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United States of America

**FILED**

MAR 24 2016

CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

BY

DEPUTY CLERK

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

KENLEY BLACK,

Defendant.

CASE NO. 2:16 - CR - 0062 JAM

26 U.S.C. § 7201 – Tax Evasion (five counts); 26  
U.S.C. § 7203 – Failure to File Income Taxes (five  
counts); 18 U.S.C. § 1163 – Embezzlement and Theft  
from a Tribal Organization (fifteen counts)

INDICTMENTCOUNT ONE: [26 U.S.C. § 7201 – Tax Evasion]

The Grand Jury charges: T H A T

KENLEY BLACK,

during the calendar year 2009, while a resident of Burney, California, had and received <sup>total</sup> taxable income  
in the sum of \$161,005.95. Upon that <sup>total</sup> taxable income, there was owing to the United States of America  
an income tax of \$32,759.11. Well knowing the foregoing facts, and failing to make an income tax  
return on or before April 15, 2010, as required by law, to any proper officer of the Internal Revenue  
Service, and pay to the Internal Revenue Service the income tax, KENLEY BLACK, on or about  
January 1, 2009, through on or about April 15, 2013, in the Eastern District of California, did willfully  
attempt to evade and defeat the income tax due and owing by him to the United States of America for  
the calendar year by committing the following acts, among others:

- Concealing from all proper officers of the United States of America his true and correct income;
- Cashing payroll checks and negotiating cash;
- Concealing assets by putting such assets in the name of friends and family members;
- Disguising personal expenses as business-related expenses;
- Using nominees to receive money on his behalf;
- Destroying tax records belonging to the Pit River Tribe;
- Providing false and misleading information to an IRS revenue agent;

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

COUNT TWO: [26 U.S.C. § 7201 – Tax Evasion]

The Grand Jury further charges: T H A T

KENLEY BLACK,

during the calendar year 2010, while a resident of Burney, California, had and received <sup>total</sup> taxable income in the sum of \$146,418.87. Upon that <sup>total</sup> taxable income, there was owing to the United States of America an income tax of \$46,850.02. Well knowing the foregoing facts, and failing to make an income tax return on or before April 18, 2011, as required by law, to any proper officer of the Internal Revenue Service, and pay to the Internal Revenue Service the income tax, KENLEY BLACK, on or about January 1, 2010, through on or about April 15, 2013, in the Eastern District of California, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year by committing the following acts, among others:

- Concealing from all proper officers of the United States of America his true and correct income;
- Cashing payroll checks and negotiating cash;
- Concealing assets by putting such assets in the name of friends and family members;
- Disguising personal expenses as business-related expenses;
- Using nominees to receive money on his behalf;
- Destroying tax records belonging to the Pit River Tribe; and
- Providing false and misleading information to an IRS revenue agent.

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

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COUNT THREE: [26 U.S.C. § 7201 – Tax Evasion]

The Grand Jury further charges: T H A T

KENLEY BLACK,

during the calendar year 2011, while a resident of Burney, California, had and received <sup>total</sup> taxable income in the sum of \$163,236.21. Upon that <sup>total</sup> taxable income, there was owing to the United States of America an income tax of \$49,261.66. Well knowing the foregoing facts, and failing to make an income tax return on or before April 17, 2012, as required by law, to any proper officer of the Internal Revenue Service, and pay to the Internal Revenue Service the income tax, KENLEY BLACK, on or about January 1, 2011, through on or about April 15, 2013, in the Eastern District of California, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America for the calendar year by committing the following acts, among others:

- Concealing from all proper officers of the United States of America his true and correct income;
- Cashing payroll checks and negotiating cash;
- Concealing assets by putting such assets in the name of friends and family members;
- Disguising personal expenses as business-related expenses;
- Using nominees to receive money on his behalf;
- Destroying tax records belonging to the Pit River Tribe; and
- Providing false and misleading information to an IRS revenue agent.

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

COUNT FOUR: [26 U.S.C. § 7201 – Tax Evasion]

The Grand Jury further charges: T H A T

KENLEY BLACK,

during the calendar year 2012, while a resident of Burney, California, had and received <sup>total</sup> taxable income in the sum of \$222,928.20. Upon that <sup>total</sup> taxable income, there was owing to the United States of America an income tax of \$68,459.03. Well knowing the foregoing facts, and failing to make an income tax return on or before April 15, 2013, as required by law, to any proper officer of the Internal Revenue Service, and pay to the Internal Revenue Service the income tax, KENLEY BLACK, on or about January 1, 2012, through on or about April 15, 2013, in the Eastern District of California, did willfully

1 attempt to evade and defeat the income tax due and owing by him to the United States of America for  
2 the calendar year by:

- 3 • Concealing from all proper officers of the United States of America his true and correct income;
- 4 • Cashing payroll checks and negotiating cash;
- 5 • Concealing assets by putting such assets in the name of friends and family members;
- 6 • Disguising personal expenses as business-related expenses;
- 7 • Using nominees to receive money on his behalf;
- 8 • Destroying tax records belonging to the Pit River Tribe; and
- 9 • Providing false and misleading information to an IRS revenue agent.

