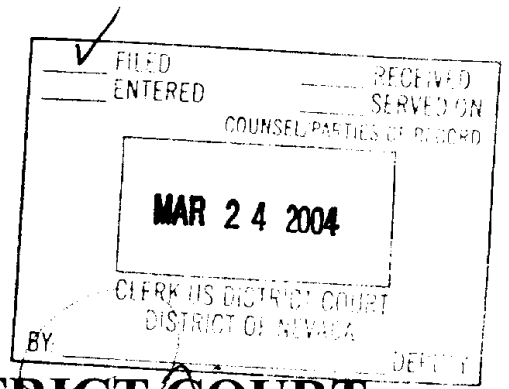


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11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**

13 -oOo-

14 UNITED STATES OF AMERICA,
15 PLAINTIFF,

16 VS.

17 IRWIN SCHIFF,
18 CYNTHIA NEUN, and
19 LAWRENCE COHEN,

20 DEFENDANTS.

CRIMINAL INDICTMENT

CR-S-04- 119

VIOLATIONS:

- 18 U.S.C. § 371 - Conspiracy to Defraud the United States
- 26 U.S.C. § 7206(2) - Aiding and Assisting in the Filing of False Federal Income Tax Returns
- 26 U.S.C. § 7201 - Attempt to Evade and Defeat Payment of Tax
- 26 U.S.C. § Filing False Federal Income Tax Returns
- 26 U.S.C. § 7203 - Willful Failure to File Federal Tax Return
- 42 U.S.C. § 408(a)(3) - Social Security Disability Fraud
- 18 U.S.C. § 641 - Theft of Government Property

21 THE GRAND JURY CHARGES THAT:

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COUNT 1
18 U.S.C. Section 371
Conspiracy to Defraud the United States
[*Irwin Schiff, Cynthia Neun, Lawrence Cohen*]

Introductory Allegations

1. From on or about July 13, 1995 through at least on or about March 24, 2004, Defendant IRWIN SCHIFF owned and operated a business named Freedom Books in Las Vegas, Nevada. Through written materials and audiotapes available for sale through Freedom Books, and during seminars, radio shows, and personal consultations with clients, defendants IRWIN SCHIFF, CYNTHIA NEUN, and LAWRENCE COHEN, all residents of Las Vegas, Nevada, promoted the filing of false and fraudulent "zero returns" with the Internal Revenue Service (IRS). For a fee, defendants IRWIN SCHIFF, CYNTHIA NEUN, and LAWRENCE COHEN, along with other employees of Freedom Books, also prepared false and fraudulent "zero returns" for Freedom Books clients.

2. A "zero return" is a federal income tax return containing zeroes on every line related to income and expenses. The "zero return" often claims a full refund of all federal taxes withheld or paid over to the IRS during that calendar year, and usually contains a two-page attachment with purported legal justifications for the "zero return."

3. Defendants IRWIN SCHIFF, CYNTHIA NEUN, LAWRENCE COHEN, and others, caused and assisted in causing more than 4,950 "zero returns" to be filed with the IRS during calendar years 2000, 2001, and 2002.

4. As a result of filing "zero returns," many Freedom Books clients were subjected to Internal Revenue Service audits, penalties, liens, and levies. Defendants IRWIN SCHIFF, CYNTHIA NEUN and LAWRENCE COHEN then recommended a range of Freedom Books products purportedly designed to handle clients' IRS problems. These products directed the clients to inundate the IRS and courts with frivolous correspondence, lawsuits, and requests for administrative hearings. Clients often hired defendants

1 IRWIN SCHIFF and CYNTHIA NEUN to represent them at administrative hearings before the IRS or
2 court proceedings. Clients also hired Freedom Books staff to write responses to IRS correspondence or
3 draft frivolous court petitions and pleadings. Freedom Books clients personally consulted with defendant
4 IRWIN SCHIFF for a substantial hourly fee.

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6 5. Between January 1, 1997 and December 31, 2002, Freedom Books generated gross
7 business receipts of approximately \$3,726,000.

8 6. Defendant IRWIN SCHIFF has not reported any income on any federal income tax return
9 filed with the Internal Revenue Service for 1987-2002. Defendant IRWIN SCHIFF has not willingly paid
10 any federal income taxes since at least 1974.

