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FILED

MAR 30 2017

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
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8 IN THE UNITED STATES DISTRICT COURT
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10 EASTERN DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,
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13 Plaintiff,
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15 v.
16 LETICIA C. BEDOLLA,
17
18 Defendant.

CASE NO. 1:17 CR 00081 DAD BAM

VIOLATIONS: 26 U.S.C. § 7206(2) -
AIDING AND ASSISTING IN THE
PREPARATION AND PRESENTATION OF A
FALSE AND FRAUDULENT TAX RETURN (16
COUNTS)

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I N D I C T M E N T

COUNTS ONE THROUGH SIXTEEN: [26 U.S.C. § 7206(2) - Aiding and
Assisting in the Preparation and
Presentation of a False and
Fraudulent Tax Return]

The Grand Jury charges:

LETICIA C. BEDOLLA

defendant herein, as follows:

At all times relevant to this indictment:

1. Defendant LETICIA C. BEDOLLA was a resident of Tulare
County, California, and operated a tax preparation service called
Leticia Tax Service, located in Porterville, State and Eastern
District of California.

1 2. On or about November 21, 2006, BEDOLLA received a
2 certification from the California Tax Education Counsel, which
3 enabled her to prepare tax returns for the public in the State of
4 California. Obtaining the certification required to BEDOLLA to pass
5 an examination regarding the proper preparation of tax returns.

6 3. Among the services BEDOLLA provided to customers of Leticia
7 Tax Service, BEDOLLA prepared and electronically filed tax returns
8 with the Internal Revenue Service (IRS) on behalf of her customers.

9 4. Between April 2008 and April 18, 2011, BEDOLLA prepared and
10 electronically filed numerous tax returns with the IRS knowing that
11 these returns contained materially false and fraudulent statements
12 and entries.

13 5. BEDOLLA's customers would travel to BEDOLLA's business for
14 the purpose of having BEDOLLA prepare their federal income tax return
15 for electronic transmission to the IRS. Customers would typically
16 have a personal consultation with BEDOLLA regarding their tax return.
17 Customers would generally provide BEDOLLA with information and
18 documentation regarding their income, expenses and other financial
19 information.

20 6. In finalizing the customers' federal income tax returns for
21 electronic filing, BEDOLLA would sometimes fabricate amounts of
22 deductions and deductible expenses without informing her customers
23 she was doing so. In other instances, BEDOLLA would ask a general
24 question about a customer's personal expenses and then
25 mischaracterize the information on the customer's federal income tax
26 return to improperly claim a deduction or tax credit. For example,
27 on or about February 15, 2011, BEDOLLA asked an undercover agent
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1 posing as a customer whether he had a cellular phone and how much the
2 service cost. After receiving the information, BEDOLLA improperly
3 listed the cost of the service as a deductible employment expense and
4 falsely inflated the cost of the service stated to her by the
5 undercover agent.

6 7. The false and fraudulent statements and entries included in
7 the federal income tax returns filed by BEDOLLA included one or more
8 of the following categories:

9 a. False Schedule A Deductions. BEDOLLA would falsely
10 inflate and/or fabricate expenses and deductions listed on Schedule A
11 of her customers' U.S. Individual Income Tax Returns-Form 1040.
12 Schedule A is the portion of the tax return designated for a taxpayer
13 to list itemized deductions, such as mortgage interest paid, real
14 estate taxes paid, gifts to charity, unreimbursed employee expenses
15 and other miscellaneous deductions. In the false and fraudulent
16 returns prepared and submitted by BEDOLLA, she would fabricate and/or
17 falsely inflate her customers' gifts to charity and/or unreimbursed
18 business expenses, such as mileage, meals, and other employment-
19 related expenses. BEDOLLA would also fabricate, mischaracterize
20 and/or falsely inflate other miscellaneous deductions, such as home
21 improvement and repair costs and employment-related supplies.

22 b. False Claims for Tax Credits: BEDOLLA would prepare
23 returns that falsely claimed tax credits which BEDOLLA knew those
24 customers were not entitled to receive. For example, in some of the
25 false and fraudulent returns prepared by BEDOLLA, the return falsely
26 claimed that the customer was entitled to an education tax credit
27 even though the customer was not attending school or otherwise
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1 qualified for the credit.

