

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA)	
)	No. _____
v.)	
)	Violations: Title 18, United
PATTY CORDOBA,)	States Code, Sections 286
MARIO CORDOBA,)	and 1341
LUISA CARBAJAL,)	
ALICIA AREVALO,)	
OLGA LIDIA DIAZ-HERNANDEZ,)	
also known as "OLGA DIAZ,")	
VICTOR HERNANDEZ,)	
VERONICA SANCHEZ-BARRADAS,)	
also known as "Vero Sanchez" and)	
CESAR BESICHE)	

COUNT ONE

The JULY 2014 GRAND JURY charges:

1. At times material to this Indictment:

a. The Internal Revenue Service ("IRS") was an agency within the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States, and collecting taxes owed to the Treasury of the United States by individuals and other entities.

b. The IRS provided that taxpayers who were entitled to a refund of federal individual income taxes could claim that refund either by signing and filing in person a U.S. Individual Form 1040, 1040A, 1040EZ

(collectively referred to hereinafter as “Form 1040”), by mailing a Form 1040, or by participating in the “Electronic Filing” program.

c. The Electronic Filing program was designed, in part, to provide taxpayers with a mechanism for accelerated processing of their income tax returns and faster distribution of tax refunds to taxpayers.

d. An Individual Taxpayer Identification Number (“ITIN”) is a tax processing number, issued by the IRS, for certain residents and nonresident aliens, their spouses, and their dependents. An ITIN is used for tax purposes as a means to help individuals comply with the U.S. tax laws and is used to account for individuals not eligible for Social Security Numbers.

e. Individuals must prepare a Form W-7, Application for IRS Individual Taxpayer Identification Number (“ITIN application”) in order to be assigned an ITIN. An ITIN applicant must demonstrate a tax purpose for an ITIN which can be shown by including an original income tax return with the application. An individual who can be claimed as a dependent on a tax return has a tax purpose for an ITIN. An ITIN application must be submitted in paper form to the IRS by mail or personal delivery. An ITIN application may include an applicant’s individual income tax returns for multiple tax years. If an ITIN application is approved, an ITIN assignment

letter is sent to the applicant. In applying for an ITIN, applicants must identify their country of citizenship and must provide documentation to prove identity and foreign status. Adult applicants must provide a birth certificate and picture identification. Applicants identified as dependents must provide a birth certificate, medical records for dependents under the age of 6, and school records for dependents under 14 years old.

f. The Child Tax Credit (“CTC”) is a nonrefundable credit used to offset a taxpayer’s tax liability. A qualifying child for the CTC is a child who: i) is the taxpayer’s son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them; ii) was under age 17 at the end of the year; iii) did not provide over half of his or her own support; iv) lived with the taxpayer for more than half the year; v) is claimed as a dependent on the taxpayer’s return; vi) does not file a joint return for the year; and vii) was a U.S. citizen, a U.S. national, or U.S. resident alien.

g. In addition to the CTC, a taxpayer with a qualifying child could also receive an Additional Child Tax Credit (“ACTC”) up to \$1,000 for each qualifying child. A taxpayer is entitled to the ACTC when he or she does not have a tax due and is not able to take the full credit of the CTC. The ACTC may give a taxpayer a refund even if he or she does not owe tax. In order to receive the ACTC a taxpayer must have earned income over a certain

limit. An ACTC is computed based on the lesser of the unused CTC or 15 percent of the taxpayer's earned income in excess of \$11,750 in tax year 2007, \$8,500 in tax year 2008 and \$3,000 for tax years 2009 to 2012.

h. Form 1040 required the taxpayer provide the taxpayer's name and address, social security number or ITIN, filing status, number of dependents, total income for the tax year, the amount of federal income tax withheld during the tax year, and the amount of tax due or refund claimed. The taxpayer was also required to provide Form W-2's for any wages or salary claimed.

i. An individual taxpayer could request that a qualified and registered tax preparer prepare applicable forms and schedules on the taxpayer's behalf, and this tax preparer could submit the forms, schedules, and other data necessary to complete the taxpayer's federal tax return.