11 7. Defendant CYNTHIA NEUN has not filed a federal income tax return for any year since
12 1994.

13 8. Defendant LAWRENCE COHEN has not reported any income on any federal income tax
14 return since 1998.

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16 **The Conspiracy**

17 9. Beginning on or about December 9, 1999, and continuing through on or about February 3, 2003, in
18 the District of Nevada and elsewhere, the Defendants, IRWIN SCHIFF, CYNTHIA NEUN, and
19 LAWRENCE COHEN, did unlawfully, willfully, and knowingly conspire, combine, confederate and agree
20 with each other, and with other individuals both known and unknown to the Grand Jury, to defraud the
21 United States for the purpose of impeding, impairing, obstructing, and defeating, through deceitful and
22 dishonest means, the lawful government functions of the Internal Revenue Service of the United States
23 Department of Treasury in ascertaining, computing, assessing, and collecting taxes.

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Manner and Means of Accomplishing the Object of the Conspiracy

The dishonest and deceitful manner and means by which the conspiracy was sought to be accomplished included, among other things, the following:

10. Defendants IRWIN SCHIFF, CYNTHIA NEUN, LAWRENCE COHEN, and others acting on their behalf, prepared false and fraudulent “zero returns” for Freedom Books customers, falsely claiming zero taxable income and seeking refunds of taxes withheld or paid over to the IRS for years when the customers earned substantial taxable income and were not otherwise entitled to full refunds of taxes withheld or paid over to the IRS.

11. Defendant IRWIN SCHIFF conducted seminars across the United States, contending that attendees would learn how to “legally stop paying income taxes,” “get back all of the income taxes paid in last year,” “immediately stop employers from withholding income taxes,” and “remove I.R.S. liens.” Attendees were often charged an entrance fee. At the seminars, defendant IRWIN SCHIFF instructed attendees on how to file “zero returns” with the IRS and false exempt IRS Forms W-4 with employers to stop the withholding of taxes. During these seminars, defendant IRWIN SCHIFF also counseled the filing of frivolous lawsuits against the government and others to interfere with the tax assessment and collection process.

12. Through his business Freedom Books, defendant IRWIN SCHIFF, with the assistance of defendants CYNTHIA NEUN and LAWRENCE COHEN, and others, promoted, marketed, and sold materials containing instructions on how to file false and fraudulent “zero returns” with the IRS.

13. Through his business Freedom Books, defendant IRWIN SCHIFF, with the assistance of defendants CYNTHIA NEUN and LAWRENCE COHEN, and others, promoted, marketed, and sold materials containing instructions on how to file false and fraudulent exempt IRS Forms W-4 with employers to stop tax withholding.

1 14. Between in or about December of 1999 and in or about March of 2003, defendants IRWIN
2 SCHIFF and CYNTHIA NEUN co-hosted "Freedom Now," a weekly radio show broadcast throughout
3 the Las Vegas, Nevada metropolitan area. Listeners and callers were given legally false and misleading tax
4 advice, including assurances that they could "start living an income-tax-free life" and that "there is no income
5 tax liability for the American worker." Defendants IRWIN SCHIFF and CYNTHIA NEUN regularly
6 promoted the "zero return" scheme and related Freedom Books "zero return" materials on "Freedom Now."
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8 15. Defendant IRWIN SCHIFF promoted and recommended the hiding, by Freedom Books
9 clients, of assets and income from the IRS through foreign trusts, anonymous offshore bank accounts, and
10 offshore credit cards sold and marketed through Prosper International League Limited (PILL).

