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CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
STEVEN R. HINZ,)
)
HEATHER L. ENGLISH,)
)
PATRICIA A. POLK,)
)
WILLIAM E. PHILLIPS, III)
)
Defendants.)

I N D I C T M E N T

4:11CR 586

CR. NO. _____
Title 18, United States Code
Section 371
Title 26, United States Code
Sections 7206(1), 7206(2)

JUDGE [Name]

GENERAL ALLEGATIONS

The Grand Jury charges:

1. At all times relevant to this Indictment, STEVEN R. HINZ ("HINZ"), the defendant in certain counts set forth below, resided in Youngstown, Ohio. HINZ was engaged in business in Youngstown involving the sale of real estate to investors and the management of rental properties for investors, under various business names including Hinz-Dom and Youngstown Integrated Property Management.

2. At all times relevant to this Indictment, HEATHER L. ENGLISH ("ENGLISH"), the defendant in certain counts set forth below, resided in Canfield, Ohio. ENGLISH had a

- 2 -

number of employments, including working as a bookkeeper for HINZ in his real estate business, preparing income tax returns as an employee of a CPA firm, and working as a self-employed accountant, including sub-contract work for another tax preparation business.

3. At times relevant to this Indictment until approximately April 2009, PATRICIA A. POLK ("POLK"), the defendant in certain counts set forth below, resided in Youngstown, Ohio. POLK worked with and for HINZ in his real estate business. POLK was also an investor in real estate managed by HINZ's business.

4. At all times relevant to this Indictment, WILLIAM E. PHILLIPS, III ("PHILLIPS"), the defendant in certain counts set forth below, resided in Youngstown, Ohio.

5. At times relevant to this Indictment, the defendants engaged in a scheme to prepare and file false federal income tax returns, using the so-called "OID process." Under this scheme, fictitious IRS Forms 1099-OID, Original Issue Discount, and fictitious Forms 1099-A, Acquisition or Abandonment of Secured Property, were prepared for the defendants and other taxpayers. The Forms 1099-OID falsely reported that financial institutions, creditors, and other entities had withheld large amounts of federal income tax on behalf of the defendants and other taxpayers, with respect to non-existent income. Based on this fictitious withholding, false federal income tax returns were prepared and filed with the Internal Revenue Service, claiming large tax refunds to which the defendants and other taxpayers were not entitled. These false tax returns are referred to herein as "OID returns," and the scheme to prepare and file the returns is referred to herein as the "OID process scheme."

- 3 -

COUNT 1

Conspiracy to Defraud the United States, 18 U.S.C. § 371
Defendants: STEVEN R. HINZ, HEATHER L. ENGLISH,
PATRICIA A. POLK, and WILLIAM E. PHILLIPS, III

The Grand Jury further charges:

6. The allegations in paragraphs 1 through 5 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

Conspiracy to Defraud the United States

7. From approximately October 2008 through at least August 2009, the exact dates unknown to the Grand Jury, the defendants, STEVEN R. HINZ, HEATHER L. ENGLISH, PATRICIA A. POLK, and WILLIAM E. PHILLIPS, III, in the Northern District of Ohio, Eastern Division, and elsewhere, knowingly and voluntarily, did conspire, combine, confederate, and agree together and with each other and with others, both known and unknown to the Grand Jury, to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service ("IRS") of the United States Treasury Department in the ascertainment, computation, assessment, and collection of the revenue, to wit, the income taxes due and owing by the defendants and others.

Objects of the Conspiracy

8. The objects of the conspiracy were to generate substantial false federal income tax refunds for the defendants and others and to prevent and hinder the IRS from being able to collect repayment of refunds issued as a result of the conspiracy.

- 4 -

Manner and Means by which the Conspiracy was Carried Out

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

9. HINZ, ENGLISH, and at times other co-conspirators, persuaded and attempted to persuade various individuals (“taxpayers” or “clients”) to file OID tax returns pursuant to the OID process scheme. The co-conspirators also filed OID returns on their own behalf.