j. Information contained in the Form 1040 and any attached forms and schedules was material to the IRS in determining the tax due and owing and issuing a taxpayer a refund under the internal revenue law.

k. Beginning not later than 2009, defendant PATTY CORDOBA owned and managed PATTY'S TAX SERVICE ("PTS"), which was in the tax preparation business. PTS operated in the Northern District of Illinois, including at McHenry, Illinois. Its business included preparing

federal income tax returns and filing those returns on behalf of individual taxpayers, who would provide personal identifying information and various financial information to PTS, its owner, PATTY CORDOBA, and its employees, including MARIO CORDOBA, LUISA CARBAJAL, and ALICIA AREVALO. PTS charged fees for preparing and filing the returns.

i. While preparing federal income tax returns at PTS, PATTY CORDOBA, MARIO CORDOBA, LUISA CARBAJAL, and ALICIA AREVALO attended tax preparation training courses and were aware that in order to claim the CTC and ACTC the taxpayer must have a qualifying child and the child must be a U.S. citizen, U.S. national, or U.S. resident.

j. PTS prepared tax returns for its clients using tax preparation software and upon completion of applicable forms and schedules for an individual taxpayer, PTS provided its clients with printed Form 1040s and other forms and schedules. The Form 1040s falsely stated that they were self-prepared, rather than by a paid preparer.

2. Beginning approximately March 1, 2009, and continuing to on or about May 18, 2012, at McHenry, in the Northern District of Illinois, Western Division, and elsewhere,

PATTY CORDOBA,
MARIO CORDOBA,
LUISA CARBAJAL,
ALICIA AREVALO,

OLGA LIDIA DIAZ-HERNANDEZ,
also known as “Olga Diaz,”
VICTOR HERNANDEZ,
VERONICA SANCHEZ-BARRADAS,
also known as “Vero Sanchez,” and
CESAR BESICHE,

defendants herein, along with others known and unknown to the Grand Jury, devised, intended to devise, and participated in a scheme to defraud and to obtain money and property from the United States Treasury Department by means of materially false and fraudulent pretenses, representations and promises, and material omissions, which scheme is further described below.

3. It was part of the scheme that defendants PATTY CORDOBA, MARIO CORDOBA, LUISA CARBAJAL (“CARBAJAL”), and ALICIA AREVALO (“AREVALO”) (collectively the “Preparers”) knowingly prepared and caused to be prepared over 200 false and fraudulent personal federal income tax returns (Forms 1040) for defendants OLGA LIDIA DIAZ-HERNANDEZ, also known as “Olga Diaz”, VICTOR HERNANDEZ (“HERNANDEZ”), VERONICA SANCHEZ-BARRADAS (“BARRADAS”) also known as “Vero Sanchez,” and CESAR BESICHE (collectively the “Promoters”) and others, claiming materially false amounts related to items of income and credits for tax years 2006, 2007, 2008, 2009, 2010, and 2011, which returns were filed with the IRS and which falsely claimed well over \$600,000 in tax refunds.

4. It was further part of the scheme that the Preparers prepared false and fraudulent returns for individuals who did not personally come to PTS (“other filers”). The Preparers prepared those returns using information provided by the Promoters and others.

5. It was further part of the scheme that the Preparers created and caused to be created fraudulent ITIN applications. The ITIN applications were made in the names of the Promoters and other filers as well as each of the Promoters’ and other filers’ purported dependents. The ITIN applications for the Promoters’ and other filers’ dependents were submitted with school records or the child’s vaccination record, if the child was under the age of 6. The ITIN applications for the Promoters’ and other filers’ dependents identified that their primary residences were in Mexico. As part of the scheme to file the fraudulent tax returns, the Preparers deliberately made and caused to be made, false representations in the Promoters’ and other filers’ tax returns in that the returns identified the Promoters’ and other filers’ dependents as being a citizen, resident, or national of the U.S. and stated that the dependents were not residing in Mexico and fraudulently claimed that the dependents were qualifying children for the CTC and ACTC.