11 **Overt Acts of the Conspiracy**

12 In the District of Nevada and elsewhere, in furtherance of the conspiracy and to effect the
13 object thereof, defendants IRWIN SCHIFF, CYNTHIA NEUN, LAWRENCE COHEN, and various
14 unindicted coconspirators, known and unknown to the grand jury, committed overt acts, including but not
15 limited to the following acts listed below in paragraphs 16-28:

16 16. In or about January 2000, an employee of Freedom Books, at the direction of defendant
17 IRWIN SCHIFF, aided and assisted in the preparation of false and fraudulent federal income tax returns for
18 Nancy Driscoll for tax years 1997, 1998, and 1999, which falsely claimed that Ms. Driscoll earned zero total
19 income in each year, even though Ms. Driscoll had worked and earned substantial income in all three years.
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21 17. On or about May 8, 2000, defendants IRWIN SCHIFF and CYNTHIA NEUN aided and assisted
22 in the preparation of a false and fraudulent 1999 Form 1040 U.S. Individual Income Tax Return for Dr.
23 Farooq Abdulla and his wife. The return falsely claimed that Dr. Abdulla and his wife earned zero wages
24 during 1999, and requested a full refund of all federal taxes withheld, even though Dr. Abdulla had worked
25 and earned \$183,320 in wages during 1999.
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1 18. On or about January 2, 2001, defendant IRWIN SCHIFF aided, assisted, and counseled
2 Brian Allin, a taxpayer with outstanding federal tax liabilities, to file a frivolous petition with the United States
3 Tax Court in an attempt to delay and obstruct the collection of federal taxes from Mr. Allin. The Tax Court
4 dismissed Mr. Allin's petition and fined him \$25,000, finding his arguments to be "frivolous and misguided."

5 19. On or about February 13, 2001, defendant LAWRENCE COHEN aided and assisted in
6 the preparation of a false and fraudulent 2000 Form 1040 U.S. Individual Income Tax Return for Virginia
7 Olen. The return falsely claimed that Ms. Olen earned zero wages during 2000 and was entitled to a \$3,505
8 refund, even though Ms. Olen had worked and earned \$32,283 in wages during 2000 and was not entitled
9 to a \$3,505 refund.

10 20. On or about August 29, 2001, defendants IRWIN SCHIFF and CYNTHIA NEUN aided,
11 assisted and counseled Ann Kennedy, a taxpayer with outstanding federal tax liabilities, to file a frivolous
12 petition with the United States Tax Court in an attempt to delay and obstruct the collection of federal taxes
13 from Ms. Kennedy. The Tax Court granted summary judgment to the Internal Revenue Service and fined
14 Ms. Kennedy \$2,500, finding that her position was "frivolous and/or groundless."

15 21. On or about October 11, 2001, defendants IRWIN SCHIFF, CYNTHIA NEUN, and
16 LAWRENCE COHEN aided, assisted, and counseled William Waller, Jr., a taxpayer with outstanding
17 federal tax liabilities, to file a frivolous Complaint for Damages with the United States District Court for the
18 District of Nevada in an attempt to delay and obstruct the collection of Mr. Waller's federal income tax
19 liabilities. The District Court dismissed the complaint, finding that it contained "a barrage of meritless
20 arguments."