10. HINZ and ENGLISH promoted the OID process scheme to investors in and employees of HINZ’s real estate business and to individuals they knew or encountered through seminars and an organization or organizations, known at different times as NeoThink, NeoTech, and the Society of Secrets.

11. HINZ and ENGLISH promoted the OID process scheme and kept the taxpayers advised of the developments by conference calls, group emails, and individual conversations.

12. HINZ and ENGLISH selected a few OID returns to file as test cases. When IRS issued refunds based on those returns, or sent notices that part of the requested refunds would be applied to prior tax balances, co-conspirators informed other prospective clients of the refunds and notices as proof that the 1099-OID process would work.

13. At times, HINZ used the business name of Debt Busters LLC or Debt Busters-Youngstown (“Debt Busters”) to operate the OID process scheme. He opened a bank account in the name Debt Busters LLC to handle some of the funds received pursuant to the scheme.

14. HINZ and ENGLISH generally offered to prepare and did prepare OID returns for taxpayers in exchange for an up-front fee, often \$350 but at times lower, plus compensation of 20

- 5 -

percent of the “tax benefit” from using the OID process, to be paid from the refund proceeds. HINZ and ENGLISH variously referred to their 20 percent compensation as a “commission” and/or a “donation,” and at times requested and obtained separate payments of 10 percent each.

15. HINZ and ENGLISH generally gave taxpayers the choice of having their returns prepared the “conventional” or “standard” way or using the 1099-OID process. They advised taxpayers of the tax benefit by showing or telling them the expected OID process refund compared to the refund they would receive by filing a “conventional” or “standard” return. At times, taxpayers were told that if they chose the 1099-OID process, the taxpayers alone would be liable for any consequences with the IRS.

16. In many instances, taxpayers were provided an “OID Agreement” to sign, describing the arrangement between the taxpayer and Debt Busters-Youngstown.

17. Taxpayers who agreed to participate were told to provide information or documents to HINZ and/or ENGLISH showing the original principal on mortgage and other loans, credit card limits, and bank account statements or other records showing the amounts of checks and ATM withdrawals from their checking accounts.

18. ENGLISH, at times with the assistance of others, used the information provided by the taxpayers to prepare fictitious IRS Forms 1099-A and 1099-OID, as follows:

a. Each fictitious Form 1099-A purported to reflect that the taxpayer had made a secured loan to a financial institution or other business entity and that the secured property had either been abandoned to or acquired by the taxpayer. In fact, no such transactions had occurred.

- 6 -

b. Each fictitious Form 1099-OID, purportedly issued by a financial institution or other business entity, reported an amount of original issue discount income earned by the taxpayer and an amount of income tax withheld from that income by the financial institution or other entity. The amount of reported withholding was either equal to or nearly equal to the reported income. In fact, no such transactions had occurred.

c. In one instance, a fictitious Form 1099-OID was prepared (along with a corresponding 1099-A) falsely reporting \$1,000,000 of income from and \$1,000,000 of tax withholding by an Ohio county court with respect to a taxpayer whose dealings with the court involved contesting a traffic ticket.

19. ENGLISH prepared false OID returns for a number of taxpayers using the fictitious Forms 1099-OID prepared for them, along with any valid tax forms and other records of actual income and expenditures provided by the taxpayers. She falsified each return by (a) falsely reporting as interest income the amounts of original issue discount shown on the fictitious Forms 1099-OID prepared for the taxpayer, (b) falsely listing the total amount of withholding shown on the fictitious Forms 1099-OID in the payment section of the return, and (c) claiming a false refund of supposedly overpaid taxes based on the falsely claimed withholding credit.

20. ENGLISH generally prepared the OID returns without listing her name or identification number in the paid-preparer section, in order to falsely indicate that they were self-prepared by the taxpayers. In a few instances involving relatively small false refunds, including her own return, English listed herself as the paid preparer, or, in at least one instance, that another individual was the preparer.

- 7 -

21. ENGLISH electronically filed at least 17 OID returns for the defendants and other taxpayers, claiming over \$3 million of false refunds.

