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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. ARLANDA E. JOHNSON, Defendant.	No. CR 02-40077-CW PLEA AGREEMENT

I, Arlanda E. Johnson, and the United States Attorney's Office for the Northern District of California (hereafter "the government") enter into this written plea agreement (the "Agreement") pursuant to Rules 11(c)(1)(A) and 11(c)(1)(B) of the Federal Rules of Criminal Procedure:

The Defendant's Promises

1. I agree to plead guilty to counts one through five of the captioned indictment charging me with willfully aiding and assisting in the preparation of false federal income tax returns, in violation of 26 U.S.C. § 7206(2). I agree that the elements of each offense and the maximum penalties are as follows: (1) the defendant aided, procured, counseled, or advised the preparation and presentation to the Internal Revenue Service of a false and fraudulent U.S.

Individual Income Tax Return, Form 1040 or Form 1040X ; (2) the tax return was false and fraudulent as to a material matter; and (3) the defendant acted willfully.

a.	Maximum prison sentence	3 years
b.	Maximum fine	$250,000
c.	Maximum supervised release term	1 year
d.	Mandatory special assessment	$100

2. I agree that I am guilty of the offenses to which I will plead guilty, and I agree that the following facts are true:

I have operated a tax preparation business since 1994 and hold myself out as a tax professional who previously worked for the IRS. I have a high school education and three years of college majoring in Accounting. I also attended tax preparation classes at H&R Block and took some home study courses.

I aided and assisted in the preparation of 69 different original and amended federal income tax returns for 16 different clients spanning the five year period from 1994 through 1998 which are materially false as charged in the indictment. While the clients provided me with accurate personal and business records, I obtained fraudulent refunds or reduced tax due and owing for each of the 69 returns by either inflating or creating false Schedules A, C and E deductions and expenses, and also by manipulating the client's filing status. One scheme involved creating business losses by reporting nonexistent Schedule C income and then claiming non-deductible church-related expenses which exceeded the income resulting in Schedule C losses. I also amended new clients' previously filed income tax returns and claimed these false expenses and deductions to obtain refunds. The 16 clients had little knowledge or experience with tax preparation and were not willing participants in my scheme. Generally, I did not review their income tax returns with them.

In addition to the creation of false religious-related expenses: (1) I created a false Schedule E, turning a shared living situation into a rental property, and continued to claim Schedule E income/expenses after the shared living situation ended; (2) I created false businesses with false expenses; (3) I created false business expenses for legitimate businesses;

(4) I inflated business expenses and charitable contributions; (5) I fabricated unreimbursed employee business expenses; (6) I claimed college tuition as a deductible job related expense; and (7) I manipulated the marital filing status to put clients in a lower tax bracket.

3. I agree to give up all rights that I would have if I chose to proceed to trial, including the rights to a jury trial with the assistance of an attorney; to confront and cross-examine government witnesses; to remain silent or testify; to move to suppress evidence or raise any other Fourth or Fifth Amendment claims; to any further discovery from the government; and to pursue any affirmative defenses and present evidence.

4. I agree to give up my right to appeal my convictions, the judgment, and orders of the Court. I also agree to waive any right I may have to appeal my sentence.

5. I agree not to file any collateral attack on my convictions or sentence, including a petition under 28 U.S.C. §2255, at any time in the future after I am sentenced, except for a claim that my constitutional right to the effective assistance of counsel was violated.

6. I agree not to ask the Court to withdraw my guilty pleas at any time after they are entered.

7. I agree that the Sentencing Guidelines should be calculated under U.S.S.G. §§ 2T1.4 and 2T4.1, and that the total tax loss for sentencing purposes is $108,930. The adjusted offense level under the Sentencing Guidelines should be calculated as follows:

a.	Base Offense Level, U.S.S.G. §2T4.1(E):	14
b.	Enhancement for Tax Return Preparer, U.S.S.G §2T1.4(b)(1):	+ 2
c.	Acceptance of Responsibility: (If I meet the requirements of U.S.S.G. §3E1.1)	- 3
d.	Adjusted offense level	13

I agree that, regardless of any other provision in this agreement, the government may and will provide to the Court and the Probation Office all information relevant to the charged offenses or the sentencing decision. I also agree that the Court is not bound by the Sentencing Guidelines calculations above, the Court may conclude that a higher guideline range applies to me, and, if it does, I will not be entitled, nor will I ask, to withdraw my guilty plea. I reserve the right to

request a downward departure from the adjusted offense level reflected above, and agree that the government shall have the right to oppose any such request.

8. I agree that I will make a good faith effort to pay any fine I am ordered to pay. Before or after sentencing, I will, upon request of the Court, the government, or the U.S. Probation Office, provide accurate and complete financial information, submit sworn statements and give depositions under oath concerning my assets and my ability to pay, surrender assets I obtained as a result of my crimes, and release funds and property under my control in order to pay any fine. I agree to pay the special assessment at the time of sentencing.

9. I agree that I will not in the future aid or assist, procure, counsel, or otherwise advise anyone in the preparation or presentation to the Internal Revenue Service of any tax returns, and that I will no longer hold myself out as a Tax Return Preparer.

10. I agree not to commit or attempt to commit any crimes before sentence is imposed or before I surrender to serve my sentence. I also agree not to violate the terms of my pretrial release (if any); intentionally provide false information to the Court, the Probation Office, Pretrial Services, or the government; or fail to comply with any of the other promises I have made in this Agreement. I agree that, if I fail to comply with any promises I have made in this Agreement, then the government will be released from all of its promises in this agreement, including those set forth in paragraphs 13 through 15 below, but I will not be released from my guilty pleas.

11. I agree that this Agreement contains all of the promises and agreements between the government and me, and I will not claim otherwise in the future.

12. I agree that this Agreement binds the U.S. Attorney's Office for the Northern District of California only, and does not bind any other federal, state, or local agency.

The Government's Promises

13. The government agrees to move to dismiss any open charges pending against the defendant in the captioned indictment at the time of sentencing.

14. The government agrees not to file or seek any additional charges against the defendant that could be filed as a result of the investigation that led to the captioned indictment.

15. The government agrees to recommend the Guidelines calculations set out above.

The Defendant's Affirmations

16. I confirm that I have had adequate time to discuss this case, the evidence, and this Agreement with my attorney, and that he has provided me with all the legal advice that I requested.

17. I confirm that while I considered signing this Agreement, and at the time I signed it, I was not under the influence of any alcohol, drug, or medicine.

18. I confirm that my decision to enter a guilty plea is made knowing the charges that have been brought against me, any possible defenses, and the benefits and possible detriments of proceeding to trial. I also confirm that my decision to plead guilty is made voluntarily, and no one coerced or threatened me to enter into this agreement.

Dated: 11-24-03

ARLANDA E. JOHNSON
Defendant

KEVIN V. RYAN
United States Attorney

Dated: 11/24/03

DAVID L. DENIER
Assistant United States Attorney

I have fully explained to my client all the rights that a criminal defendant has and all the terms of this Agreement. In my opinion, my client understands all the terms of this Agreement and all the rights he is giving up by pleading guilty, and, based on the information now known to me, his decision to plead guilty is knowing and voluntary.

Dated: 11-24-03

JOHN PAUL REICHMUTH
Assistant Federal Public Defender
Attorney for Defendant