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

MJJ

IN THE UNITED STATES DISTRICT COURT FOR THE

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

CR 02-0100

UNITED STATES OF AMERICA, Plaintiff, v. SUKHDEEP BAWA and JASNA BAWA, Defendants.	CRIMINAL NO. VIOLATIONS: 18 U.S.C. § 371 – Conspiracy; 26 U.S.C. § 7206(1) – Making and Subscribing False Returns; 26 U.S.C. § 7206(2) – Aiding and Assisting in the Filing of False Returns; 26 U.S.C. § 7201 – Income Tax Evasion; SAN FRANCISCO VENUE

INDICTMENT

The Grand Jury charges:

COUNT ONE: (18 U.S.C. § 371)

1. Beginning on a date unknown to the Grand Jury, but on a date no later than April 30, 1995, and continuing to January 31, 1999, in the Northern District of California, the defendants

SUKHDEEP BAWA and
JASNA BAWA

did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree together and with each other and with other individuals both known and unknown to the Grand Jury to accomplish the following unlawful purposes: (1) to defraud the United States of America; (2) to impede, impair, obstruct, and defeat the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of the revenue: to wit, corporate employment taxes; and (3) to commit offenses against the United States: to wit, to violate

Title 26, United States Code, Sections 7206(1) and 7206(2).

PARTIES, PERSONS AND ENTITIES

At all relevant times,

2. Defendant Jasna Bawa, the wife of Sukhdeep Bawa, was President of Jasna Corporation, was a 49% shareholder of Jasna Corporation, was the person who supervised the sandwich makers and the production side of the business, had signature authority over the corporate bank account from which wages were paid to Jasna Corporation employees, signed payroll checks for Jasna Corporation employees, and was the person responsible for the generation of computerized payroll records from which the Employer's Quarterly Federal Tax Returns (Forms 941) for Jasna Corporation for the calendar quarters ending March 31, 1995, through December 31, 1998, were prepared.

3. Defendant Sukhdeep Bawa, the husband of Jasna Bawa, was Vice-President of Jasna Corporation, was the person who supervised the drivers and the distribution side of the business, had signature authority over the corporate bank account from which wages were paid to Jasna Corporation employees, signed payroll checks for Jasna Corporation employees, and was the person who prepared and signed every Employer's Quarterly Federal Tax Return (Form 941) for Jasna Corporation for the calendar quarters ending March 31, 1995, through December 31, 1998, as being true, correct, and complete returns.

4. Jasna Corporation, doing business as Deli Delicious, is a California Corporation formed on November 6, 1991, by defendants Sukhdeep Bawa and Jasna Bawa to own and operate a wholesale sandwich making and distribution business, and/or conduct any lawful act or activity for which a corporation may be organized. In addition to Sukhdeep Bawa, Jasna Bawa and Albert Vienop, a salesman, Jasna Corporation had two classes of employees: drivers and sandwich makers.

MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

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

Defendants Sukhdeep Bawa and Jasna Bawa concealed from the Internal Revenue Service the true amount of wages paid to employees of Jasna Corporation by paying some employees

in whole or in part by cash instead of by corporate check; by generating computerized payroll records which omitted the cash payments to employees; by using the computer generated payroll records to prepare false and fraudulent Employer's Quarterly Federal Tax Returns (Forms 941) for the calendar quarters ending March 31, 1995 through December 31, 1998, which omitted the cash payments made to employees; and by filing the false and fraudulent Employer's Quarterly Federal Tax Returns (Forms 941) for the calendar quarters ending March 31, 1995 through December 31, 1998, with the Internal Revenue Service.

OVERT ACTS

6. In furtherance of the conspiracy, and to effect the objects thereof, defendants committed the following overt acts, among others, in the Northern District of California, and elsewhere:

(a) Sukhdeep Bawa paid some employees of Jasna Corporation, in whole or in part, by cash instead of by corporate check.

(b) Jasna Bawa paid some employees of Jasna Corporation, in whole or in part, by cash instead of by corporate check.

(c) While wages paid by corporate check were input by Sukhdeep Bawa and Jasna Bawa into the computer program for corporate payroll, neither Sukhdeep Bawa nor Jasna Bawa input into the computer program for corporate payroll the wages paid in cash to Jasna Corporation employees.

(d) Jasna Bawa generated computerized payroll records that omitted wages paid in cash and she provided said payroll records to Sukhdeep Bawa for the preparation of the Employer's Quarterly Federal Tax Returns, Forms 941 for Jasna Corporation for the calendar quarters ending March 31, 1995, through December 31, 1998.