22. ENGLISH arranged with a company (referred to herein as the "Transmittal Business") to electronically transmit the fictitious Forms 1099-A and 1099-OID to the IRS. Pursuant to that arrangement, HINZ and ENGLISH submitted approximately 411 sets of the fictitious forms and related processing documents to Transmittal Business with respect to approximately 57 individual taxpayers. The fictitious Forms 1099-OID reported a combined total of approximately \$13 million of false original issue discount income and nearly the same amount of false income tax withholding.

23. ENGLISH made repeated efforts to have the Transmittal Business re-submit the fictitious Forms 1099-A and 1099-OID to the IRS after the IRS rejected the submissions, even after ENGLISH was informed that the IRS had rejected the forms because they were fraudulent.

24. HINZ generally attempted to have taxpayers agree to have their refunds from the OID returns direct-deposited into a joint bank account with HINZ. This would enable HINZ to withdraw his and ENGLISH's share of the refund immediately upon receipt. For some taxpayers who did not agree to this arrangement, HINZ and ENGLISH would and did seek immediate payment of their 20 percent share of refunds received by those taxpayers.

25. Upon receipt of refunds issued on OID returns, and payment of the share owing to HINZ and ENGLISH, co-conspirators would promptly spend or move the funds in a manner to impede the ability of the IRS to recover the money at a later time. On occasion, co-conspirators urged other taxpayers to do the same with their refunds.

- 8 -

26. When IRS made efforts to seek the return of OID refunds issued to co-conspirators and other taxpayers, HINZ provided them with and/or advised them to submit frivolous correspondence and documents to the IRS. These documents included, in part, copies of the notices issued by the IRS to the taxpayers, on which frivolous hand-printed responses were added. Some of the documents included instructions to the IRS to obtain re-payment of the refund by drawing on a "pass-through" or other supposed account at the U.S. Treasury for the benefit of the taxpayer.

Overt Acts

In furtherance of the conspiracy, and to effect its illegal objects, the following overt acts, among others, were committed in the Northern District of Ohio, Eastern Division, and elsewhere:

27. In or around November 2008, HINZ filed Articles of Organization with the Ohio Secretary of State for Debt Busters, LLC, effective December 1, 2008.

28. On or about the following dates, OID tax returns were filed electronically with the IRS, claiming the following amounts of false refunds for the defendants and the following other individuals (referred to by initials):

	<u>Taxpayer</u>	<u>Date</u>	<u>False Refund</u>
(1)	ENGLISH and husband	01/22/2009	\$13,121
(2)	TS	02/19/2009	\$661,520
(3)	POLK	02/19/2009	\$160,442
(4)	HINZ	02/26/2009	\$545,099
(5)	KLK & MG	03/04/2009	\$208,960
(6)	TST	03/04/2009	\$290,385

- 9 -

	<u>Taxpayer</u>	<u>Date</u>	<u>False Refund</u>
(7)	PHILLIPS	03/12/2009	\$97,503
(8)	AJD	03/18/2009	\$117,834
(9)	CP & JAP	03/18/2009	\$239,340
(10)	VRR	03/18/2009	\$177,183
(11)	KAD	03/18/2009	\$32,750
(12)	REB & CMB	03/18/2009	\$291,844
(13)	WRA & SCA	03/19/2009	\$200,053
(14)	EMK & WEK	03/26/2009	\$92,631
(15)	StP	03/31/2009	\$1,933
(16)	SuP	04/06/2009	\$12,806
(17)	AD	07/23/2009	\$13,827
	Total False Refund Claims		\$3,157,231

29. On or about February 23, 2009, a tax refund of \$13,121 was received by ENGLISH and her husband.
30. On or about February 27, 2009, a tax refund of \$160,442 was received by POLK by direct deposit into a personal checking account of hers at Charter One Bank ("Polk Account #1").
31. On or about February 28, 2009, after learning of POLK's refund, HINZ sent an email to various persons advising them that an OID return refund had been received and scheduling a conference call to discuss the OID process. Among other things, the email stated: "WE DID IT! THE FIRST SIX FIGURE 1099 OID RETURN HAS BEEN RECEIVED! We

- 10 -

came we saw, we kicked BUTT! WE have received our second 1099 OID Federal Tax Return and as promised in a previous email this one was 6 figures!”