6. It was further part of the scheme that the Preparers fraudulently listed and caused to be listed multiple dependents on the federal tax returns

filed on behalf of the Promoters and other filers in order to increase the amount of fraudulent tax refunds claimed on those returns in two ways:

i. Claiming more dependents increased the CTC and the ACTC which would increase the amount of any refund; and

ii. Raising the number of dependents increased the personal exemption the taxpayer claimed and thereby reduced the income tax owed. The personal exemption is a deduction, rather than a credit, and is not refundable. However, the operation of the exemption increased the credit by reducing the income tax liability and thus resulting in a larger refund of the ACTC.

7. It was further part of the scheme that the Preparers prepared and caused to be prepared and caused to be filed fraudulent federal tax returns on behalf of the Preparers, Promoters and other filers to accompany the ITIN applications using false information so the listed Preparers, Promoters, and other filers appeared to be entitled to substantial tax refunds.

8. It was further part of the scheme that the Preparers prepared and caused to be prepared letters on behalf of the Promoters and other filers when the IRS requested additional information regarding the Promoters' and other filers' income in order to determine if the Promoters and other filers' were liable for self-employment taxes. The letters that the Preparers

prepared and caused to be prepared on behalf of the Promoters and other filers falsely stated that the Promoters and other filers had earned cash wages from an employer and identified the name of an alleged employer. The letters also falsely indicated that the Promoters and other filers had sent all of their documents with their return. PTS's fees for preparing tax returns reporting cash wages were more than three times its fee for preparing returns reporting wages on a Form W-2.

9. It was further part of the scheme that the Preparers and Promoters mailed and caused to be mailed, using the United States mail, federal tax returns for the Preparers, Promoters, and other filers to the IRS Service Centers in Austin, Texas and Fresno, California.

10. It was further part of the scheme that based on the false tax returns submitted to the IRS, the United States Treasury would issue and mail tax refund checks to the addresses listed on the false tax returns or cause the refunds to be directly deposited into bank accounts in the names of the Promoters or other filers.

11. On or about April 16, 2011, at McHenry, Illinois, in the Northern District of Illinois, Western Division, and elsewhere,

PATTY CORDOBA and
OLGA LIDIA DIAZ-HERNANDEZ,
also known as “Olga Diaz,”

defendants herein, for the purpose of executing the aforesaid scheme to defraud and to obtain money by false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly sent and caused to be sent by United States mail, according to the direction thereon a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2010 made in the name of Daniel Garcia, to the IRS in Fresno, California, which was false and fraudulent as to material matters, in that defendants PATTY CORDOBA and OLGA LIDIA DIAZ-HERNANDEZ, also known as “Olga Diaz,” stated and caused to be stated in that return:

- a. On Form 1040A, line 7, that Daniel Garcia had wages of \$34,145;
- b. On Form 1040A, line 32, that Daniel Garcia was entitled to a Child Tax Credit of \$383;
- c. On Form 1040A, line 41, that Daniel Garcia was entitled to an Additional Child Tax Credit of \$4,617; and
- d. On Form 1040A, lines 45 and 46, that Daniel Garcia had overpaid his/her federal taxes in the amount of \$4,617 and was entitled to a refund of that amount;

whereas, in fact, as defendants knew, such statements were false;

In violation of Title 18, United States Code, Section 1341.

COUNT TWO

The JULY 2014 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about January 22, 2011, at McHenry, Illinois, in the Northern District of Illinois, Western Division, and elsewhere,

MARIO CORDOBA and
CESAR BESICHE,

defendants herein, for the purpose of executing the aforesaid scheme to defraud and to obtain money by false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly sent and caused to be sent by United States mail, according to the direction thereon a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2010 made in the name of Oscar G. Giles, to the IRS in Austin, Texas, which was false and fraudulent as to material matters, in that defendant MARIO CORDOBA and CESAR BESICHE stated and caused to be stated in that return:

a. On Form 1040A, line 7, that Oscar G. Giles had wages of \$28,410;

b. On Form 1040A, line 32, that Oscar G. Giles was entitled to a Child Tax Credit of \$176;

c. On Form 1040A, line 41, that Oscar G. Giles was entitled to an Additional Child Tax Credit of \$3,836; and

d. On Form 1040A, lines 45 and 46, that Oscar G. Giles had overpaid his/her federal taxes in the amount of \$3,836 and was entitled to a refund of that amount;

whereas, in fact, as defendants knew, such statements were false;