(e) Sukhdeep Bawa prepared Employer's Quarterly Federal Tax Returns, Forms 941, for Jasna Corporation for the calendar quarters ending March 31, 1995, through December 31, 1998, from the computer generated payroll records.

(f) Sukhdeep Bawa signed Employers Quarterly Federal Tax Returns, Form 941, for Jasna Corporation for the calendar quarters ending March 31, 1995, through December 31, 1998, and filed the same with the Internal Revenue Service.

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

COUNT TWO THROUGH SEVENTEEN: (26 U.S.C. § 7206(1))

On or about the dates set forth below, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully make and subscribe Employer's Quarterly Federal Tax Returns, Forms 941, for Jasna Corporation, for the calendar quarters specified below, which were filed with the Internal Revenue Service and verified by the defendant in a written declaration that it was made under the penalty of perjury, which he knew to be materially false in that the quarterly tax returns described below reported wages paid in the amounts stated, whereas, the defendant then and there well knew that wages paid by Jasna Corporation for the periods covered by said quarterly tax returns were in excess of the amounts reported on said quarterly tax returns.

COUNT	DATE OF OFFENSE ON OR ABOUT	CALENDAR QUARTER ENDING	WAGES PAID REPORTED ON FORM 941
2	04-30-95	03-31-95	$13,022.60
3	07-31-95	06-30-95	$13,324.74
4	10-31-95	09-30-95	$13,937.18
5	01-31-96	12-31-95	$10,729.88
6	04-30-96	03-31-96	$ 8,972.55
7	07-31-96	06-30-96	$ 9,576.42
8	10-31-96	09-30-96	$16,696.81
9	01-31-97	12-31-96	$14,711.42
10	04-30-97	03-31-97	$ 8,956.98
11	07-31-97	06-30-97	$10,880.77
12	10-31-97	09-30-97	$18,581.67
13	01-31-98	12-31-97	$22,426.20
14	04-30-98	03-31-98	$23,730.93
15	07-31-98	06-30-98	$27,688.97
16	10-31-98	09-30-98	$35,133.70
17	01-31-99	12-31-98	$23,120.56

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

COUNTS EIGHTEEN THROUGH THIRTY-THREE: (26 U.S.C. § 7206(2))

On or about the dates set forth below, in the Northern District of California, the defendant

JASNA BAWA

then a resident of Napa, 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 Employer's Quarterly Federal Tax Returns, Forms 941, for Jasna Corporation, for the calendar quarters specified below, in that the defendant Jasna Bawa input into the computer program for corporate payroll only those wages which were paid by corporate check and omitted those wages paid in cash for the calendar quarters specified below; generated the computerized payroll records for Jasna Corporation that she knew did not accurately reflect the wages paid by Jasna Corporation for the calendar quarters specified below in that they omitted wages paid in cash; and provided said payroll records to defendant Sukhdeep Bawa for the preparation of the Employers Quarterly Federal Tax Returns, Forms 941, for Jasna Corporation for the calendar quarters specified below which reported wages paid in the amounts stated, whereas, the defendant Jasna Bawa then and there well knew that defendant Sukhdeep Bawa would use said payroll records to prepare false and fraudulent Employers Quarterly Federal Tax Returns, Forms 941, for Jasna Corporation for the calendar quarters specified below in that wages paid by Jasna Corporation for the periods covered by said quarterly returns were in excess of the amounts reported on said quarterly returns, and that defendant Sukhdeep Bawa would file said false and fraudulent Employers Quarterly Federal Tax Returns with the Internal Revenue Service.

COUNT	DATE OF OFFENSE ON OR ABOUT	CALENDAR QUARTER ENDING	WAGES PAID REPORTED ON FORM 941
18	04-30-95	03-31-95	$13,022.60
19	07-31-95	06-30-95	$13,324.74
20	10-31-95	09-30-95	$13,937.18
21	01-31-96	12-31-95	$10,729.88
22	04-30-96	03-31-96	$ 8,972.55
23	07-31-96	06-30-96	$ 9,576.42
24	10-31-96	09-30-96	$16,696.81
25	01-31-97	12-31-96	$14,711.42

COUNT	DATE OF OFFENSE ON OR ABOUT	CALENDAR QUARTER ENDING	WAGES PAID REPORTED ON FORM 941
27	07-31-97	06-30-97	$10,880.77
28	10-31-97	09-30-97	$18,581.67
29	01-31-98	12-31-97	$22,426.20
30	04-30-98	03-31-98	$23,730.93
31	07-31-98	06-30-98	$27,688.97
32	10-31-98	09-30-98	$35,133.70
33	01-31-99	12-31-98	$23,120.56

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

COUNT THIRTY-FOUR: (26 U.S.C. § 7206(1))

On or about July 25, 1997, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully make and subscribe an U.S. Corporation Income Tax Return, Form 1120, on behalf of Jasna Corporation, for the fiscal year ending October 31, 1996, which was filed with the Internal Revenue Service and verified by the defendant in a written declaration that it was made under the penalty of perjury, which he knew to be materially false in that said return reported gross receipts for Jasna Corporation in the amount of $487,409, when, in fact, Jasna Corporation had gross receipts for the fiscal year ending October 31, 1996, in excess of $487,409.