32. On or about March 2, 2009, HINZ opened a checking account at Charter One Bank in the name of Debt Busters LLC.

33. On various dates in March 2009, HINZ and ENGLISH submitted approximately 411 Forms 1099-OID, along with approximately 411 corresponding Forms 1099-A, to Transmittal Business, to be submitted to the IRS.

34. On or about April 3, 2009, ENGLISH instructed Transmittal Business to resubmit the tax forms that had been rejected by the IRS.

35. On or about April 9 and 10, 2009, ENGLISH instructed Transmittal Business to submit additional tax forms to the IRS, including Forms 1099-OID.

Disposition of Refunds

36. From on or about February 27, 2009, to on or about April 9, 2009, the following overt acts, among others, took place with respect to the \$160,442 OID refund deposited into Polk Account #1:

a. On or about February 27, 2009, POLK transferred \$32,112.13 to another account at Charter One bank (“Polk Account #2”) and issued eight checks to creditors from Polk Account #1.

b. On or about February 27, 2009, POLK transferred two payments from Polk Account #2 in the amount of \$11,926.86 each, one to a bank account jointly owned by

- 11 -

HINZ as his share of POLK's refund, and the other to a Hinz-Dom bank account to pay ENGLISH's share of POLK's refund.

c. On or about February 27, 2009, HINZ issued a check from the Hinz-Dom account for \$11,926.86 payable to ENGLISH. The memo section of that check contained the notation: "gift from Patricia Polk to Heather English."

d. On or about March 12, 2009, POLK transferred \$64,000 from Polk Account #1 to an account of hers at Bank of America.

e. On or about March 31, 2009, POLK issued a check from her Bank of America account to pay her State of Ohio taxes.

f. On or about April 9, 2009, POLK withdrew \$48,000 from her Bank of America account to purchase an official check in that amount.

37. Beginning on or about March 26, 2009, the following overt acts, among others, took place with respect to a tax refund of \$239,340 issued by the IRS to taxpayers JAP and CP:

a. On March 26, 2009, the \$239,340 refund was direct-deposited into a joint personal checking account of JAP and CP at Charter One bank.

b. Later that day, HINZ instructed JAP to obtain two checks, one in the amount of \$21,466 for HINZ, and the other the amount of \$21,996 for ENGLISH, as their shares of the tax refund.

c. Later that day, JAP withdrew \$43,462 from her joint bank account to obtain two Charter One official checks in the requested amounts, which she provided to HINZ and ENGLISH as instructed.

- 12 -

d. That day, after receiving his payment, HINZ instructed JAP to hide the rest of the proceeds of the refund (which JAP and CP chose not to do).

e. During the following weeks and months, the exact dates unknown to the grand jury, CP and HINZ had one or more conversations in which CP asked HINZ to return his portion of the refund so that CP could repay the IRS, which HINZ refused to do.

f. During the following weeks and months, the exact dates unknown to the grand jury, CP and ENGLISH had one or more conversations in which CP asked ENGLISH to return her portion of the refund so that CP could repay the IRS, which ENGLISH refused to do.

38. From on or about March 27, 2009, through on or about April 3, 2009, the following overt acts, among others, took place with respect to a tax refund of \$85,209 issued by the IRS to PHILLIPS:

a. On or about March 27, 2009, PHILLIPS received the \$85,209 tax refund by direct deposit into a business checking account of his.

b. On or about March 28, 2009, PHILLIPS issued two checks from his business checking account in the amount of \$8,520.90 each, payable to HINZ and ENGLISH, which he provided to them as their share of his refund.

c. On or about April 3, 2009, PHILLIPS withdrew \$65,000 in currency from his checking account.

