

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>13-</u>
v.	:	DATE FILED: <u>February 25, 2013</u>
DARLENE JOHNSON	:	VIOLATIONS:
SHERYL McPHAIL	:	18 U.S.C. § 286 (conspiracy to submit
TRACEY HILL	:	false claims to government agency - 1
	:	count)
	:	18 U.S.C. § 287 (submission of false
	:	claims to government agency - 3 counts)
	:	18 U.S.C. § 2 (aiding and abetting)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. The Housing and Economic Recovery Act of 2008 (“HERA”) established a tax credit for first-time home buyers which had a maximum value of \$8,000.

2. For first-time home buyers who purchased homes after April 8, 2008, the First Time Home Buyer’s Credit (“FTHBC”) could be claimed by using form 5405, which was required to be filed with the taxpayer’s 2008 federal income tax return.

3. The FTHBC was ten percent of the purchase price of the home, with a maximum available credit of \$8,000 for a single taxpayer, or a married couple filing a joint return.

4. The Internal Revenue Service (“IRS”) was a constituent agency of the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States, including the FTHBC, in addition to collecting taxes owed to the Treasury of

the United States.

5. From in or about March 2009 through in or about November 2009, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendants

**DARLENE JOHNSON,
SHERYL McPHAIL and
TRACEY HILL**

conspired and agreed, together and with others known and unknown to the grand jury, to knowingly make and present, and cause to be made and presented, to the IRS, an agency of the Department of the Treasury, claims against United States for payments, which they knew to be false, fictitious, or fraudulent, in violation of Title 18, United States Code, Section 287.

MANNER AND MEANS

It was part of the conspiracy that:

6. Defendant DARLENE JOHNSON prepared and electronically filed federal income tax returns in which she sought the FTHBC purportedly on behalf of various individuals, which individuals she knew were not entitled to the credit.

7. Defendant SHERYL McPHAIL provided the names and other identifiers to defendant DARLENE JOHNSON, of individuals ostensibly on whose behalf defendant JOHNSON prepared and electronically filed federal income tax returns, in which defendant JOHNSON fraudulently sought the FTHBC.

8. Defendant TRACEY HILL provided the names and other identifiers to defendant DARLENE JOHNSON, of individuals ostensibly on whose behalf defendant JOHNSON prepared and electronically file federal income tax returns, in which defendant JOHNSON fraudulently sought the FTHBC.

9. Defendant SHERYL McPHAIL and defendant TRACEY HILL received payment from defendant DARLENE JOHNSON, in exchange for providing defendant JOHNSON with names and other identifiers of individuals, ostensibly on whose behalf, defendant JOHNSON sought the FTHBC.

10. On several occasions, as a mechanism for defendant DARLENE JOHNSON to pay defendant SHERYL McPHAIL and defendant TRACEY HILL for the names and identifiers that they provided to defendant JOHNSON, proceeds from fraudulently obtained FTHBCs were directly deposited into defendant McPHAIL's and defendant HILL's respective bank accounts.

11. As a result of the execution of their scheme to submit false claims to the government, the defendants fraudulently sought approximately \$ 390,680.65 in FTHBCs and received FTHBCs totaling approximately \$ 367,180.65.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objective, defendants DARLENE JOHNSON, SHERYL McPHAIL and TRACEY HILL committed the following overt acts, among others, in the Eastern District of Pennsylvania:

1. On or about March 2, 2009, ostensibly on behalf of B.T., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$6,645 FTHBC.

2. On or about March 2, 2009, ostensibly on behalf of M.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,534 FTHBC.

3. On or about March 2, 2009, ostensibly on behalf of M.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

4. On or about March 3, 2009, ostensibly on behalf of D.W., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, the proceeds of which were deposited into defendant TRACEY HILL's bank account.

5. On or about March 9, 2009, ostensibly on behalf of T.B., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

6. On or about March 10, 2009, ostensibly on behalf of K.F., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,326 FTHBC.

7. On or about March 10, 2009, ostensibly on behalf of T.K., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,000 FTHBC.

8. On or about March 10, 2009, ostensibly on behalf of D.F., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$6,867 FTHBC.

9. On or about March 11, 2009, ostensibly on behalf of J. F., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,255 FTHBC.

10. On or about March 12, 2009, ostensibly on behalf of K.H., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

11. On or about March 12, 2009, ostensibly on behalf of T.T., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

12. On or about March 13, 2009, ostensibly on behalf of D. J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

13. On or about March 15, 2009, ostensibly on behalf of M.C., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

14. On or about March 15, 2009, ostensibly on behalf of L. S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

15. On or about March 15, 2009, ostensibly on behalf of V.S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

16. On or about March 15, 2009, ostensibly on behalf of C.F., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and

accompanying form 5405, in which she fraudulently claimed a \$7,483 FTHBC.