21 22. On or about December 11, 2001, defendant CYNTHIA NEUN aided and assisted in the
22 preparation of four false and fraudulent "zero returns" for Phillip Parrinelli for 1991, 1992, 1993, and 1994.
23 Each of these returns falsely claimed that Mr. Parrinelli earned zero income even though he worked and
24 earned income each year.
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- 1 23. On or about January 12, 2002, defendant IRWIN SCHIFF, with the assistance of defendant
2 CYNTHIA NEUN, conducted a seminar at the Hotel San Remo in Las Vegas, Nevada, during which
3 defendant IRWIN SCHIFF specifically instructed attendees on how to file false and fraudulent "zero returns"
4 with the IRS.
- 5 24. On or about March 22, 2002, defendant IRWIN SCHIFF aided and assisted in the
6 preparation of a false and fraudulent 2001 Form 1040 U.S. Individual Income Tax Return for Charles V.
7 Earnest. The return falsely claimed that Mr. Earnest earned zero wages for 2001, even though Mr. Earnest
8 had worked and earned wages of \$97,257 during 2001.
- 9 25. On or about May 10, 2002, defendant LAWRENCE COHEN prepared a 2001 Form 1040
10 U.S. Individual Income Tax Return for an IRS undercover agent who was posing as a Freedom Books
11 customer seeking to have a return prepared for tax year 2001. The undercover agent supplied defendant
12 LAWRENCE COHEN with a Form W-2 reflecting \$52,318 in wages and \$9,780 in federal income tax
13 withholding. Defendant LAWRENCE COHEN prepared a "zero return" for the IRS undercover agent,
14 claiming zero wages and requesting a refund of \$9,780.
- 15 26. On or about October 1, 2002, defendant CYNTHIA NEUN aided and assisted in the
16 preparation of a false and fraudulent 2000 Form 1040 U.S. Individual Income Tax Return for Gregory
17 Cassidy. The return falsely claimed that Gregory Cassidy had zero wages during calendar year 2000, even
18 though Mr. Cassidy had worked and earned wages of approximately \$53,000 during 2000.
- 19 27. On or about October 1, 2002, defendant CYNTHIA NEUN aided and assisted in the
20 preparation of a false and fraudulent 2001 Form 1040 U.S. Individual Income Tax Return for Gregory
21 Cassidy. The return falsely claimed that Gregory Cassidy had zero wages during calendar year 2001, even
22 though Mr. Cassidy had worked and earned substantial wages during 2001.
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1 28. On or about October 3, 2002, defendants IRWIN SCHIFF and CYNTHIA NEUN co-
2 hosted a "Freedom Now" radio show on KLAV, a Las Vegas radio station. At the beginning of the show,
3 defendant IRWIN SCHIFF told listeners that "there is no law requiring you to pay income taxes" and stated
4 that his "latest book will enable you to get an immediate pay raise by stopping the withholding of income
5 taxes from your pay while showing you how to file a tax return in under fifteen minutes and request a refund
6 of all the income taxes you paid last year." During the show, defendants IRWIN SCHIFF and CYNTHIA
7 NEUN offered false advice to callers regarding their personal tax situations, including telling a busboy named
8 "Denny" to file an exempt Form W-4 in order to stop paying tax on his tips and wages.

9 All in violation of 18 U.S.C. §371.

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11 **COUNTS 2 - 4**
12 **26 U.S.C. Section 7206(2)**
13 **Aiding and Assisting in the Filing of False Federal Income Tax Returns**
14 ***[Irwin Schiff]***

15 29. On or about the dates set forth below, in the District of Nevada, defendant IRWIN SCHIFF
16 willfully aided and assisted in the preparation and presentation to the Internal Revenue Service (IRS) of joint
17 U.S. Amended Individual Income Tax Returns, Forms 1040X, for James and Angela Dentice, for the
18 calendar years specified below, which were false and fraudulent as to material matters, in that each return
19 represented that James and Angela Dentice had adjusted gross income of zero and were entitled to a refund
20 as set forth below; whereas defendant IRWIN SCHIFF then and there well knew and believed that Dr. and
21 Mrs. Dentice earned substantial income during the calendar years specified below, and were not entitled to
22 the claimed refunds:

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Count	Date of Offense	Year	False Items	False Amounts
2	March 26, 1998	1991	Adjusted Gross Income (line 1) Refund (line 22)	\$0 \$150,338
3	March 26, 1998	1992	Adjusted Gross Income (line 1) Refund (line 22)	\$0 \$73,982
4	March 26, 1998	1993	Adjusted Gross Income (line 1) Refund (line 22)	\$0 \$46,411

All in violation of 26 U.S.C. §7206(2).

COUNT 5
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of a False Federal Income Tax Return
[Irwin Schiff]

30. On or about March 22, 2003, in the District of Nevada, defendant IRWIN SCHIFF willfully aided and assisted in the preparation and presentation to the Internal Revenue Service of a 2001 U.S. Individual Income Tax Return, Form 1040, for Charles V. Earnest, which was false and fraudulent as to a material matter, in that it represented that Charles V. Earnest had total income of zero during calendar year 2001 and was entitled to a refund of \$16,589.37; whereas defendant IRWIN SCHIFF then and there well knew and believed that Mr. Earnest earned substantial income during 2001, and was not entitled to a refund of \$16,589.37.

All in violation of 26 U.S.C. §7206(2).