39. Beginning on or about April 3, 2009, the following overt acts, among others, took place with respect to a tax refund of \$92,631 issued by the IRS to EMK and WEK:

- 13 -

- a. On or about April 3, 2009, the \$92,631 refund was deposited into a joint bank account of HINZ and EMK.
- b. On or about the same day, \$92,631 was transferred from the HINZ/EMK joint account to a bank account of Debt Busters.
- c. On or about the same day, a \$66,000 check payable to cash from the Debt Busters account was used to purchase another check in that amount for EMK and WEK.
- d. On or about April 6, 2009, \$8,263.10 was transferred from the Debt Busters account to a bank account of ENGLISH.
- e. On or about April 6, 2009, \$8,263.10 was transferred from the Debt Busters account to a Hinz-Dom bank account.
- f. On or about April 9, 2009, the above-referenced \$66,000 check to EMK and WEK was deposited into a joint bank account of theirs at Bank of America.
- g. During the days and weeks following April 9, 2009, EMK and/or WEK withdrew and/or disbursed for personal use most or all of the refund monies.

Submissions of Documents to the IRS

40. On or about April 2, 2009, HINZ sent a letter to the IRS enclosing a purported "set-off bond" in response to a notice of tax due that the IRS sent to POLK, along with a copy of the notice on which frivolous hand-written notations had been added.

41. On or about April 21, 2009, HINZ provided taxpayer CP documents to submit to the Secretary of Treasury, Department of Treasury, and an IRS Revenue Officer, purporting to

- 14 -

pay \$350,111.36 of income taxes on behalf of CP and JAP by directing the Secretary of Treasury to apply a purported bond to make the payment.

42. On or about April 22, 2009, POLK sent a number of frivolous documents to the IRS in response to a Notice of Jeopardy Levy and Right of Appeal issued by the IRS with respect to the balance owed on her 2008 personal income tax, including a purported Money Order in the amount of \$218,842.20.

43. On or about April 23, 2009, POLK sent a number of frivolous documents to the IRS in response to a Notice of Federal Tax Lien issued by the IRS with respect to the balance owed on her 2008 personal income tax, including a purported Money Order in the amount of \$215,509.

44. On or about May 4, 2009, PHILLIPS sent a number of frivolous documents to the IRS in response to a Notice of Levy issued by the IRS with respect to the balance owed on his 2008 personal income tax.

45. On or about May 15, 2009, PHILLIPS sent a number of frivolous documents to the IRS in response to a Notice of Federal Tax Lien Filing and Right to a Hearing issued by the IRS with respect to the balance owed on his 2008 personal income tax. The documents included a fraudulent "Bond to discharge attachment for debt" containing instructions to settle his tax account through a purported "pass through account" of PHILLIPS at the U.S. Treasury Department.

- 15 -

46. On or about May 22, 2009, PHILLIPS sent a number of frivolous documents to the IRS in response to a Notice of Federal Tax Lien issued by the IRS with respect to the balance owed on his 2008 personal income tax.

All in violation of Title 18, Section 371, United States Code.

COUNT 2

Making a false return, 26 U.S.C. § 7206(1)

Defendant: STEVEN R. HINZ

The Grand Jury further charges:

47. The allegations in paragraph 1 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

48. On or about February 26, 2009, in the Northern District of Ohio, Eastern Division, the defendant, STEVEN R. HINZ, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2008, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said return the defendant did not believe to be true and correct as to every material matter, in that, as the defendant then and there well knew, said return reported false amounts of interest income (line 8a and Schedule B, line 2) and withheld federal income tax (line 62), and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

False Items	
a.	Interest Income of \$816,391
b.	Withheld federal income tax of \$810,190
c.	Claim for refund of overpaid taxes of \$545,099

All in violation of Title 26, Section 7206(1), United States Code.

- 16 -

COUNT 3

Making a false return, 26 U.S.C. § 7206(1)

Defendant: HEATHER L. ENGLISH

The Grand Jury further charges:

49. The allegations in paragraph 2 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

50. On or about January 22, 2009, in the Northern District of Ohio, Eastern Division, the defendant, HEATHER L. ENGLISH, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2008, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service on her and her husband's joint behalf, which said return the defendant did not believe to be true and correct as to every material matter, in that, as the defendant then and there well knew, said return reported false amounts of interest income (line 8a and Schedule B, line 2), withheld federal income tax (line 62), and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

False Items	
a.	Interest Income of \$7,550
b.	Withheld federal income tax of \$10,141
c.	Claim for refund of overpaid taxes of \$13,121

All in violation of Title 26, Section 7206(1), United States Code.

COUNT 4

Making a false return, 26 U.S.C. § 7206(1)

Defendant: PATRICIA A. POLK

The Grand Jury further charges:

51. The allegations in paragraph 3 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

52. On or about February 19, 2009, in the Northern District of Ohio, Eastern Division, the defendant, PATRICIA A. POLK, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2008, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said return the defendant did not believe to be true and correct as to every material matter, in that, as the defendant then and there well knew, said return reported false amounts of interest income (line 8a and Schedule B, line 2), withheld federal income tax (line 62), and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

False Items	
a.	Interest Income of \$215,495
b.	Withheld federal income tax of \$216,463
c.	Claim for refund of overpaid taxes of \$160,442

All in violation of Title 26, Section 7206(1), United States Code.

COUNT 5

Making a false return, 26 U.S.C. § 7206(1)

Defendant: WILLIAM E. PHILLIPS, III

The Grand Jury further charges:

53. The allegations in paragraph 4 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

54. On or about March 12, 2009, in the Northern District of Ohio, Eastern Division, the defendant, WILLIAM E. PHILLIPS, III, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2008, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said return the defendant did not believe to be true and correct as to every material matter, in that, as the defendant then and there well knew, said return reported false amounts of interest income (line 8a and Schedule B, line 2), withheld federal income tax (line 62), and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

False Items	
a.	Interest Income of \$155,688
b.	Withheld federal income tax of \$155,355
c.	Claim for refund of overpaid taxes of \$97,503

All in violation of Title 26, Section 7206(1), United States Code.

- 19 -

COUNTS 6 - 18

Aiding and Assisting Preparation of false returns, 26 U.S.C. § 7206(2)

Defendants: STEVEN R. HINZ and HEATHER L. ENGLISH

The Grand Jury further charges:

55. The allegations in paragraphs 1, 2, and 5 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

56. On or about the dates set forth below, in the Northern District of Ohio, Eastern Division, the defendants, STEVEN R. HINZ and HEATHER L. ENGLISH, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of U.S. Individual Income Tax Returns, Forms 1040, either individual or joint, of the individuals listed below ("taxpayers") (some listed by initials), which were false and fraudulent as to material matters, in that, as the defendants then and there knew, the returns reported false amounts of interest income (line 8a and Schedule B, line 2), withheld federal income tax (line 62), and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

Count	Taxpayer	Date	False Items
6	Patricia A. Polk	02/19/2009	<ul style="list-style-type: none"> a. Interest Income of \$215,495 b. Withheld federal income tax of \$216,463 c. Claim for refund of overpaid taxes of \$160,442
7	TS	02/19/2009	<ul style="list-style-type: none"> a. Interest Income of \$1,000,000 b. Withheld federal income tax of \$1,000,000 c. Claim for refund of overpaid taxes of \$661,520

- 20 -

Count	Taxpayer	Date	False Items
8	KLG & MG	03/04/2009	a. Interest Income of \$294,387 b. Withheld federal income tax of \$294,387 c. Claim for refund of overpaid taxes of \$208,960
9	William E. Phillips, III	03/12/2009	a. Interest Income of \$155,688 b. Withheld federal income tax of \$155,355 c. Claim for refund of overpaid taxes of \$97,503
10	AJD	03/18/2009	a. Interest Income of \$157,658 b. Withheld federal income tax of \$157,048 c. Claim for refund of overpaid taxes of \$117,834
11	CP & JAP	03/18/2009	a. Interest Income of \$356,429 b. Withheld federal income tax of \$350,073 c. Claim for refund of overpaid taxes of \$239,340
12	VRR	03/18/2009	a. Interest Income of \$240,496 b. Withheld federal income tax of \$239,696 d. Claim for refund of overpaid taxes of \$177,183
13	KAD	03/18/2009	a. Interest Income of \$43,250 b. Withheld federal income tax of \$43,250 c. Claim for refund of overpaid taxes of \$32,750
14	REB & CMB	03/18/2009	a. Interest Income of \$417,663 b. Withheld federal income tax of \$417,462 c. Claim for refund of overpaid taxes of \$291,844