10 in violation of Title 26, United States Code, Section 7201.

11 COUNT FIVE: [26 U.S.C. § 7201 – Tax Evasion]

12 The Grand Jury further charges: T H A T

13 KENLEY BLACK,

14 during the calendar year 2013, while a resident of Burney, California, had and received <sup>total</sup> taxable income  
15 in the sum of \$116,750.00. Upon that <sup>total</sup> taxable income, there was owing to the United States of America  
16 an income tax of \$28,043.82. Well knowing the foregoing facts, and failing to make an income tax  
17 return on or before April 15, 2014, as required by law, to any proper officer of the Internal Revenue  
18 Service, and pay to the Internal Revenue Service the income tax, KENLEY BLACK, on or about  
19 January 1, 2013, through on or about April 15, 2014, in the Eastern District of California, did willfully  
20 attempt to evade and defeat the income tax due and owing by him to the United States of America for  
21 the calendar year by committing the following acts, among others:

- 22 • Concealing from all proper officers of the United States of America his true and correct income;
- 23 • Cashing payroll checks and negotiating cash;
- 24 • Concealing assets by putting such assets in the name of friends and family members;
- 25 • Disguising personal expenses as business-related expenses;
- 26 • Using nominees to receive money on his behalf;
- 27 • Destroying tax records belonging to the Pit River Tribe;
- 28 • Providing false and misleading information to an IRS revenue agent.

1 in violation of Title 26, United States Code, Section 7201.

2 COUNT SIX: [26 U.S.C. § 7203 – Failure to File an Income Tax Return]

3 The Grand Jury further charges: T H A T

4 KENLEY BLACK,

5 whose principal place of business was in Burney, California, during the calendar year 2009, had and  
6 received gross income of \$161,005.95. By reason of such gross income, he was required by law,  
7 following the close of the calendar year 2009 and on or before April 15, 2010, to make an income tax  
8 return to the Internal Revenue Service Center, at Redding, California, to a person assigned to receive  
9 returns at the local office of the Internal Revenue Service at Redding, California, or to another Internal  
10 Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the  
11 items of his gross income and any deductions and credits to which he was entitled. Well knowing and  
12 believing all of the foregoing, he did willfully fail, on or about April 15, 2010, in the Eastern District of  
13 California and elsewhere, to make an income tax return, in violation of Title 26, United States Code,  
14 Section 7203.

15 COUNT SEVEN: [26 U.S.C. § 7203 – Failure to File an Income Tax Return]

16 The Grand Jury further charges: T H A T

17 KENLEY BLACK,

18 whose principal place of business was in Burney, California, during the calendar year 2010, had and  
19 received gross income of \$146,418.87. By reason of such gross income, he was required by law,  
20 following the close of the calendar year 2010 and on or before April 18, 2011, to make an income tax  
21 return to the Internal Revenue Service Center, at Redding, California, to a person assigned to receive  
22 returns at the local office of the Internal Revenue Service at Redding, California, or to another Internal  
23 Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the  
24 items of his gross income and any deductions and credits to which he was entitled. Well knowing and  
25 believing all of the foregoing, he did willfully fail, on or about April 18, 2011, in the Eastern District of  
26 California and elsewhere, to make an income tax return, in violation of Title 26, United States Code,  
27 Section 7203.

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1 COUNT EIGHT: [26 U.S.C. § 7203 – Failure to File an Income Tax Return]

2 The Grand Jury further charges: T H A T

3 KENLEY BLACK,

4 whose principal place of business was in Burney, California, during the calendar year 2011, had and  
5 received gross income of \$163,236.21. By reason of such gross income, he was required by law,  
6 following the close of the calendar year 2011 and on or before April 17, 2012, to make an income tax  
7 return to the Internal Revenue Service Center, at Redding, California, to a person assigned to receive  
8 returns at the local office of the Internal Revenue Service at Redding, California, or to another Internal  
9 Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the  
10 items of his gross income and any deductions and credits to which he was entitled. Well knowing and  
11 believing all of the foregoing, he did willfully fail, on or about April 17, 2012, in the Eastern District of  
12 California and elsewhere, to make an income tax return, in violation of Title 26, United States Code,  
13 Section 7203.