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COUNT 6
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of a False Federal Income Tax Return
[Irwin Schiff and Cynthia Neun]

31. On or about May 8, 2000, in the District of Nevada, defendants IRWIN SCHIFF and CYNTHIA NEUN willfully aided and assisted in the preparation and presentation to the Internal Revenue Service of a joint 1999 U.S. Individual Income Tax Return, Form 1040, for Farooq and Nighat Abdulla, which was false and fraudulent as to a material matter, in that it represented that Farooq and Nighat Abdulla had total income of zero during calendar year 1999, and were entitled to a refund of \$37,733 for 1999; whereas defendants IRWIN SCHIFF and CYNTHIA NEUN then and there well knew and believed that Dr. Abdulla earned substantial income during 1999, and Dr. and Mrs. Abdulla were not entitled to a refund of \$37,733.

All in violation of 26 U.S.C. §7206(2).

COUNTS 7 - 10
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of False Federal Income Tax Returns
[Cynthia Neun]

32. On or about the dates set forth below, in the District of Nevada, defendant CYNTHIA NEUN willfully aided and assisted in the preparation and presentation to the Internal Revenue Service (IRS) of U.S. Individual Income Tax Returns, Forms 1040, for Phillip Parrinelli, for the calendar years specified below, which were false and fraudulent as to material matters, in that each return represented that Phillip Parrinelli had total income of zero; whereas defendant CYNTHIA NEUN then and there well knew and believed that Mr. Parrinelli did not earn zero income, but in fact earned substantial income during the calendar years specified below:

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Count	Date of Offense	Year	False Items	False Amount
7	December 11, 2001	1991	Total Income (line 23)	\$0
8	December 11, 2001	1992	Total Income (line 23)	\$0
9	December 11, 2001	1993	Total Income (line 23)	\$0
10	December 11, 2001	1994	Total Income (line 22)	\$0

All in violation of 26 U.S.C. §7206(2).

COUNTS 11 - 12
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of False Federal Income Tax Returns
[Cynthia Neun]

33. On or about the dates set forth below, in the District of Nevada, defendant CYNTHIA NEUN willfully aided and assisted in the preparation and presentation to the Internal Revenue Service (IRS) of U.S. Individual Income Tax Returns, Forms 1040, for Gregory Cassidy, for the calendar years specified below, which were false and fraudulent as to material matters, in that each return represented that Gregory Cassidy had total income of zero and was entitled to a refund as set forth below; whereas defendant CYNTHIA NEUN then and there well knew and believed that Mr. Cassidy earned substantial income during the calendar years specified below, and was not entitled to the claimed refunds:

Count	Date of Offense	Year	False Items	False Amount
11	October 2, 2002	2000	Total Income (line 22)	\$0
			Refund (line 67a)	\$8,501.62
12	October 2, 2002	2001	Total Income (line 22)	\$0
			Refund (line 68a)	\$2,401.47

All in violation of 26 U.S.C. §7206(2).

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COUNT 13
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of a False Federal Income Tax Return
[Lawrence Cohen]

34. On or about February 13, 2001, in the District of Nevada, defendant LAWRENCE COHEN willfully aided and assisted in the preparation and presentation to the Internal Revenue Service of a 2000 U.S. Individual Income Tax Return, Form 1040, for Virginia Olen, which was false and fraudulent as to a material matter, in that it represented that Virginia Olen had total income of zero during calendar year 2000 and was entitled to a refund of \$3,505; whereas defendant LAWRENCE COHEN then and there well knew and believed that Ms. Olen earned substantial income during 2000, and was not entitled to a refund of \$3,505.

All in violation of 26 U.S.C. §7206(2).

COUNTS 14 - 16
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of False Federal Income Tax Returns
[Lawrence Cohen]

35. On or about the dates set forth below, in the District of Nevada, defendant LAWRENCE COHEN willfully aided and assisted in the preparation and presentation to the Internal Revenue Service (IRS) of joint U.S. Amended Individual Income Tax Returns, Forms 1040X, for Jason and Amy Cardiff, for the calendar years specified below, which were false and fraudulent as to material matters, in that each return represented that Jason and Amy Cardiff had adjusted gross income of zero and were entitled to a refund as set forth below; whereas defendant LAWRENCE COHEN then and there well knew and believed that Mr. and Mrs. Cardiff earned substantial income during the calendar years specified below, and were not entitled to the claimed refunds:

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Count	Date of Offense	Year	False Items	False Amounts
14	January 24, 2003	1999	Adjusted Gross Income (line 1)	\$0
			Refund (line 23)	\$24,060
15	February 4, 2003	2000	Adjusted Gross Income (line 1)	\$0
			Refund (line 23)	\$14,074
16	February 4, 2003	2001	Adjusted Gross Income (line 1)	\$0
			Refund (line 23)	\$14,776

All in violation of 26 U.S.C. §7206(2).