- 21 -

Count	Taxpayer	Date	False Items
15	WRA & SCA	03/19/2009	a. Interest Income of \$274,746 b. Withheld federal income tax of \$273,708 c. Claim for refund of overpaid taxes of \$200,053
16	EMK & WEK	03/26/2009	a. Interest Income of \$121,816 b. Withheld federal income tax of \$121,244 c. Claim for refund of overpaid taxes of \$92,631
17	SuP	04/06/2009	a. Interest Income of \$28,300 b. Withheld federal income tax of \$18,500 c. Claim for refund of overpaid taxes of \$12,806
18	AD	07/23/2009	a. Interest Income of \$15,220 b. Withheld federal income tax of \$15,120 c. Claim for refund of overpaid taxes of \$13,827

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

COUNT 19

Aiding and Assisting Preparation of false return, 26 U.S.C. § 7206(2)

Defendants: STEVEN R. HINZ and HEATHER L. ENGLISH

The Grand Jury further charges:

57. The allegations in paragraphs 1, 2, and 5 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

58. On or about March 4, 2009, in the Northern District of Ohio, Eastern Division, the defendants, STEVEN R. HINZ and HEATHER L. ENGLISH, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of

- 22 -

a U.S. Individual Income Tax Return, Form 1040, of TST (an individual listed by his initials), for the year 2008, which was false and fraudulent as to a material matter, in that, as the defendants then and there well knew, the return reported false amounts of interest income (line 8a and Schedule B, line 2); gross sales price, cost or other basis plus improvements and expense of sale, and loss from the sale of residential rental property (line 14 and Form 4797, Part 1, lines 2 and 7); withheld federal income tax (line 62); and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

False Items	
a.	Interest Income of \$431,403
b.	Withheld federal income tax of \$452,207
d.	Claim for refund of overpaid taxes of \$290,385
e.	Sale of residential rental property:
(1)	Gross sales price of \$95,000
(2)	Cost or other basis, plus improvements and expense of sale of \$106,741

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

COUNT 20

Aiding and Assisting Preparation of false return, 26 U.S.C. § 7206(2)

Defendants: STEVEN R. HINZ and HEATHER L. ENGLISH

The Grand Jury further charges:

59. The allegations in paragraphs 1, 2, and 5 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

60. On or about March 31, 2009, in the Northern District of Ohio, Eastern Division, the defendants, STEVEN R. HINZ and HEATHER L. ENGLISH, did willfully aid and assist in,

- 23 -

and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040A, of StP (an individual listed by her initials), for the year 2008, which was false and fraudulent as to a material matter, in that, as the defendants then and there well knew, the return reported false amounts of interest income (line 8a and Schedule 1, line 2), withheld federal income tax (line 38); and claimed a refund of a false amount of overpaid taxes (lines 44 and 45a), as follows:

False Items	
a.	Interest Income of \$2,060
b.	Withheld federal income tax of \$2,050
d.	Claim for refund of overpaid taxes of \$1,933

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

COUNT 21

Aiding and Assisting Preparation of false return, 26 U.S.C. § 7206(2)

Defendant: HEATHER L. ENGLISH

The Grand Jury further charges:

61. The allegations in paragraphs 1, 2, and 5 of the General Allegations are re-alleged and incorporated by reference in this count, as though fully restated herein.

62. On or about February 26, 2009, in the Northern District of Ohio, Eastern Division, the defendant, HEATHER L. ENGLISH, did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service, of a U.S. Individual Income Tax Return, Form 1040, of Steven R. Hinz (not a defendant in this Count), which was false and fraudulent as to a material matter, in that, as the defendant then and there well knew,

- 24 -

the return reported false amounts of interest income (line 8a and Schedule B, line 2), withheld federal income tax (line 62); and claimed a refund of a false amount of overpaid taxes (lines 72 and 73a), as follows:

False Items	
a.	Interest Income of \$816,391
b.	Withheld federal income tax of \$810,190
c.	Claim for refund of overpaid taxes of \$545,099

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

A TRUE BILL.