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

The JULY 2014 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about January 15, 2012, at McHenry, Illinois, in the Northern District of Illinois, Western Division, and elsewhere,

ALICIA AREVALO and
VICTOR HERNANDEZ,

defendants herein, for the purpose of executing the aforesaid scheme to defraud and to obtain money by false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly sent and caused to be sent by United States mail, according to the direction thereon a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2011 made in the name of Anita Aparicio-Line, to the IRS in Fresno, California, which was false and fraudulent as to material matters, in that defendants ALICIA AREVALO and VICTOR HERNANDEZ stated and caused to be stated in that return:

a. On Form 1040A, line 7, that Anita Aparicio-Line had wages of \$28,568;

b. On Form 1040A, line 32, that Anita Aparicio-Line was entitled to a Child Tax Credit of \$156;

c. On Form 1040A, line 41, that Anita Aparicio-Line was entitled to an Additional Child Tax Credit of \$3,835; and

d. On Form 1040A, lines 45 and 46, that Anita Aparicio-Line had overpaid his/her federal taxes in the amount of \$3,835 and was entitled to a refund of that amount;

whereas, in fact, as defendants knew, such statements were false;

In violation of Title 18, United States Code, Section 1341.

COUNT FOUR

The JULY 2014 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about February 3, 2011, at McHenry, Illinois, in the Northern District of Illinois, Western Division, and elsewhere,

LUISA CARBAJAL,

defendant herein, for the purpose of executing the aforesaid scheme to defraud and to obtain money by false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly sent and caused to be sent by United States mail, according to the direction thereon a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2009 made in the name of Maria D. Contreras, to the IRS in Austin Texas, which was false and fraudulent as to material matters, in that defendant LUISA CARBAJAL stated and caused to be stated in that return:

a. On Form 1040A, line 7, that Maria D. Contreras had wages of \$28,422;

b. On Form 1040A, line 32, that Maria D. Contreras was entitled to a Child Tax Credit of \$181;

c. On Form 1040A, line 41, that Maria D. Contreras was entitled to an Additional Child Tax Credit of \$3,818; and

d. On Form 1040A, lines 45 and 46, that Maria D. Contreras had overpaid his/her federal taxes in the amount of \$3,818 and was entitled to a refund of that amount;

whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 18, United States Code, Section 1341.

COUNT FIVE

The JULY 2014 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about January 15, 2012, at McHenry, Illinois, in the Northern District of Illinois, Western Division, and elsewhere,

ALICIA AREVALO and
VERONICA SANCHEZ-BARRADAS,
also known as “Vero Sanchez,”

defendants herein, for the purpose of executing the aforesaid scheme to defraud and to obtain money by false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly sent and caused to be sent by United States mail, according to the direction thereon a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2011 made in the name of Humberto Mendoza, to the IRS in Fresno, California, which was false and fraudulent as to material matters, in that defendants ALICIA AREVALO and VERONICA SANCHEZ-BARRADAS, also known as “Vero Sanchez,” stated and caused to be stated in that return:

a. On Form 1040A, line 7, that Humberto Mendoza had wages of \$28,547;

b. On Form 1040A, line 32, that Humberto Mendoza was entitled to a Child Tax Credit of \$154;

c. On Form 1040A, line 41, that Humberto Mendoza was entitled to an Additional Child Tax Credit of \$3,832; and

d. On Form 1040A, lines 45 and 46, that Humberto Mendoza had overpaid his/her federal taxes in the amount of \$3,832 and was entitled to a refund of that amount;

whereas, in fact, as defendants knew, such statements were false;

In violation of Title 18, United States Code, Section 1341.