COUNT 17
26 U.S.C. Section 7201
Attempt to Evade And Defeat Payment of Tax
For Tax Years 1979-1985
[Irwin Schiff]

The Grand Jury realleges paragraphs 1-8, as though fully set forth herein, and further alleges:

36. Beginning on or about December 9, 1994, and continuing until at least on or about March 24, 2004, in the District of Nevada and elsewhere, defendant IRWIN SCHIFF, a resident of the District of Nevada, did willfully attempt to evade and defeat the payment of a large part of his income taxes, penalties, and interest due and owing to the United States of America for the calendar years 1979-1985, in the amount of approximately \$1,369,000, by failing to timely pay his federal income tax liabilities for 1979-1985, and by engaging in affirmative acts of evasion, including but not limited to those identified in paragraphs 37 through 43 below, that were designed to hide his income and assets from the Internal Revenue Service.

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1 37. On or about December 9, 1994, defendant IRWIN SCHIFF opened a business checking
2 account in the name of Treetop Communications, Inc., dba Freedom Books, at Citizens Bank in Evansville,
3 Indiana, using a tax identification number assigned to Alternative Media, Inc., and continued to maintain and
4 utilize said account until on or about July 31, 1996.

5 38. Beginning on or about August 1, 1996, and continuing through on or about April 30, 1997,
6 defendant IRWIN SCHIFF maintained and utilized a commercial checking account in the name of Freedom
7 Books at Citizens Bank in Evansville, Indiana, under a social security number assigned to an individual other
8 than defendant IRWIN SCHIFF.

9 39. On or about April 6, 1995, at 4550 West Sahara Avenue in Las Vegas, Nevada, defendant
10 IRWIN SCHIFF interfered with the execution of a levy to seize his 1989 Chrysler New Yorker automobile
11 for partial payment of his outstanding federal income tax liabilities.

12 40. Between on or about December 17, 1995, and continuing until on or about May 16, 1996,
13 defendant IRWIN SCHIFF conducted financial transactions through the anonymous warehouse banking
14 services offered by the Christian Patriot Association (CPA) in the District of Oregon.

15 41. On or about December 18, 1995, defendant IRWIN SCHIFF purchased a 1995 Dodge
16 Intrepid automobile, concealing his ownership of the vehicle by placing it in the name of Central Computer
17 Co., Inc. with an address of Darlington, Pennsylvania, and maintaining ownership of the 1995 Dodge Intrepid
18 under the name of Central Computer Co., Inc. until at least on or about March 24, 2004.

19 42. Beginning on or about March 7, 1997, and continuing through on or about November 17,
20 2001, defendant IRWIN SCHIFF concealed assets and income by causing funds to be placed in an offshore
21 bank account associated with a foreign grantor trust, identified as PILL Trust #1040, that he obtained from
22 Prosper International League Limited (PILL), a business headquartered in Nassau, Bahamas. During the
23 same time period, defendant IRWIN SCHIFF brought said funds back to the United States through wire
24 transfers and use of an offshore debit card issued with PILL Trust #1040.
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43. On or about October 24, 2000, approximately five weeks after the IRS levied two bank accounts that defendant IRWIN SCHIFF held under his own social security number, defendant IRWIN SCHIFF used a fictitious tax identification number to open two bank accounts, a merchant deposit account and a business account, in the name of Freedom Books at Nevada State Bank in Las Vegas, Nevada.

All in violation of 26 U.S.C. §7201.

COUNTS 18 - 23
26 U.S.C. Section 7206(1)
Filing False Federal Income Tax Returns
[*Irwin Schiff*]

44. On or about the dates set forth below, in the District of Nevada, defendant IRWIN SCHIFF did willfully make and subscribe U.S. Individual Income Tax Returns, Forms 1040, for the calendar years set forth below, which were verified by a written declaration that they were made under the penalties of perjury and which were filed with the Internal Revenue Service, and which said income tax returns defendant IRWIN SCHIFF did not believe to be true and correct as to every material matter, in that he claimed to have earned zero business income during each of the calendar years specified below, whereas defendant IRWIN SCHIFF then and there well knew and believed that during each one of the calendar years specified below, he earned income from his business Freedom Books of at least the amounts specified below:

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Count	Date of Offense	Year	False Item	False Business Income Claimed	Actual Business Income Received
18	April 24, 1998	1997	Business income (line 12)	\$0	\$151,000
19	November 1, 2000	1998	Business income (line 12)	\$0	\$138,000
20	November 1, 2000	1999	Business income (line 12)	\$0	\$98,000
21	April 13, 2002	2000	Business income (line 12)	\$0	\$103,000
22	April 13, 2002	2001	Business income (line 12)	\$0	\$105,000
23	June 16, 2003	2002	Business income (line 12)	\$0	\$74,000

All in violation of 26 U.S.C. §7206(1).

COUNTS 24 - 25
26 U.S.C. Section 7206(2)
Aiding and Assisting in the Filing of False Federal Income Tax Returns
[Cynthia Neun]

45. On or about the dates set forth below, in the District of Nevada, defendant CYNTHIA NEUN willfully aided and assisted in the preparation and presentation to the Internal Revenue Service of U.S. Individual Income Tax Returns, Forms 1040, for defendant IRWIN SCHIFF, for the calendar years specified below, which were false and fraudulent as to material matters, in that they represented that defendant IRWIN SCHIFF had business income of zero; whereas defendant CYNTHIA NEUN then and there well knew and believed that defendant IRWIN SCHIFF did not earn zero business income, but in fact earned substantial income from his Freedom Books business during the calendar years specified below:

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Count	Date of Offense	Year	False Items	False Amount
24	April 12, 2002	2000	Business income (line 12)	\$0
25	April 12, 2002	2001	Business income (line 12)	\$0

All in violation of 26 U.S.C. §7206(2).

COUNT 26
26 U.S.C. Section 7203
Willful Failure to File Federal Tax Return
[Cynthia Neun]

46. During the calendar year 1999, defendant CYNTHIA NEUN, a resident of Las Vegas, Nevada, received sufficient gross income so that, following the close of the calendar year 1999 and on or before April 17, 2000, the law required her to file a U.S. Individual Income Tax Return with the Internal Revenue Service; however, defendant CYNTHIA NEUN willfully failed to timely file such return with the Internal Revenue Service in the District of Nevada or elsewhere.

All in violation of 26 U.S.C. §7203.

COUNT 27
26 U.S.C. Section 7203
Willful Failure to File Federal Tax Return
[Cynthia Neun]

47. During the calendar year 2000, defendant CYNTHIA NEUN, a resident of Las Vegas, Nevada, received sufficient gross income so that, following the close of the calendar year 2000 and on or before April 16, 2001, the law required her to file a U.S. Individual Income Tax Return with the Internal Revenue Service; however, defendant CYNTHIA NEUN willfully failed to timely file such return with the Internal Revenue Service in the District of Nevada or elsewhere.

All in violation of 26 U.S.C. §7203.

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COUNT 28
26 U.S.C. Section 7203
Willful Failure to File Federal Tax Return
[Cynthia Neun]

48. During the calendar year 2001, defendant CYNTHIA NEUN, a resident of Las Vegas, Nevada, received sufficient gross income so that, following the close of the calendar year 2001 and on or before April 15, 2002, the law required her to file a U.S. Individual Income Tax Return with the Internal Revenue Service; however, defendant CYNTHIA NEUN willfully failed to timely file such return with the Internal Revenue Service in the District of Nevada or elsewhere.

All in violation of 26 U.S.C. §7203.

