

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA




UNITED STATES OF AMERICA	*	CRIMINAL NO. 21-22
v.	*	SECTION: "T"
CHERYL L. KINCHEN	*	
	* * *	

FACTUAL BASIS

The defendant, **CHERYL L. KINCHEN**, ("**KINCHEN**") has indicated that she intends to plead guilty as charged to the Indictment currently pending against her. Namely, she has agreed to plead guilty to Counts 1 and 2, which charge her with making false statements on a federal tax return, in violation of 26 U.S.C. § 7206(1).

The United States and **KINCHEN** do hereby stipulate and agree that the allegations in the Indictment and the following facts are true and correct and that, should this matter have proceeded to trial, the government would have proven them beyond a reasonable doubt, through the introduction of competent testimony and admissible tangible and documentary exhibits. This Factual Basis does not attempt to set forth all of the facts known to the United States at this time. The limited purpose of this Factual Basis is to demonstrate that there exists a sufficient legal basis for **KINCHEN's** guilty plea. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea that the defendant will tender.

Documents and testimony would be introduced to show that the Internal Revenue Service (IRS) was an agency of the United States Department of Treasury responsible for enforcing and administering the tax laws of the United States and collecting taxes owed to the United States.

AUSA 
Defendant 
Defense Counsel 

Documents and testimony would be introduced to show that, at all times material to the Indictment, defendant **KINCHEN** resided in Tickfaw, Louisiana, which is within the Eastern District of Louisiana. **KINCHEN** owned and operated a tax preparation business named Beyond Blessed Tax Services, located in Hammond, Louisiana.

This case originated when the Internal Revenue Service Scheme Development Center (SDC) advised Criminal Investigation (CI) of an apparent fraudulent refund scheme involving excessive tax refunds generated by suspicious Schedule A itemized deductions, education tax credits and Earned Income Credits (EIC) submitted by Beyond Blessed Tax Services, located in Hammond, Louisiana. **KINCHEN** has owned and operated Beyond Blessed Tax Services since at least 2013. Based upon some irregularities, the IRS began to investigate **KINCHEN's** filings between 2013 through 2017 in order to determine if she had prepared and filed false tax returns that claimed false Schedule C losses and false federal tax withholdings.

The IRS investigation, which reexamined funds **KINCHEN** deposited into her bank account as a direct result of her earnings, determined that **KINCHEN** filed false 2013, 2014, 2015, and 2017 U.S. Individual Income Tax Returns (IRS Forms 1040) in her own name that failed to include the income she earned from Beyond Blessed Tax Services for providing tax preparation services in the Schedule C, Profit or Loss from Business, relating to self-employment earnings. For 2013, **KINCHEN** reported zero income, when in truth she earned approximately \$26,240 from tax preparation fees; for 2014, **KINCHEN** reported zero income, when in truth she earned approximately \$93,622 from tax preparation fees; for 2015, **KINCHEN** reported income of \$48,065, when in truth she earned approximately \$93,789 in tax preparation fees, and for 2017, **KINCHEN** reported income of \$6,585, when in truth she earned approximately \$235,319 in tax preparation fees.

By falsely understating her gross earnings as a tax preparer in 2015 and 2017, **KINCHEN** caused a tax loss in the amount of **\$117,141** to the United States. For relevant conduct purposes and restitution, the total tax loss to the United States for tax years 2013, 2014, 2015 and 2017 as described above is **\$167,496**.

Business records, including income tax returns, IRS filing records, bank records, and documents and tangible objects would be introduced at trial to prove the facts as set forth above. In addition, the testimony of employees and agents of the IRS, and other competent witnesses would be introduced at trial to prove the facts set forth above.

APPROVED AND AGREED TO:



EDWARD J. RIVERA
Assistant United States Attorney

5/31/22

Date



JERROD THOMPSON-HICKS
Attorney for Cheryl L. Kinchen

6/7/22

Date



CHERYL L. KINCHEN
Defendant

5/31/22

Date