

FILED

NOV 17 2011

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
 v.)
)
 SHARON ANZALDI,)
 PHILLIP DESALVO, and)
 STEVEN LATIN)

No. _____

Violations: Title 18, United States Code,
Sections 2, 286, and 287

COUNT ONE

11CR 0820

The SPECIAL FEBRUARY 2011-2 GRAND JURY charges: **JUDGE LEINENWEBER**

1. At times material to this indictment: **MAGISTRATE JUDGE ASHMAN**

(a) The Internal Revenue Service ("IRS") was an agency of the United States Department of Treasury. Taxpayers who were entitled to a refund of federal individual income taxes could claim that refund by, among other methods, electronically filing or mailing a U.S. Individual Income Tax Return Form 1040 ("Form 1040") to the IRS.

(b) IRS Form 1099-OID ("Form 1099") allowed taxpayers to report the original issue discount of original issue discount ("OID") obligations, such as certificates of deposit, time deposits, bonds, bonus savings plans, and Treasury inflation indexed securities, having a term of more than one year. The income attributable to an OID obligation was the excess of the stated redemption of the obligation at maturity over its issue price. Such income was taxable as interest over the life of the obligation, and was required to be included in the holder's gross income each taxable year that the obligation was held. Taxpayers were required to report interest earned from OID obligations on IRS Schedule B when filing tax returns.

(c) The IRS relied upon information from the Form 1040 in calculating individual income taxes, and determining and issuing taxpayer refunds. After receiving such information, the

IRS would issue a refund to the taxpayer if there were no outstanding tax liabilities or other federally authorized deductions on record with the IRS.

2. Beginning no later than at least September 2008, and continuing through at least February 2010, at Willowbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON ANZALDI,
PHILLIP DESALVO, and
STEVEN LATIN,

defendants herein, knowingly did combine, conspire and agree with each other, and with others known and unknown to the Grand Jury, to defraud the United States Department of Treasury, by obtaining and aiding to obtain the payment and allowance of false, fictitious and fraudulent claims, namely, false, fictitious and fraudulent claims for individual income tax refunds.

3. It was part of the conspiracy that defendants ANZALDI, DESALVO, and LATIN prepared and filed with the IRS, on their own behalf, false and fictitious individual income tax returns for tax year 2008. Defendants ANZALDI and LATIN also prepared and filed with the IRS, on their own behalf, false and fictitious individual income tax returns for 2009. Defendants ANZALDI and DESALVO also prepared and filed with the IRS, or caused to be prepared and filed with the IRS, a false and fictitious individual income tax return on behalf of Individual R.A.J. for tax year 2008. In all of these returns, defendants aggregated each taxpayer's mortgage and other financial debts on IRS Schedule B, falsely claimed the taxpayer's total debt amount as both OID interest income and income tax withholdings, and thereby sought falsely inflated refunds.

4. It was further part of the conspiracy that prior to filing the false and fictitious income tax returns on behalf of themselves and Individual R.A.J., defendants ANZALDI, DESALVO, and LATIN exchanged electronic mail communications and materials designed to assist one another in

filing the fraudulent returns.

5. It was further part of the conspiracy that prior to filing the false and fictitious income tax returns on behalf of Individual R.A.J., defendants ANZALDI and DESALVO collected Individual R.A.J.'s personal mortgage, loan, and debt information, and used the debt information to prepare Individual R.A.J.'s false and fraudulent return.

6. It was further part of the conspiracy that after filing their false and fraudulent returns, defendants ANZALDI, DESALVO, and LATIN exchanged electronic mail communications and materials designed to assist one another in maintaining possession of the fraudulent refunds defendants DESALVO and LATIN received, and in avoiding sanctions from the federal government.

7. It was further part of the conspiracy that after receiving their fraudulent refunds, defendant DESALVO used the proceeds of his fraudulent refund to purchase an automobile, furniture, electronics, and clothing, among other items. Defendant LATIN used the proceeds of his fraudulent refund to purchase automobiles, boats, jet skis, furniture, and clothing, among other items.

8. It was further part of the conspiracy that the total amount of tax refunds fraudulently claimed to be due from the false 2008 and 2009 Returns was in excess of approximately \$5,900,000.

9. It was further part of the conspiracy that, based upon the filing of the false 2008 and 2009 Returns, defendants ANZALDI, DESALVO, and LATIN caused the IRS, an agency of the United States Department of Treasury, to incur a loss of at least approximately \$750,000.

10. It was further part of the conspiracy that defendants ANZALDI, DESALVO, and LATIN concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence and purpose of the conspiracy and the acts done in furtherance of the conspiracy.