COUNT SIX

The JULY 2014 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about June 18, 2010, at McHenry, Illinois, in the Northern District of Illinois, Western Division, and elsewhere,

PATTY CORDOBA,

defendant herein, for the purpose of executing the aforesaid scheme to defraud and to obtain money by false and fraudulent pretenses, representations, and promises, and attempting to do so, knowingly sent and caused to be sent by United States mail, according to the direction thereon a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2008 made in the name of Maria I. Murrieta, to the IRS in Austin, Texas, which was false and fraudulent as to material matters, in that defendant PATTY CORDOBA stated and caused to be stated in that return:

a. On Form 1040A, line 7, that Maria I. Murrieta had wages of \$32,587;

b. On Form 1040A, line 33, that Maria I. Murrieta was entitled to a Child Tax Credit of \$708;

c. On Form 1040A, line 41, that Maria I. Murrieta was entitled to an Additional Child Tax Credit of \$3,292; and

d. On Form 1040A, lines 44 and 45a, that Maria I. Murrieta had overpaid his/her federal taxes in the amount of \$3,292 and was entitled to a refund of that amount;

whereas, in fact, as the defendant knew, such statements were false;

In violation of Title 18, United States Code, Section 1341.

COUNT SEVEN

The JULY 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One of this Indictment is re-alleged and incorporated as if fully repeated here.

2. Beginning approximately March 1, 2009, and continuing to on or about May 18, 2012, at McHenry, in the Northern District of Illinois, Western Division, and elsewhere,

PATTY CORDOBA,
MARIO CORDOBA,
LUISA CARBAJAL,
ALICIA AREVALO,
OGLA LIDIA DIAZ-HERNANDEZ,
also known as “Olga Diaz,”
VICTOR HERNANDEZ,
VERONICA SANCHEZ-BARRADAS,
also known as “Vero Sanchez,” and
CESAR BESHICHE,

defendants herein, knowingly did combine, conspire and agree with others, known and unknown to the Grand Jury, to defraud the United States Department of the Treasury, by obtaining and aiding to obtain the payment and allowance of materially false, fictitious and fraudulent claims, namely false, fictitious, and fraudulent claims for individual income tax refunds.

2. It was part of the conspiracy that defendants PATTY CORDOBA, MARIO CORDOBA, LUISA CARBAJAL (“CARBAJAL”), and ALICIA

AREVALO (“AREVALO”) (collectively the “Preparers”) knowingly prepared and caused to be prepared over 200 false and fraudulent personal federal income tax returns (Forms 1040) for defendants OLGA LIDIA DIAZ-HERNANDEZ, also known as “Olga Diaz”, VICTOR HERNANDEZ (“HERNANDEZ”), VERONICA SANCHEZ-BARRADAS (“BARRADAS”) also known as “Vero Sanchez,” and CESAR BESICHE (collectively the “Promoters”) and others, claiming materially false amounts related to items of income and credits for tax years 2006, 2007, 2008, 2009, 2010, and 2011, which returns were filed with the IRS and which falsely claimed well over \$600,000 in tax refunds.

3. It was further part of the conspiracy that the Preparers prepared false and fraudulent returns for individuals who did not personally come to PTS (“other filers”). The Preparers prepared those returns using information provided by the Promoters and others.

4. It was further part of the conspiracy that the Preparers created and caused to be created fraudulent ITIN applications. The ITIN applications were made in the names of the Promoters and other filers as well as each of the Promoters’ and other filers’ purported dependents. The ITIN applications for the Promoters’ and other filers’ dependents were submitted with school records or the child’s vaccination record, if the child

was under the age of 6. The ITIN applications for the Promoters' and other filers' dependents identified that their primary residences were in Mexico. As part of the conspiracy to file the fraudulent tax returns, the Preparers deliberately made and caused to be made, false representations in the Promoters' and other filers' tax returns in that the returns identified the Promoters' and other filers' dependents as being a citizen, resident, or national of the U.S. and stated that the dependents were not residing in Mexico and fraudulently claimed that the dependents were qualifying children for the CTC and ACTC.

5. It was further part of the conspiracy that the Preparers fraudulently listed and caused to be listed multiple dependents on the federal tax returns filed on behalf of the Promoters and other filers in order to increase the amount of fraudulent tax refunds claimed on those returns in two ways:

i. Claiming more dependents increased the CTC and the ACTC which would increase the amount of any refund; and

ii. Raising the number of dependents increased the personal exemption the taxpayer claimed and thereby reduced the income tax owed. The personal exemption is a deduction, rather than a credit, and is not refundable. However, the operation of the exemption increased the credit by

reducing the income tax liability and thus resulting in a larger refund of the ACTC.

6. It was further part of the conspiracy that the Preparers prepared and caused to be prepared and caused to be filed fraudulent federal tax returns on behalf of the Preparers, Promoters and other filers to accompany the ITIN applications using false information so the listed Preparers, Promoters, and other filers appeared to be entitled to substantial tax refunds.

7. It was further part of the conspiracy that the Preparers prepared and caused to be prepared letters on behalf of the Promoters and other filers when the IRS requested additional information regarding the Promoters' and other filers' income in order to determine if the Promoters and other filers' were liable for self-employment taxes. The letters that the Preparers prepared and caused to be prepared on behalf of the Promoters and other filers falsely stated that the Promoters and other filers had earned cash wages from an employer and identified the name of an alleged employer. The letters also falsely indicated that the Promoters and other filers had sent all of their documents with their return. PTS's fees for preparing tax returns reporting cash wages were more than three times its fee for preparing returns reporting wages on a Form W-2.

8. It was further part of the conspiracy that based on the false tax returns submitted to the IRS, the United States Treasury would issue and mail tax refund checks to the addresses listed on the false tax returns or cause the refunds to be directly deposited into bank accounts in the names of the Promoters or other filers.

OVERT ACTS

10. In furtherance of this conspiracy, and to effect its objectives, defendants committed and caused the following overt acts to have been committed, in the Northern District of Illinois, Western Division, and elsewhere:

a. On or about April 16, 2011, prepared and filed or caused to be filed with the IRS of a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2010 made in the name of Daniel Garcia, which was false and fraudulent as to material matters, in that defendant PATTY CORDOBA stated and caused to be falsely stated in that return:

i. On Form 1040A, line 7, that Daniel Garcia had wages of \$34,145;

ii. On Form 1040A, line 32, that Daniel Garcia was entitled to a Child Tax Credit of \$383;

iii. On Form 1040A, line 41, that Daniel Garcia was entitled to an Additional Child Tax Credit of \$4,617;

iv. On Form 1040A, lines 45 and 46, that Daniel Garcia had overpaid his/her federal taxes in the amount of \$4,617 and was entitled to a refund of that amount; and

v. On Form 1040A, that the return was self-prepared.

b. On or about January 22, 2011, prepared and filed or caused to be filed with the IRS of a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2010 made in the name of Oscar G. Giles, which was false and fraudulent as to material matters, in that defendant MARIO CORDOBA stated and caused to be falsely stated in that return:

i. On Form 1040A, line 7, that Oscar G. Giles had wages of \$28,410;

ii. On Form 1040A, line 32, that Oscar G. Giles was entitled to a Child Tax Credit of \$176;

iii. On Form 1040A, line 41, that Oscar G. Giles was entitled to an Additional Child Tax Credit of \$3,836;

iv. On Form 1040A, lines 45 and 46, that Oscar G. Giles had overpaid his/her federal taxes in the amount of \$3,836 and was entitled to a refund of that amount; and

v. On Form 1040A, that the return was self-prepared.

c. On or about January 15, 2012, prepared and filed or caused to be filed with the IRS of a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2011 made in the name of Anita Aparicio-Line, which was false and fraudulent as to material matters, in that defendants ALICIA AREVALO and VICTOR HERNANDEZ stated and caused to be falsely stated in that return:

i. On Form 1040A, line 7, that Anita Aparicio-Line had wages of \$28,568;

ii. On Form 1040A, line 32, that Anita Aparicio-Line was entitled to a Child Tax Credit of \$156;

iii. On Form 1040A, line 41, that Anita Aparicio-Line was entitled to an Additional Child Tax Credit of \$3,835;

iv. On Form 1040A, lines 45 and 46, that Anita Aparicio-Line had overpaid his/her federal taxes in the amount of \$3,835 and was entitled to a refund of that amount; and

v. On Form 1040A, that the return was self-prepared.

d. On or about February 3, 2011, prepared and filed or caused to be filed with the IRS of a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2009 made in the name of Maria D. Contreras, which was false and fraudulent as to material matters, in that defendant LUISA CARBAJAL stated and caused to be falsely stated in that return:

i. On Form 1040A, line 7, that Maria D. Contreras had wages of \$28,422;

ii. On Form 1040A, line 32, that Maria D. Contreras was entitled to a Child Tax Credit of \$181;

iii. On Form 1040A, line 41, that Maria D. Contreras was entitled to an Additional Child Tax Credit of \$3,818;

iv. On Form 1040A, lines 45 and 46, that Maria D. Contreras had overpaid his/her federal taxes in the amount of \$3,818 and was entitled to a refund of that amount; and

v. On Form 1040A, that the return was self-prepared.

e. On or about January 15, 2012, prepared and filed or caused to be filed with the IRS of a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2011 made in the name of Humberto Mendoza, which was false and fraudulent as to material matters,

in that defendants ALICIA AREVALO and VERONICA SANCHEZ-BARRADAS, also known as “Vero Sanchez,” stated and caused to be falsely stated in that return:

i. On Form 1040A, line 7, that Humberto Mendoza had wages of \$28,547;

ii. On Form 1040A, line 32, that Humberto Mendoza was entitled to a Child Tax Credit of \$154;

iii. On Form 1040A, line 41, that Humberto Mendoza was entitled to an Additional Child Tax Credit of \$3,832;

iv. On Form 1040A, lines 45 and 46, that Humberto Mendoza had overpaid his/her federal taxes in the amount of \$3,832 and was entitled to a refund of that amount; and

v. On Form 1040A, that the return was self-prepared.

f. On or about June 18, 2010, prepared and filed or caused to be filed with the IRS of a United States Individual Income Tax Return (Form 1040A and attachments) for the tax year 2008 made in the name of Maria I. Murrieta, which was false and fraudulent as to material matters, in that defendant PATTY CORDOBA stated and caused to be falsely stated in that return:

- i. On Form 1040A, line 7, that Maria I. Murrieta had wages of \$32,587;
- ii. On Form 1040A, line 32, that Maria I. Murrieta was entitled to a Child Tax Credit of \$708;
- iii. On Form 1040A, line 41, that Maria I. Murrieta was entitled to an Additional Child Tax Credit of \$3,292;
- iv. On Form 1040A, lines 45 and 46, that Maria I. Murrieta had overpaid his/her federal taxes in the amount of \$3,292 and was entitled to a refund of that amount; and
- v. On Form 1040A, that the return was self-prepared.

In violation of Title 18, United States Code, Section 286.

FORFEITURE ALLEGATION

The JULY 2014 GRAND JURY further charges:

1. The allegations contained in the Counts One through Six of the Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offenses in violation of Title 18, United States Code, Section 1341 set forth in Counts One through Six of the Indictment, the defendants, PATTY CORDOBA, MARIO CORDOBA, LUISA CARBAJAL, ALICIA AREVALO, VICTOR HERNANDEZ and VERONICA SANCHEZ-BARRADAS, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(A) and (C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to, funds in the amount of approximately \$642,514;

3. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;

- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) such substitute property to include, but not limited to:

- i. The real property located at 3407 Braberry Lane, Crystal Lake, Illinois 60012;
- ii. The real property located at 220 Rainbow Drive, Capron, Illinois 61012;
- iii. The real property located at 204 South Ayer Street, Harvard, Illinois 60033;
- iv. The real property located at 14092 Tallgrass Trail, Poplar Grove, Illinois 61065;
- v. The real property located at 506 Sunset Drive, Marengo, Illinois 60152;
- vi. The real property located at 2503 Country Lane, McHenry, Illinois 60050;
- vii. A 2012 Honda Pilot (VIN: 5FNYF4H96CB083371);
- viii. A 2014 Honda Accord (VIN: 1HGCR2F37EA074289); and
- ix. A 2010 Toyota Corolla (VIN: 2T1BU4EE5AC409904).

All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY