003.00
April 16, 2009	Lashanda Vinnett	R.V.	\$7,365.00
April 16, 2009	Cathy Vinnett	B.B.	\$6,472.00
April 16, 2009	Cathy Vinnett	S.E.	\$6,984.00
April 16, 2009	Cathy Vinnett	C.B. and L.B.	\$7,061.00 and \$6,472.00
May 7, 2009	Lashanda Vinnett	T.F.	\$5,297.00
March 16, 2009	Cathy Vinnett	J.W.	\$6,242.00
April 16, 2009	Cathy Vinnett	D.F.	\$7,315.00
April 16, 2009	Cathy Vinnett	H.F.	\$5,398.00

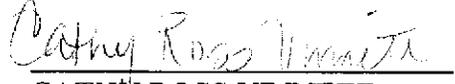
Various records and testimonial evidence, including testimony from representatives of the IRS, as well as, other witnesses would also be admitted to prove the facts set forth above.


 BRIAN M. KLEBBA
 Assistant United States Attorney
 New York Reg. No. 2938728

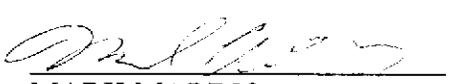
6/16/14
 Date


 MATTHEW PAYNE
 Assistant United States Attorney
 Louisiana Bar Roll No. 32631

6/16/2014
 Date


 CATHY ROSS VINNETT
 Defendant

6/16/2014
 Date


 MARK MARINO
 Counsel for Defendant

6/16/14
 Date