17. On or about March 16, 2009, ostensibly on behalf of D.H., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

18. On or about March 17, 2009, ostensibly on behalf of D.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

19. On or about March 18, 2009, ostensibly on behalf of K.S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

20. On or about March 17, 2009, ostensibly on behalf of M.H., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

21. On or about March 18, 2009, ostensibly on behalf of I.T., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,346 FTHBC.

22. On or about March 19, 2009, ostensibly on behalf of B.C., defendant DARLENE Johnson prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

23. On or about March 19, 2009, ostensibly on behalf of C.M., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and

accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

24. On or about March 20, 2009, ostensibly on behalf of M.R., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

25. On or about March 22, 2009, ostensibly on behalf of E.T., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

26. On or about March 23, 2009, ostensibly on behalf of R.C., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and the accompanying form 5405, in which she fraudulently claimed a \$ 7,500 FTHBC.

27. On or about March 23, 2009, ostensibly on behalf of P.G., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant TRACEY HILL's bank account.

28. On or about March 23, 2009, ostensibly on behalf of C.T., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant TRACEY HILL's bank account.

29. On or about March 23, 2009, ostensibly on behalf of J.S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant TRACEY HILL's bank account.

30. On or about March 23, 2009, ostensibly on behalf of J.O., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

31. On or about March 23, 2009, ostensibly on behalf of T.E., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, the proceeds of which were deposited into defendant TRACEY HILL's bank account.

32. On or about March 23, 2009, ostensibly on behalf of M.H., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant TRACEY HILL's bank account.

33. On or about March 23, 2009, ostensibly on behalf of J. S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, the proceeds of which were deposited into defendant TRACEY HILL's bank account.

34. On or about March 23, 2009, ostensibly on behalf of G.S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant TRACEY HILL's bank account.

35. On or about March 24, 2009, ostensibly on behalf of B.M., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

36. On or about March 24, 2009, ostensibly on behalf of A.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently's claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

37. On or about March 24, 2009, ostensibly on behalf of L.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

38. On or about March 24, 2009, ostensibly on behalf of J.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC, a portion of the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

39. On or about March 27, 2009, as the result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$7,500 was directly deposited into defendant TRACEY HILL's bank account.

40. On or about April 15, 2009, ostensibly on behalf of K.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed an \$8,000 FTHBC, the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

41. On or about April 20, 2009, ostensibly on behalf of J.S., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed an \$8,000 FTHBC, the proceeds of

which were deposited into defendant SHERYL McPHAIL's bank account.

42. On or about April 24, 2009, ostensibly on behalf of D.J., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed an \$8,000 FTHBC, the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

43. On or about April 30, 2009, as the result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$693.05 was directly deposited into defendant TRACEY HILL's bank account.

44. On or about May 3, 2009, ostensibly on behalf of S.B., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed a \$7,500 FTHBC.

45. On or about May 6, 2009, ostensibly on behalf of C.M., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accounting form 5405, in which she fraudulently claimed an \$8,000 FTHBC, the proceeds of which were deposited into defendant SHERYL McPHAIL's bank account.

46. On or about May 8, 2009, as the result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$8,000 was directly deposited into defendant TRACEY HILL's bank account.

47. On or about May 8, 2009, as the result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$4,591.57 was directly deposited into defendant TRACEY HILL's bank account.

48. On or about May 22, 2009, as the result of an electronically filed federal

income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$8,000 was directly deposited into defendant TRACEY HILL's bank account.

49. On or about May 26, 2009, ostensibly on behalf of J. H., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405, in which she fraudulently claimed an \$8,000 FTHBC, the proceeds of which, if any, were intended for deposit into defendant SHERYL McPHAIL's bank account.

50. On or about May 26, 2009, ostensibly on behalf of U.H., defendant DARLENE JOHNSON prepared and electronically filed a federal income tax return and accompanying form 5405 in which she fraudulently claimed an \$8,000 FTHBC, the proceeds of which, if any, were intended for deposit into defendant SHERYL McPHAIL's bank account.

51. On or about July 23, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,337 was deposited into defendant SHERYL McPHAIL's bank account.

52. On or about July 24, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,490 was deposited into defendant in SHERYL McPHAIL's bank account.

53. On or about August 6, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,087 was deposited into defendant TRACEY HILL's bank account.

54. On or about August 6, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,302 was deposited into defendant TRACEY HILL's bank account.

55. On or about August 7, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,510 was deposited into defendant in SHERYL McPHAIL's bank account.

56. On or about August 7, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,587 was deposited into defendant TRACEY HILL's bank account.

57. On or about August 20, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,282 was deposited into defendant SHERYL McPHAIL's bank account.

58. On or about September 3, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,147 was deposited into defendant TRACEY HILL's bank account.

59. On or about September 3, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$6,047 was deposited into defendant SHERYL McPHAIL's bank account.

60. On or about September 4, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,570 was deposited into defendant SHERYL McPHAIL's bank account.

61. On or about September 4, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$6,047 was deposited into defendant SHERYL McPHAIL's bank account.

62. On or about September 24, 2009, as a result of an electronically filed

federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,507 was deposited into defendant TRACEY HILL's bank account.

63. On or about September 25, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,507 was deposited into defendant SHERYL McPHAIL's bank account.

64. On or about October 2, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$6,497 was deposited into defendant TRACEY HILL's bank account.

65. On or about October 8, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,497 was deposited into defendant SHERYL McPHAIL's bank account.

66. On or about October 9, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,572 was deposited into defendant SHERYL McPHAIL's bank account.

67. On or about October 9, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,297 was deposited into defendant TRACEY HILL's bank account.

68. On or about October 9, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$1,680.57 was deposited into defendant TRACEY HILL's bank account.

69. On or about October 23, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed,

\$5,623 was deposited into defendant TRACEY HILL's bank account.

70. On or about October 23, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,105 was deposited into defendant TRACEY HILL's bank account.

71. On or about October 30, 2009, as a result of an electronically filed federal income tax return and accompanying form 5405 in which the FTHBC was fraudulently claimed, \$5,077 was deposited into defendant SHERYL McPHAIL's bank account.

All in violation of Title 18, United States Code, Section 286.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One of this information are incorporated here.
2. On or about March 2, 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

DARLENE JOHNSON

knowingly made and presented to the IRS, an agency of the Department of the Treasury, a claim against the United States for payment, which she knew to be false, fictitious, or fraudulent, by preparing and filing a federal income tax return and accompanying form 5405, purportedly on behalf of M.J., wherein a claim for a \$7,500 income tax refund was made, with knowledge that such claim was false, fictitious, and fraudulent. This claim involved the preparation and filing of a false and fraudulent form 5405 in which the defendant, ostensibly on behalf of M.J., claimed the FTHBC.

In violation of Title 18, United States Code, Section 287.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One of this information are incorporated here.
2. On or about March 3, 2009, in the Eastern District of Pennsylvania and elsewhere, defendants

**DARLENE JOHNSON and
TRACEY HILL**

knowingly made and presented, and aided and abetted the making and presenting, to the IRS, an agency of the Department of the Treasury, a claim against the United States for payment, which they knew to be false, fictitious, or fraudulent, by preparing and filing a federal income tax return and accompanying form 5405, purportedly on behalf D.W., wherein a claim for a \$7,500 income tax refund was made, with knowledge that such claim was false, fictitious and fraudulent. This claim involved the preparation and filing of a false and fraudulent form 5405 in which the defendant, ostensibly on behalf of D.W., claimed the FTHBC.

In violation of Title 18, United States Code, Section 287.

COUNT FOUR

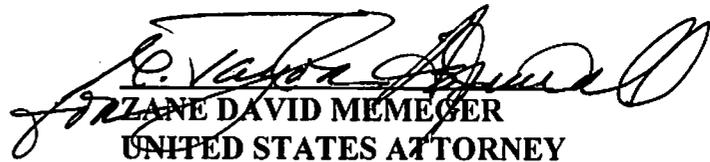
THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of this information are incorporated here.
2. On or about March 19, 2009, in the Eastern District of Pennsylvania and elsewhere, defendants

**DARLENE JOHNSON and
SHERYL McPHAIL**

knowingly made and presented, and aided and abetted the making and presenting, to the IRS, an agency of the Department of the Treasury, a claim against the United States for payment, which they knew to be false, fictitious, or fraudulent, by preparing and filing a federal income tax return and accompanying form 5405, purportedly on behalf of L.S., wherein a claim for a \$7,500 income tax refund was made, with knowledge that such claim was false, fictitious and fraudulent. This claim involved the preparation and filing of a false and fraudulent form 5405 in which the defendant, ostensibly on behalf of L.S., claimed the FTHBC.

In violation of Title 18, United States Code, Section 287.


**J. DAVID MEMEGER
UNITED STATES ATTORNEY**