

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Criminal No.
 :
 YUXIN XIE : 26 U.S.C. § 7201

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:
 - a. Defendant YUXIN XIE owned and operated YX Enterprises, a medical supply company which he operated out of his residence in New Jersey.
 - b. YX Enterprises was not a registered corporation in the State of New Jersey.
 - c. XIE, through YX Enterprises, purchased diabetic test strips from numerous suppliers throughout the United States, then re-packaged the strips in larger quantities and sold them to wholesale pharmaceutical and medical products distribution companies.
 - d. XIE invoiced YX Enterprises's customers for the amount of product sold and in return typically received payments in the form of large dollar-amount checks or electronic

transfers through Ebay. These monies were deposited into eleven different bank accounts under XIE's control at three different financial institutions. On occasion, customers paid their YX Enterprise invoice via electronic transfers through Ebay, and those payments were also made into the same eleven different bank accounts under XIE's control.

e. XIE did not keep sufficient papers, ledgers or computerized records to permit a complete review of the operations of YX Enterprises.

2. During tax years 2006, 2007, 2008, and 2009, XIE operated YX Enterprises out of his home in Hillsborough, New Jersey. During tax year 2010, XIE moved his residence to Mountainside, New Jersey, and therefore operated YX Enterprises out of his house in Mountainside, New Jersey.

3. XIE's wife, M.W., prepared their joint 2006, 2007, 2008, 2009, and 2010 tax returns using YX Enterprises information provided to her by XIE in the form of a top-line sales figure, a cost of goods sales figure, and below-the-line expense figures.

4. For tax year 2006, the Schedule C on XIE's individual tax return reported that YX Enterprises had gross receipts of \$8,850. For tax year 2007, XIE's tax return reported that YX Enterprises had gross receipts of \$8,360. For tax year 2008, XIE's tax return reported that YX Enterprises had gross receipts of \$6,440. XIE's tax returns for 2009 and 2010 contain

no reference to YX Enterprises or any Schedule C business.

False Tax Returns

5. For the calendar years 2006, 2007, 2008, 2009, and 2010, defendant YUXIN XIE filed U.S. Individual Income Tax Returns in which he purported to report all of his income from YX Enterprises, but which in fact failed to report business receipts concealed in eleven different bank accounts, which amounted to \$3,984,508.

6. On or about April 12, 2010, defendant YUXIN XIE prepared and caused to be prepared, signed and caused to be signed, and filed and caused to be filed with the IRS a false and fraudulent Form 1040, U.S. Individual Income Tax Return, for defendant YUXIN XIE and his wife, M.W., reporting taxable income for the calendar year 2009 of approximately \$92,031.

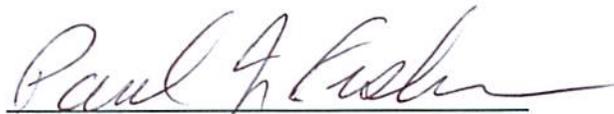
7. At the time the 2009 U.S. Individual Income Tax Return was prepared, signed, and filed with the IRS, defendant YUXIN XIE then and there well knew and believed that the tax return failed to disclose and report an additional approximately \$399,309 in taxable income derived from YX Enterprises during that calendar year upon which income an additional tax of approximately \$126,187 was due and owing to the United States.

8. On or about April 12, 2010, in the District of New Jersey, and elsewhere, defendant

YUXIN XIE

did knowingly and willfully attempt to evade and defeat a large part of the income tax due and owing to the United States for the calendar year 2009, by preparing and causing to be prepared, by signing and causing to be signed, and by filing and causing to be filed with the Internal Revenue Service, a false and fraudulent, 2009 Form 1040, U.S. Individual Income Tax Return, as described in paragraph 6, knowing it to be false and fraudulent as described in paragraph 7.

In violation of Title 26, United States Code, Section 7201.


PAUL J. FISHMAN
United States Attorney