OVERT ACTS

11. In furtherance of this conspiracy, and to effect its objectives, defendants SHARON ANZALDI, PHILLIP DESALVO, and STEVEN LATIN filed and caused to be filed with the Department of Treasury, Internal Revenue Service, the following false federal income tax returns, on or about the following dates, requesting refunds, and thus committed the following overt acts, among others, in the Northern District of Illinois, Eastern Division:

Overt Act	Tax Return	Defendant	Approximate Filing Date
1	2008 1040	Sharon Anzaldi	April 15, 2009
2	2009 1040	Sharon Anzaldi	April 15, 2010
3	2008 1040	Phillip DeSalvo	April 15, 2009
4	2008 1040	Steven Latin	April 15, 2009
5	2009 1040	Steven Latin	April 15, 2010

12. In furtherance of this conspiracy, and to effect its objectives, defendants SHARON ANZALDI and PHILLIP DESALVO filed and caused to be filed with the Department of Treasury, Internal Revenue Service, the following false federal income tax return, in the name of the following taxpayer, on or about the following date, requesting a refund, and thus committed the following overt act, among others, in the Northern District of Illinois, Eastern Division:

Overt Act	Tax Return	Defendant	Approximate Filing Date
6	2008 1040 in the name of Taxpayer R.A.J.	Sharon Anzaldi Phillip DeSalvo	April 15, 2009

In violation of Title 18, United States Code, Section 286.

COUNTS TWO THROUGH TEN

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations of paragraphs 1(a) through 1(c) of Count One of this indictment are re-alleged and incorporated by reference in this paragraph.

2. On or about each of the dates set forth below, each such date constituting a separate count of this indictment, at Willowbrook, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON ANZALDI,

defendant herein, caused to be presented to the IRS a claim upon and against the United States Department of Treasury, IRS, namely, an individual income tax return claiming a federal income tax refund in the amount set forth below, knowing that the claim was false, fictitious and fraudulent, in that the tax return falsely indicated that the individual in whose name the return was filed was entitled to a tax refund in approximately the amount set forth below:

Count	Date Filed	Tax Return	Refund Claimed
2	April 15, 2009	2008 1040 in the name of Sharon Anzaldi	\$ 4,011,360
3	April 15, 2010	2009 1040 in the name of Sharon Anzaldi	\$493,819
4	April 15, 2009	2008 1040 in the name of Taxpayers L.N. and I.N.	\$ 305,243
5	April 15, 2009	2008 1040 in the name of Taxpayer J.N.	\$ 304,366
6	April 15, 2009	2008 1040 in the name of Taxpayer A.A.	\$170,996
7	April 15, 2009	2008 1040 in the name of Taxpayers M.G. and S.G.	\$659,789
8	April 15, 2009	2008 1040 in the name of Taxpayer M.J. and D.J.	\$380,852

9	April 15, 2009	2008 1040 in the name of Taxpayer M.R.	\$25,782
10	April 15, 2009	2008 1040 in the name of Taxpayer C.M.	\$298,848

In violation of Title 18, United States Code, Sections 287 and 2.

COUNT ELEVEN

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations of paragraphs 1(a) through 1(c) of Count One of this indictment are re-alleged and incorporated by reference in this paragraph.

2. On or about the date set forth below, such date constituting a separate count of this indictment, at Melrose Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHARON ANZALDI and PHILIP DESALVO,

defendants herein, caused to be presented to the IRS a claim upon and against the United States Department of Treasury, IRS, namely, an individual income tax return claiming a federal income tax refund in the amount set forth below, knowing that the claim was false, fictitious and fraudulent, in that the tax return falsely indicated that the individual in whose name the return was filed was entitled to a tax refund in approximately the amount set forth below:

Count	Date Filed	Tax Return	Refund Claimed
11	April 15, 2009	2008 1040 in the name of Taxpayer R.A.J.	\$ 329,942

In violation of Title 18, United States Code, Sections 287 and 2.

COUNTS TWELVE THROUGH THIRTEEN

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations of paragraphs 1(a) through 1(c) of Count One of this indictment are re-alleged and incorporated by reference in this paragraph.

2. On or about each of the dates set forth below, each such date constituting a separate count of this indictment, at Gilberts, in the Northern District of Illinois, Eastern Division, and elsewhere,

PHILIP DESALVO,

defendant herein, caused to be presented to the IRS a claim upon and against the United States Department of Treasury, IRS, namely, an individual income tax return claiming a federal income tax refund in the amount set forth below, knowing that the claim was false, fictitious and fraudulent, in that the tax return falsely indicated that the individual in whose name the return was filed was entitled to a tax refund in approximately the amount set forth below:

Count	Date Filed	Tax Return	Refund Claimed
12	April 15, 2009	2008 1040 in the name of Philip DeSalvo	\$ 268,775
13	April 15, 2009	2008 1040 in the name of Taxpayer F.M.	\$ 432,233

In violation of Title 18, United States Code, Sections 287 and 2.

COUNTS FOURTEEN THROUGH FIFTEEN

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations of paragraphs 1(a) through 1(c) of Count One of this indictment are re-alleged and incorporated by reference in this paragraph.

2. On or about each of the dates set forth below, each such date constituting a separate count of this indictment, at Crystal Lake, in the Northern District of Illinois, Eastern Division, and elsewhere,

STEVEN LATIN,

defendant herein, caused to be presented to the IRS a claim upon and against the United States Department of Treasury, IRS, namely, an individual income tax return claiming a federal income tax refund in the amount set forth below, knowing that the claim was false, fictitious and fraudulent, in that the tax return falsely indicated that the individual in whose name the return was filed was entitled to a tax refund in approximately the amount set forth below:

Count	Date Filed	Tax Return	Refund Claimed
14	April 15, 2009	2008 1040 in the name of Steven Latin	\$ 481,234
15	April 15, 2009	2009 1040 in the name of Steven Latin	\$ 333,922

In violation of Title 18, United States Code, Sections 287 and 2.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY