

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION**

UNITED STATES OF AMERICA

v.

JOHN JEAN-GILLES
_____ /

**SEALED
INDICTMENT**

4:19cr21-MW

THE GRAND JURY CHARGES:

COUNTS ONE THROUGH TWENTY-SEVEN

A. INTRODUCTION

At all times material to this Indictment:

1. Defendant **JOHN JEAN-GILLES** was the sole managing member and owner of USA Tax and Multi-Services, LLC (USA TAX), a tax preparation business located in Tallahassee, Florida. Defendant **JOHN JEAN-GILLES** prepared, and assisted in the preparation of, tax returns at USA TAX.
2. The Internal Revenue Service (“IRS”) was a bureau within the United States Department of the Treasury (“Treasury”) and an agency of the government of the United States. The IRS was responsible for the administration and enforcement of Title 26 of the United States Code (“Internal Revenue Code”).

3. Included within the governmental functions of the IRS were the responsibility and authority to ascertain, compute, assess, and collect taxes (“revenue”) and to conduct related investigations, examinations, audits, and enforcement actions. The governmental functions of the IRS also included the responsibility and authority to investigate fraudulent activity related to the income tax refund process, to obtain the repayment of any such fraudulently disbursed tax refunds, and to seek penalties against those responsible for such fraud.

4. IRS Form Schedule C was used to report profit or loss from a business operated or a profession practiced as a sole proprietor based on the income earned and expenses paid by the business. An activity qualified as a business if an individual’s primary purpose for engaging in the activity was for income or profit, and the individual was involved in the activity with continuity and regularity.

5. The IRS had special rules allowing for a credit relating to payments for college and university expenses paid by taxpayers called the American Opportunity Tax Credit (AOTC). Such payments were reported by the college or university on Form 1098-T. Payments for books and other related expenses were self-reported by the tax payer. The Education Credit is claimed by filing Form 8863 reporting the expenses.

6. The IRS had rules establishing an Earned Income Tax Credit (EITC), which was a refundable tax credit with the goal of benefiting working people who

have low to moderate income. The EITC was based on earned income and the number of qualified dependents of the taxpayer.

7. The IRS had rules establishing a Child Tax Credit to give taxpayers a credit for each qualified dependent child under the age of 17 at the end of the tax year. In conjunction with the Child Tax Credit, the IRS also established an Additional Child Tax Credit (ACTC) which was a refundable portion of the Child Tax Credit. The ACTC could be claimed by families who owed the IRS less than their qualified Child Tax Credit amount. Since the Child Tax Credit was non-refundable, the Additional Child Tax Credit refunded the unused portion of the Child Tax Credit to the taxpayer.

8. The IRS had rules establishing a Fuel Tax Credit to give qualified taxpayers a credit to reduce taxable income on specific types of fuel costs. The credit was available to qualified taxpayers for the amount of excise taxes included in the price of gasoline used on a farm for farming purposes, for other off-highway business use, by local transit systems, and by the operators of intercity, local or school buses. Generally, eligible taxpayers could claim fuel taxes as a credit against income tax for the year in which the qualifying use occurred. A claim for credit was made on the taxpayer's income tax return and accompanied by Form 4136, "Credit for Federal Tax Paid on Fuels," which was used to compute the credit.

9. A Preparer Tax Identification Number (“PTIN”) was a uniquely identifying number obtained by a compensated tax return preparer by applying to the IRS. To obtain a PTIN, the applicant must provide their personal information, including social security number, information about their previous year’s tax return, professional credentials, and other relevant information. A PTIN was required for all tax return preparers who were compensated for preparing, or assisting in the preparation of, all or substantially all of any United States federal tax return or claim for refund.

B. THE CHARGE

On or about the dates listed below, in the Northern District of Florida and elsewhere, the defendant,

JOHN JEAN-GILLES,

did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation under, and in connection with a matter arising under, the internal revenue laws, of a United States Individual Income Tax Return, Form 1040, which return was fraudulent and false as to a material matter, in that the filed return, as set forth below, falsely represented the taxpayer’s wages, filing status, dependent exemptions, Schedule C amounts, Fuel Tax Credit and entitlement to AOTC, EITC and ACTC credits, where the defendant knew such representations and claims to be false:

COUNT	DATE	TAXPAYER	TAX YEAR	FALSELY REPORTED ITEMS
ONE	01/22/2015	S.A.	2014	Wages Schedule C amounts EITC ACTC Fuel Tax Credit
TWO	01/19/2016	S.A.	2015	Wages Schedule C amounts EITC ACTC AOTC
THREE	01/30/2013	S.C.	2012	Wages Schedule C amounts EITC ACTC Filing Status Dependent Exemptions
FOUR	01/20/2015	S.D.	2014	Wages Schedule C amounts EITC ACTC
FIVE	01/20/2016	S.D.	2015	Wages Schedule C amounts EITC ACTC
SIX	02/04/2013	A.D.	2012	Wages EITC ACTC Filing Status Dependent Exemptions
SEVEN	01/28/2014	A.D.	2013	Wages EITC ACTC Filing Status Dependent Exemptions

EIGHT	01/22/2015	A.D.	2014	Wages EITC ACTC Filing Status Dependent Exemptions
NINE	02/01/2013	L.F.	2012	Wages EITC ACTC
TEN	03/04/2013	A.G.	2012	Wages EITC ACTC AOTC
ELEVEN	02/12/2014	A.G.	2013	Wages EITC ACTC AOTC
TWELVE	01/14/2015	A.G.	2014	Wages AOTC
THIRTEEN	01/12/2016	A.G.	2015	Wages EITC ACTC AOTC
FOURTEEN	02/09/2015	M.H.	2014	Wages EITC ACTC
FIFTEEN	02/04/2016	M.H.	2015	Wages EITC ACTC
SIXTEEN	03/18/2014	D.H.	2013	Wages Schedule C amounts EITC AOTC Fuel Tax Credit

SEVENTEEN	01/22/2015	D.H.	2014	Wages Schedule C amounts EITC ACTC Fuel Tax Credit
EIGHTEEN	02/02/2016	D.H.	2015	Wages EITC ACTC
NINETEEN	01/25/2016	D.K.	2015	Wages EITC
TWENTY	01/27/2014	D.M.	2013	Wages Schedule C amounts EITC ACTC AOTC
TWENTY- ONE	01/23/2015	D.M.	2014	Wages Schedule C amounts EITC ACTC AOTC Fuel Tax Credit
TWENTY- TWO	01/21/2016	D.M.	2015	Wages Schedule C amounts EITC ACTC AOTC Fuel Tax Credit
TWENTY- THREE	02/25/2014	G.S.	2013	Wages EITC Fuel Tax Credit
TWENTY- FOUR	02/06/2015	G.S.	2014	Wages EITC Fuel Tax Credit
TWENTY- FIVE	01/27/2016	G.S.	2015	Fuel Tax Credit

TWENTY -SIX	01/20/2015	M.W.	2014	Wages Schedule C amounts EITC ACTC AOTC Dependent Exemptions
TWENTY -SEVEN	01/13/2016	M.W.	2015	Wages Schedule C amounts EITC ACTC AOTC Dependent Exemptions

In violation of Title 26, United States Code, Section 7206(2).

COUNTS TWENTY-EIGHT THROUGH THIRTY-ONE

A. INTRODUCTION

The allegations of Counts One through Twenty-Seven are hereby realleged and incorporated by reference as if fully set forth herein.

B. THE CHARGE

Between on or about January 11, 2012, and on or about March 31, 2016, in the Northern District of Florida and elsewhere, the defendant,

JOHN JEAN-GILLES,

did knowingly and willfully devise, and intend to devise, a scheme to defraud and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme, did cause wire communications to be transmitted in interstate commerce.

C. SCHEME TO DEFRAUD

It was part of the scheme to defraud that:

1. The defendant caused false and fraudulent federal income tax returns (“fraudulent returns”) to be prepared for the purpose of generating and obtaining the payment of tax refunds.
2. These fraudulent returns falsely reported the taxpayer’s income, withholding, credits, and the refund due.
3. **JOHN JEAN-GILLES** used the personal identifying information of G.S., including his social security number, to create a Preparer Tax Identification Number (PTIN) ending in -9837 in the name of G.S. in order to file fraudulent returns under that PTIN.
4. **JOHN JEAN-GILLES** caused the fraudulent returns to be filed using tax preparation software and to be electronically filed directly with the IRS using the PTIN ending in -9837.
5. **JOHN JEAN-GILLES** caused fraudulently obtained refunds to be issued by the IRS in connection with these fraudulent returns by causing the IRS to deposit the refunds into accounts at Ohio Valley Bank.
6. By this conduct, the defendant sought to defraud the Internal Revenue Service tax refunds to which his clients were not entitled.

D. WIRE COMMUNICATIONS

On or about the following dates, for the purpose of executing the scheme to defraud, the defendant,

JOHN JEAN-GILLES,

knowingly did cause a wire communication to be transmitted in interstate commerce as set forth below:

COUNTS	DATE	COMMUNICATION
TWENTY-EIGHT	January 12, 2016	The filing of the tax return of A.G. for the 2015 tax year
TWENTY-NINE	January 19, 2016	The filing of the tax return of S.A. for the 2015 tax year
THIRTY	January 21, 2016	The filing of the tax return of D.M. for the 2015 tax year
THIRTY-ONE	January 25, 2016	The filing of the tax return of D.K. for the 2015 tax year

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT THIRTY-TWO

Between on or about January 2, 2016, and on or about January 25, 2016, in the Northern District of Florida and elsewhere, the defendant,

JOHN JEAN-GILLES,

did knowingly possess and use, without lawful authority, a means of identification of another person, to wit, the Social Security Number and Preparer Tax Identification Number of G.S., during and in relation to a felony violation

enumerated in Title 18, United States Code, Section 1028A(c), that is, wire fraud as charged in Counts Twenty-Eight through Thirty-One of this Indictment.

In violation of Title 18, United States Code, Section 1028A(a)(1).

CRIMINAL FORFEITURE

The allegations contained in Counts Twenty-Eight through Thirty-One of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture. From his engagement in the violations alleged in Counts Twenty-Eight through Thirty-One of this Indictment, the defendant,

JOHN JEAN-GILLES,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all of the defendant's right, title, and interest in any property, real and personal, constituting, and derived from, proceeds traceable to such offenses.

If any of the property described above as being subject to forfeiture, as a result of acts or omissions of the defendant:

- i. cannot be located upon the exercise of due diligence;
- ii. has been transferred, sold to, or deposited with a third party;
- iii. has been placed beyond the jurisdiction of this Court;
- iv. has been substantially diminished in value; or

- v. has been commingled with other property that cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

A TRUE BILL:



FOREPERSON

3 / 6 / 2019

DATE



LAWRENCE KEEFE
United States Attorney



GARY K. MILLIGAN
Assistant United States Attorney