KEVIN V. RYAN (California State Bar No. 118321)
United States Attorney

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FILED

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

SBA

UNITED STATES DISTRICT COURT FOR THE

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. RAYMOND FRANCIS HILL, Defendant.	CR03-40174 Criminal No. CR- VIOLATIONS: 18 USC § 1341 - Mail Fraud; 26 USC § 7206(2) Aiding and Assisting in the Preparation Of False Tax Returns OAKLAND VENUE

INDICTMENT

The Grand Jury charges:

BACKGROUND

1. At times relevant to this indictment, RAYMOND F. HILL, was a resident of Oakland, California.

2. On or about and between August 13,1997, and May 25, 1999, both dates being approximate and inclusive, in the Northern District of California and elsewhere, the defendant RAYMOND F. HILL devised and intended to devise a scheme and artifice to defraud and to obtain money by means of false and fraudulent pretenses, representations, and promises, well knowing that the pretenses, representations and promises were false and fraudulent when made.

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3. It was part of the scheme that RAYMOND F. HILL would receive money from individuals to prepare so called "zero-returns" for his clients. Each such return, either a Form 1040X Amended U.S. Individual Income Tax Return or Form 1040 U.S. Individual Income Tax Return, showed a zero or a negative number for taxable income and zeros for tax due, and claimed a refund of all tax amounts previously paid to the Internal Revenue Service.

COUNT ONE: (18 U.S.C. § 1341 -- Mail Fraud)

4. Paragraphs One through Three are hereby realleged and incorporated herein as if set forth in full.

5. Defendant RAYMOND F. HILL held himself out to Kathleen R. Harris as an accountant and former employee of the Internal Revenue Service, and persuaded her to provide money to him to prepare an amended income tax return for her based on these representations.

6. In contrast to his representations to Kathleen R. Harris that he was an accountant and a former employee of the Internal Revenue Service, defendant RAYMOND F. HILL was not an accountant, nor did he ever work for the Internal Revenue Service.

7. The defendant, for the purpose of executing the scheme and artifice to defraud described in paragraphs 2 and 3 above and in attempting to do so, caused the use of the United States mails in that he provided to Kathleen R. Harris a so called "zero-return" for filing with the Internal Revenue Service, knowing and having reason to believe that the so called "zero-return" would be sent by United States mail from the Northern District of California to the Internal Revenue Service by Kathleen R. Harris on or about September 16, 1997.

In violation of Title 18, United States Code, Sections 1341.

COUNT TWO (18 U S C § 1341- Mail Fraud)

8. Paragraphs One through Three stated above are hereby realleged and incorporated herein as if set forth in full.

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9. Defendant RAYMOND F. HILL held himself out to Christine Ann Sinclair as a Certified Public Accountant who sold his accounting business after fifteen years of business, and persuaded her to provide money to him to prepare an amended income tax return for her based on these representations.

10. In contrast to his representations to Christine Ann Sinclair that he was a Certified Public Accountant who sold his accounting business, defendant RAYMOND F. HILL was not a Certified Public Accountant, nor did he sell a Certified Public Accounting business.

11. The defendant, for the purpose of executing the scheme and artifice to defraud and in attempting to do so, provided Christine Ann Sinclair with a so called "zero-return" which was filed with the Internal Revenue Service and resulted in the assessment by the IRS of a Frivolous Return Penalty against Christine Ann Sinclair.

12. The defendant, for the purpose of executing the scheme and artifice to defraud and in attempting to do so, did knowingly mail and caused to be mailed by United States mail a Form 2848 Power of Attorney and Declaration of Representative and letter to the Internal Revenue Service on or about May 25, 1999.

In violation of Title 18, United States Code, Sections 1341.

COUNTS THREE THROUGH SEVENTEEN (26 U.S.C. § 7206(2))

13. On or about the dates set forth below, in the Northern District of California, the defendant RAYMOND FRANCIS HILL then a resident of Oakland, California, did willfully aid and assist in, and procure, counsel, and advise, the preparation and presentation to the Internal Revenue Service of false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, and Amended U.S. Individual Income Tax Returns, Forms 1040X, for the taxpayers and calendar years specified below in that the defendant Hill prepared the tax returns and amended tax returns described below which claimed zero income and/or zero adjusted gross income, whereas, the defendant then and there well knew the taxpayers had income and/or adjusted gross income.

COUNT	DATE OF OFFENSE ON OR ABOUT	TAXPAYER AND TYPE OF RETURN	CALENDAR TAX YEAR RETURN	INCOME AND OR ADJUSTED GROSS INCOME REPORTED ON RETURN
3	09/19/97	Kathleen Harris 1040X	1995	0
4	10/17/97	Gary Garcia 1040X	1996	0
5	04/15/98	James Moody 1040	1997	0
6	04/15/98	John Magel 1040	1997	0
7	07/14/98	Salvador Smith 1040	1996	0
8	11/18/98	Salvador Smith 1040X	1995	0
9	10/28/98	Thomas Graham 1040X	1995	0
10	01/15/99	Christine Sinclair 1040X	1997	0
11	01/21/99	Michael Galliher 1040	1997	0
12	07/09/99	Michael Galliher 1040X	1996	0
13	07/09/99	Michael Galliher 1040	1998	0
14	04/15/99	Kevin McLemore 1040	1998	0
15	04/15/99	Douglas Flint 1040	1998	0
16	05/20/99	Douglas Lehrer 1040X	1997	0
17	04/15/99	Steven Stein 1040	1998	0

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

A True Bill

Dated:_____

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FOREPERSON

KEVIN V. RYAN
United States Attorney

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CHARLES BURCH
Chief, Criminal Section

Approved as to Form

AUSA: _____
THOMAS MOORE