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FILED

MAR 24 2016

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

BY _____ DEPUTY CLERK *af*

8 UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 KENLEY BLACK,
15 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)

17 INDICTMENT

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

19 The Grand Jury charges: T H A T

20 KENLEY BLACK,

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

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

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

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

10 The Grand Jury further charges: T H A T

11 KENLEY BLACK,

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

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

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

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

2 The Grand Jury further charges: T H A T

3 KENLEY BLACK,

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

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

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

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

21 The Grand Jury further charges: T H A T

22 KENLEY BLACK,

23 during the calendar year 2012, while a resident of Burney, California, had and received ^{total} taxable income
24 in the sum of \$222,928.20. Upon that ^{total} taxable income, there was owing to the United States of America
25 an income tax of \$68,459.03. Well knowing the foregoing facts, and failing to make an income tax
26 return on or before April 15, 2013, as required by law, to any proper officer of the Internal Revenue
27 Service, and pay to the Internal Revenue Service the income tax, KENLEY BLACK, on or about
28 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 ^{total} taxable income
15 in the sum of \$116,750.00. Upon that ^{total} 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

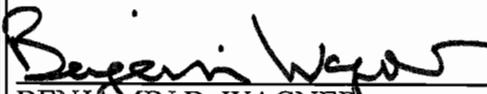
Fifteen	January 9, 2013	\$2,500.00
Sixteen	January 11, 2013	\$10,000.00
Seventeen	January 17, 2013	\$2,000.00
Eighteen	January 23, 2013	\$3,000.00
Nineteen	February 14, 2013	\$5,000.00
Twenty	February 22, 2013	\$2,500.00
Twenty-One	February 28, 2013	\$2,500.00
Twenty-Two	March 1, 2013	\$2,500.00
Twenty-Three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

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

KENLEY BLACK

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)

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 24 day

of MARCH, A.D. 2016

Clerk

Bail, \$ NO BAIL WARRANT PENDING HEARING

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)

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