

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

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U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA, FLORIDA

UNITED STATES OF AMERICA

v.

DAVID H. TEDDER

CASE NO. 8:04-cr-246-T23 MHP

18 U.S.C. § 371

INDICTMENT

The Grand Jury charges:

COUNT ONE

A. Introduction

At times material to this Indictment:

1. The Citizens Group, LLC (hereinafter "The Citizens Group") was an entity which was purportedly engaged in the promotion and marketing of tax planning services and programs.
2. Defendant David H. Tedder was an attorney who did consulting work for The Citizens Group.
3. Citizens Worldwide Employee Leasing Company (hereinafter "CWELCO") was a Dublin, Ireland corporation which purportedly engaged in the business of dealing with personnel services employment contracts.
4. USA Personnel Leasing Co. (hereinafter "USA Personnel") was a United States corporation which purportedly engaged in the employee leasing business.

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B. The Conspiracy

5. Beginning at least as early as January 1996 and continuing through in or about October 1998, in the Middle District of Florida, and elsewhere,

DAVID H. TEDDER,

defendant herein, did knowingly and willfully combine, conspire, confederate and agree with other persons both known and unknown to the grand jury, to defraud the United States by impeding, impairing, obstructing and defeating by craft, trickery and dishonest means, the lawful Government functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment and collection of the revenue: to wit, income taxes.

C. Manner and Means

6. The manner and means utilized to accomplish the objects of the conspiracy included, among others, the following:

7. It was a part of the conspiracy that some conspirators would and did utilize The Citizens Group to promote and market what they claimed to be tax planning services and programs to persons with high incomes and who conducted business through closely held corporations they owned or controlled (hereinafter "clients").

8. It was further a part of the conspiracy that conspirators would and did advise and cause some clients to have their corporations enter into sham contracts with foreign entities purportedly for consulting services.

9. It was further a part of the conspiracy that the conspirators would and did cause a series of sham contracts between the clients and CWELCO; between

CWELCO and USA Personnel; and between USA Personnel and the clients' corporations to be executed in order to create the illusion that each client's corporation was leasing the services of the client from USA Personnel and that all payments made to USA Personnel were corporate business expenses.

10. It was further a part of the conspiracy that the conspirators would and did send a large part of the money paid by the client's corporations for said purported business expenses to overseas bank accounts.

11. It was further a part of the conspiracy that the conspirators would and did permit each client to secretly exercise control over the money from his corporation which was sent to overseas bank accounts.

12. It was further a part of the conspiracy that the conspirators would and did receive substantial fees from the clients based, in part, on the amount of fraudulent business expenses generated by the program.

13. It was further a part of the conspiracy that conspirators would and did assist the clients in repatriating said money by utilizing sham loans.

14. It was further a part of the conspiracy that the conspirators would and did counsel and cause clients to prepare and file with the Internal Revenue Service, individual income tax returns for the clients which falsely and fraudulently failed to include substantial amounts of income and corporate income tax returns for the clients' corporations which falsely and fraudulently claimed business expenses purportedly generated by the aforementioned sham transactions.

15. It was further a part of the conspiracy that defendant David H. Tedder and other conspirators would and did attempt to induce an individual to participate in

one of the Citizens Group tax planning programs by offering and attempting to launder United States currency which they believed to be income that the individual had received during several previous years and had failed to report on her individual income tax returns and on which no income taxes had been paid, by concealing the source and nature of said income from the Internal Revenue Service.

16. It was further a part of the conspiracy that the conspirators would and did conduct their activities in a manner calculated to conceal and cover-up the fraudulent nature of their activities and mislead and deceive agents of the Internal Revenue Service concerning the true nature of the tax planning programs they promoted.

D. Overt Acts

17. In furtherance of the conspiracy and to effect the objects thereof, the conspirators committed the following acts in the Middle District of Florida, and elsewhere:

a. On or about March 27, 1996, conspirators caused a false and fraudulent 1995 corporation income tax return to be filed with the Internal Revenue Service.

b. On or about February 25, 1997, the conspirators caused a false and fraudulent 1996 corporation income tax return which fraudulently reported more than \$40,000 in expenses to be filed with the Internal Revenue Service.

c. On or about April 15, 1997, the conspirators caused a false and fraudulent 1996 individual income tax return which failed to report approximately \$43,326 in income to be filed with the Internal Revenue Service.

d. On or about May 29, 1997, conspirators met with an Internal Revenue Service undercover agent whom they believed was a prospective client.

e. On or about August 12, 1997, defendant David H. Tedder and other conspirators met with the Internal Revenue Service undercover agent in Longwood, Florida.

f. On or about October 1, 1997, conspirators met with the Internal Revenue Service undercover agent in Clearwater, Florida.

g. On or about January 15, 1998, a conspirator faxed a letter to the Internal Revenue Service undercover agent.

h. On or about March 6, 1998, defendant David H. Tedder met with the Internal Revenue Service undercover agent.

i. On or about April 15, 1998, the conspirators caused a false and fraudulent 1997 individual income tax return which failed to report approximately \$68,786 in income to be filed with the Internal Revenue Service.

j. On or about April 15, 1998, the conspirators caused a false and fraudulent 1997 individual income tax return which failed to report approximately \$336,225 in income to be filed with the Internal Revenue Service.

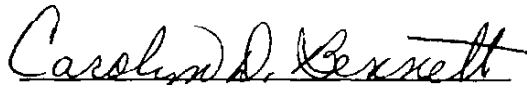
k. On or about May 5, 1998, defendant David H. Tedder and another conspirator met with the Internal Revenue Service undercover agent.

l. On or about June 10, 1998, defendant David H. Tedder and another conspirator met with the Internal Revenue Service undercover agent in Longwood, Florida to receive \$100,000 in United States currency which they had agreed to launder.

m. On or about October 7, 1998, the conspirators caused a false and fraudulent corporation income tax return which fraudulently reported approximately \$9,525 in false expenses to be filed with the Internal Revenue Service.


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

A TRUE BILL,

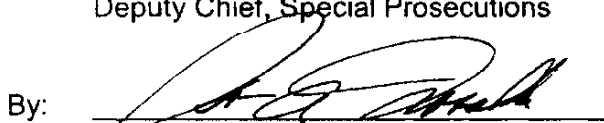

Foreperson

PAUL I. PEREZ
United States Attorney

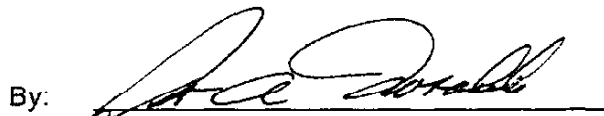
By:


JAY L. HOFFER
Assistant United States Attorney
Deputy Chief, Special Prosecutions

By:


ROBERT A. MOSAKOWSKI
Assistant United States Attorney
Chief, Tampa Division

By:


JENNIFER PERU
Trial Attorney
United States Department of Justice
Tax Division