2 8. As a result of BEDOLLA's preparation and submission to the
3 IRS of false and fraudulent federal income tax returns, BEDOLLA
4 caused her customers to claim tax deductions and credits to which the
5 customers were not entitled. This resulted in the IRS paying out
6 excessive refunds to BEDOLLA's customers or not collecting additional
7 tax that would have due and owing from BEDOLLA's customers.

8 9. BEDOLLA's conduct from April 2008 through April 18, 2011,
9 resulted in a tax loss to the IRS of more than \$100,000.

10 10. On or about the dates indicated below, in the Eastern
11 District of California, the defendant, LETICIA C. BEDOLLA, a resident
12 of Tulare County, California, did willfully aid and assist in, and
13 procure, counsel, and advise the preparation and presentation to the
14 Internal Revenue Service, of U.S. Individual Income Tax Returns, Form
15 1040, for the calendar year 2010. The returns were false and
16 fraudulent as to material matters, and defendant BEDOLLA then and
17 there knew that the returns were false and fraudulent as to such
18 material matters as indicated below:

<u>COUNT</u>	<u>DATE OF OFFENSE</u>	<u>TAX RETURN</u>	<u>MATERIAL FALSE AND FRAUDULENT ENTRIES</u>	<u>APPROXIMATE LOSS AMOUNT</u>
ONE	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for A.A., SSN XXX-XX-8786, and E.A.	False Schedule A Deductions	\$1,818
TWO	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for L.A., SSN XXX-XX-8988	False Schedule A Deductions	\$4,990

Indictment

<u>COUNT</u>	<u>DATE OF OFFENSE</u>	<u>TAX RETURN</u>	<u>MATERIAL FALSE AND FRAUDULENT ENTRIES</u>	<u>APPROXIMATE LOSS AMOUNT</u>
THREE	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for M.A., SSN XXX-XX-3505, and M.A.	False Schedule A Deductions; False Education Tax Credit	\$3,681
FOUR	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for M.A., SSN XXX-XX-4613	False Schedule A Deductions	\$2,120
FIVE	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for H.D., SSN XXX-XX-7807, and M.R.C.	False Schedule A Deductions	\$2,251
SIX	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for M.G., SSN XXX-XX-8194, and C.G.	False Schedule A Deductions	\$1,698
SEVEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for M.H., SSN XXX-XX-8549	False Schedule A Deductions	\$1,888
EIGHT	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for M.M., SSN XXX-XX-6718, and J.M.	False Schedule A Deductions	\$4,050

<u>COUNT</u>	<u>DATE OF OFFENSE</u>	<u>TAX RETURN</u>	<u>MATERIAL FALSE AND FRAUDULENT ENTRIES</u>	<u>APPROXIMATE LOSS AMOUNT</u>
NINE	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for N.P., SSN XXX-XX-5614, and J.P.	False Schedule A Deductions; False Education Tax Credit	\$5,487
TEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for V.R., SSN XXX-XX-0868	False Schedule A Deductions; False Education Tax Credit	\$5,407
ELEVEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for R.R., SSN XXX-XX-4885	False Schedule A Deductions; False Education Tax Credit	\$5,208
TWELVE	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for R.R., SSN XXX-XX-9160, and M.C.	False Schedule A Deductions	\$2,166
THIRTEEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for R.R., SSN XXX-XX-6483	False Schedule A Deductions	\$753
FOURTEEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for C.R., SSN XXX-XX-1584	False Schedule A Deductions	\$828

<u>COUNT</u>	<u>DATE OF OFFENSE</u>	<u>TAX RETURN</u>	<u>MATERIAL FALSE AND FRAUDULENT ENTRIES</u>	<u>APPROXIMATE LOSS AMOUNT</u>
FIFTEEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for R.T., SSN XXX-XX-8114	False Schedule A Deductions	\$883
SIXTEEN	04/18/2011	Electronically filed 2010 U.S. Individual Income Tax Return-Form 1040 for M.O., SSN XXX-XX-1320, and J.V.	False Schedule A Deductions	\$4,837

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

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON

PHILLIP A. TALBERT
United States Attorney

KIRK E. SHERRIFF

By:

KIRK E, SHERRIFF
Assistant United States Attorney
Chief, Fresno Office