14 COUNT NINE: [26 U.S.C. § 7203 – Failure to File an Income Tax Return]

15 The Grand Jury further charges: T H A T

16 KENLEY BLACK,

17 whose principal place of business was in Burney, California, during the calendar year 2012, had and  
18 received gross income of \$222,928.20. By reason of such gross income, he was required by law,  
19 following the close of the calendar year 2012 and on or before April 15, 2013, to make an income tax  
20 return to the Internal Revenue Service Center, at Redding, California, to a person assigned to receive  
21 returns at the local office of the Internal Revenue Service at Redding, California, or to another Internal  
22 Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the  
23 items of his gross income and any deductions and credits to which he was entitled. Well knowing and  
24 believing all of the foregoing, he did willfully fail, on or about April 15, 2013, in the Eastern District of  
25 California and elsewhere, to make an income tax return, in violation of Title 26, United States Code,  
26 Section 7203.

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1 COUNT TEN: [26 U.S.C. § 7203 – Failure to File an Income Tax Return]

2 The Grand Jury further charges: T H A T

3 KENLEY BLACK,

4 whose principal place of business was in Burney, California, during the calendar year 2013, had and  
 5 received gross income of \$116,750.00. By reason of such gross income, he was required by law,  
 6 following the close of the calendar year 2013 and on or before April 15, 2014, to make an income tax  
 7 return to the Internal Revenue Service Center, at Redding, California, to a person assigned to receive  
 8 returns at the local office of the Internal Revenue Service at Redding, California, or to another Internal  
 9 Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the  
 10 items of his gross income and any deductions and credits to which he was entitled. Well knowing and  
 11 believing all of the foregoing, he did willfully fail, on or about April 15, 2014, in the Eastern District of  
 12 California and elsewhere, to make an income tax return, in violation of Title 26, United States Code,  
 13 Section 7203.

14 COUNTS ELEVEN through TWENTY-FIVE: [18 U.S.C. § 1163 – Embezzlement and Theft from a  
 15 Tribal Organization]

16 The Grand Jury further charges: T H A T

17 KENLEY BLACK,

18 on or about the below dates, in Shasta County, State and Eastern District of California, being an officer  
 19 and employee of an Indian tribal organization, that is, the Finance Director of the Pit River Tribe, did  
 20 embezzle and knowingly convert to his own use moneys, funds and credits belonging to the Pit River  
 21 Tribe in the amounts set forth below:

<u>Count</u>	<u>Date</u>	<u>Amount</u>
Eleven	August 29, 2012	\$2,500.00
Twelve	November 21, 2012	\$3,578.68
Thirteen	December 21, 2012	\$5,000.00
Fourteen	January 4, 2013	\$2,500.00


Fifteen	January 9, 2013	\$2,500.00
Sixteen	January 11, 2013	\$10,000.00
Seventeen	January 17, 2013	\$2,000.00
Eighteen	January 23, 2013	\$3,000.00
Nineteen	February 14, 2013	\$5,000.00
Twenty	February 22, 2013	\$2,500.00
Twenty-One	February 28, 2013	\$2,500.00
Twenty-Two	March 1, 2013	\$2,500.00
Twenty-Three	March 14, 2013	\$2,500.00
Twenty-Four	March 22, 2013	\$2,500.00
Twenty-Five	March 28, 2013	\$2,500.00

All in violation of Title 18, United States Code, Section 1163.

A TRUE BILL.

**/s/ Signature on file w/AUSA**

\_\_\_\_\_  
FOREPERSON

  
BENJAMIN B. WAGNER  
United States Attorney

No. \_\_\_\_\_

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**UNITED STATES DISTRICT COURT**

*Eastern District of California*

*Criminal Division*

**THE UNITED STATES OF AMERICA**

vs.

**KENLEY BLACK**

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**I N D I C T M E N T**

**VIOLATION(S):** 26 U.S.C. § 7201 – Tax Evasion (Five Counts);  
26 U.S.C. § 7203 – Failure to File Income Taxes (Five Counts); and  
18 U.S.C. § 1163 – Embezzlement and Theft from a Tribal Organization (Fifteen Counts)

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*A true bill,*

**/s/ Signature on file w/AUSA**

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*Foreman.*

Filed in open court this 24 day

of MARCH, A.D. 2016

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*Clerk*

Bail, \$ NO BAIL WARRANT PENDING HEARING

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GPO 863 525

**United States v. Kenley Black**  
**Penalties for Indictment**

**COUNTS 1 through 5:**

VIOLATION: 26 U.S.C. § 7201 – Tax Evasion

PENALTIES: A maximum of five years in prison; or  
Fine of up to \$100,000; or both fine and imprisonment  
Supervised release of up to three years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

**COUNTS 6 through 10:**

VIOLATION: 26 U.S.C. § 7203 – Failure to File Income Taxes

PENALTIES: A maximum of one year in prison; or  
Fine of up to \$25,000; or both fine and imprisonment  
Supervised release of up to one year

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

**COUNTS 11 through 25:**

VIOLATION: 18 U.S.C. § 1163 – Embezzlement and Theft from an Indian Tribe

PENALTIES: A maximum of five years in prison; or  
Fine of up to \$250,000; or both fine and imprisonment  
Supervised release of up to three years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

**2:16 - CR - 0062 JAM**