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

COUNT THIRTY-FIVE: (26 U.S.C. § 7206(2))

On or about August 17, 1998, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully aid and assist in, and procure, counsel and advise, the preparation and presentation to the Internal Revenue Service of a false and fraudulent U.S. Corporation Income Tax Return, Form 1120, for Jasna Corporation for the fiscal year October 31, 1997 in that the defendant Sukhdeep Bawa provided an income/expense summary for Jasna Corporation to the return preparer wherein said income/expense summary showed gross receipts for Jasna Corporation for the

fiscal year ending October 31, 1997, in the amount of $594,839, which he knew the return preparer would use in the preparation of the U.S. Corporation Income Tax Return, Form 1120, for Jasna Corporation for the fiscal year October 31, 1997, whereas the defendant Sukhdeep Bawa then and there well knew that Jasna Corporation had gross receipts for the fiscal year ending October 31, 1997, in excess of the amount of $594,839.

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

COUNT THIRTY-SIX: (26 U.S.C. § 7201)

On or about April 15, 1996, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for the calendar year 1995, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he stated that his taxable income for said calendar year was the sum of $2,659, whereas, as he then and there well knew and believed, his taxable income for said calendar year was the sum of $47,815, upon which said taxable income there was owing to the United States of America an income tax of $7,922.

In violation of Title 26, United States Code, Section 7201.

COUNT THIRTY-SEVEN: (26 U.S.C. § 7201)

On or about April 15, 1997, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for the calendar year 1996, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he stated that his taxable income for said calendar year was the sum of $2,363, whereas, as he then and there well knew and believed, his taxable income for said calendar year was the sum of $17,852, upon which said taxable income there was owing to the United States of America an income tax of $2,327.

In violation of Title 26, United States Code, Section 7201.

COUNT THIRTY-EIGHT: (26 U.S.C. § 7201)

On or about April 15, 1998, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for the calendar year 1997, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he stated that his taxable income for said calendar year was the sum of $ -0-, whereas, as he then and there well knew and believed, his taxable income for said calendar year was the sum of $14,766, upon which said taxable income there was owing to the United States of America an income tax of $2,216.

In violation of Title 26, United States Code, Section 7201.

COUNT THIRTY-NINE: (26 U.S.C. § 7206(1))

On or about April 15, 1996, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully make and subscribe an U.S. Individual Income Tax Return, Form 1040, for the calendar year 1995, which was filed with the Internal Revenue Service and verified by the defendant in a written declaration that it was made under the penalty of perjury, which he knew to be materially false in that said return reported gross income in the amount of $20,355, when, in fact, he had gross income for the calendar year 1995 in excess of $20,355.

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

COUNT FORTY: (26 U.S.C. § 7206(1))

On or about April 15, 1997, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully make and subscribe an U.S. Individual Income Tax Return, Form 1040, for the calendar year 1996, which was filed with the Internal Revenue Service and verified by the defendant in a written declaration that it was made under the penalty of perjury, which he knew to be materially false in that said return reported gross income in the amount of $20,116, when, in fact, he had gross income for the calendar year 1996 in excess of $20,116.

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

COUNT FORTY-ONE: (26 U.S.C. § 7206(1))

On or about April 15, 1998, in the Northern District of California, the defendant

SUKHDEEP BAWA

then a resident of Napa, California, did willfully make and subscribe an U.S. Individual Income Tax Return, Form 1040, for the calendar year 1997, which was filed with the Internal Revenue Service and verified by the defendant in a written declaration that it was made under the penalty of perjury, which he knew to be materially false in that said return reported gross income in the amount of $7,578, when, in fact, he had gross income for the calendar year 1997 in excess of $7,578.

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

A TRUE BILL

DATED: _____

_____
FOREPERSON

DAVID W. SHAPIRO
United States Attorney

Susan Badger

J.DOUGLAS WILSON
Chief, Criminal Division

AUSA: _____
DENIER