COUNT 29
26 U.S.C. Section 7203
Willful Failure to File Federal Tax Return
[Cynthia Neun]

49. During the calendar year 2002, defendant CYNTHIA NEUN, a resident of Las Vegas, Nevada, received sufficient gross income so that, following the close of the calendar year 2002 and on or before April 15, 2003, the law required her to file a U.S. Individual Income Tax Return with the Internal Revenue Service; however, defendant CYNTHIA NEUN willfully failed to timely file such return with the Internal Revenue Service in the District of Nevada or elsewhere.

All in violation of 26 U.S.C. §7203.

COUNT 30
26 U.S.C. Section 7201
Attempt to Evade and Defeat Tax
[Lawrence Cohen]

50. During the calendar year 1999, defendant LAWRENCE COHEN, a resident of Las Vegas, Nevada, had and received taxable income of at least \$9,000; well-knowing and believing he received said income, defendant LAWRENCE COHEN, in the District of Nevada, did fail to timely pay

1 to the Internal Revenue Service the income tax due and owing for 1999, and did willfully attempt to evade
2 and defeat the income tax due and owing by him to the United States of America for calendar year 1999 by
3 various means, including: (1) on or about February 3, 1999, filing an Employee's Withholding Allowance
4 Certificate, Form W-4, with his employer, Whittlesea Blue Cab Company, falsely claiming to be exempt
5 from federal tax withholding; and (2) on or about April 14, 2000, filing a Form 1040, U.S. Individual Income
6 Tax Return, for 1999, falsely claiming to have zero wages and falsely claiming a refund of all federal taxes
7 withheld and paid over to the IRS.
8

9 In violation of 26 U.S.C. §7201.

10 **COUNT 31**
11 **26 U.S.C. Section 7201**
12 **Attempt to Evade and Defeat Tax**
13 **[Lawrence Cohen]**

14 51. During the calendar year 2000, defendant LAWRENCE COHEN, a resident of Las Vegas,
15 Nevada, had and received taxable income of at least \$18,884; well-knowing and believing he received said
16 income, defendant LAWRENCE COHEN, in the District of Nevada, did fail to timely pay to the Internal
17 Revenue Service the income tax due and owing for 2000, and did willfully attempt to evade and defeat the
18 income tax due and owing by him to the United States of America for calendar year 2000 by various means,
19 including: (1) on or about January 25, 2000, filing an Employee's Withholding Allowance Certificate, Form
20 W-4, with his employer, NOS Communications, falsely claiming to be exempt from federal tax withholding;
21 and (2) on or about October 3, 2000, filing a Form 1040, U.S. Individual Income Tax Return, for 2000,
22 falsely claiming a refund of all federal taxes withheld and paid over to the IRS.

23 All in violation of 26 U.S.C. §7201.

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COUNT 32
42 U.S.C. Section 408(a)(3)
Social Security Disability Fraud
[Cynthia Neun]

52. On or about November 16, 2001, in the District of Nevada, defendant CYNTHIA NEUN, while receiving disability benefits from the Social Security Administration, made a false statement and representation of a material fact for use in determining her right to payment under Title II of the Social Security Act, specifically stating to a Social Security Administration Claims Representative that she was not employed at Freedom Books and was not paid for her work there.

All in violation of 42 U.S.C. §408(a)(3).

COUNT 33
18 U.S.C. §641
Theft of Government Property
[Cynthia Neun]

53. From in or about May of 2000 through in or about February of 2003, in the District of Nevada, the defendant CYNTHIA L. NEUN, by fraudulently receiving disability benefits, knowingly converted to her own use more than \$1,000 belonging to the Social Security Administration, an agency of the United States.

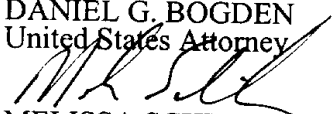
All in violation of 18 U.S.C. §641.

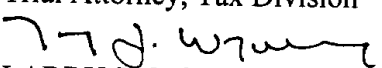
DATED: this 24 day of March 2004.

A TRUE BILL:


FOREPERSON OF THE GRAND JURY

DANIEL G. BOGDEN
United States Attorney


MELISSA SCHRAIBMAN
Trial Attorney, Tax Division


LARRY J. WSZALEK
Trial Attorney, Tax Division