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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

JUDGE : Steeh, George Caram
DECK : Det/AA Judge Crim Deck
DATE : 12/08/2005 @ 16:45:04
CASE NUMBER : 2:05CR81115
INDI USA V. KENNETH HEATH (DA)
WI

-vs-

D-1 KENNETH HEATH,

Defendant.

MAGISTRATE JUDGE VIRGINIA M. MORGAN

INDICTMENT

THE GRAND JURY CHARGES:

COUNT ONE

(26 U.S.C. §7201 — ATTEMPT TO EVADE AND DEFEAT THE PAYMENT OF TAX)

D-1 KENNETH HEATH

During the calender year 1999, the dcfendant, KENNETH HEATH, a resident of Shelby Township, Michigan, had received taxable income in the sum of approximately \$86,975; that upon said taxable income there was owing to the United States of America an income tax of approximately \$12,823; that well-knowing and believing the foregoing facts, KENNETH HEATH, on or about April 15, 2000, in the Eastern District of Michigan, did willfully attempt to evade and defeat the said income tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 15, 2000, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by submitting a false W-4 form to his employer claiming he was exempt from tax withholdings; all in violation of Title 26, United States Code, Section 7201.

COUNT TWO

(26 U.S.C. §7201 — ATTEMPT TO EVADE AND DEFEAT THE PAYMENT OF TAX)

D-1 KENNETH HEATH

During the calendar year 2000, the defendant, KENNETH HEATH, a resident of Shelby Township, Michigan, had received taxable income in the sum of approximately \$87,240; that upon said taxable income there was owing to the United States of America an income tax of approximately \$12,404; that well-knowing and believing the foregoing facts, KENNETH HEATH, on or about April 15, 2001, in the Eastern District of Michigan, did willfully attempt to evade and defeat the said income tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 15, 2001, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by submitting a false W-4 form to his employer claiming he was exempt from tax withholdings; all in violation of Title 26, United States Code, Section 7201.

COUNT THREE

(26 U.S.C. §7201 — ATTEMPT TO EVADE AND DEFEAT THE PAYMENT OF TAX)

D-1 KENNETH HEATH

During the calendar year 2001, the defendant, KENNETH HEATH, a resident of Shelby Township, Michigan, had received taxable income in the sum of approximately \$76,049; that upon said taxable income there was owing to the United States of America an income tax of approximately \$9,485; that well-knowing and believing the foregoing facts, KENNETH HEATH, on or about April 15, 2002, in the Eastern District of Michigan, did willfully attempt to evade and defeat the said income tax due and owing by him to the United States of America for said calendar

year by failing to make an income tax return on or before April 15, 2002, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by submitting a false W-4 form to his employer claiming he was exempt from tax withholdings; all in violation of Title 26, United States Code, Section 7201.

COUNT FOUR

(26 U.S.C. §7201 — ATTEMPT TO EVADE AND DEFEAT THE PAYMENT OF TAX)

D-1 KENNETH HEATH

During the calendar year 2002, the defendant, KENNETH HEATH, a resident of Shelby Township, Michigan, had received taxable income in the sum of approximately \$36,943; that upon said taxable income there was owing to the United States of America an income tax of approximately \$2,591; that well-knowing and believing the foregoing facts, KENNETH HEATH, on or about April 15, 2003, in the Eastern District of Michigan, did willfully attempt to evade and defeat the said income tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 15, 2003, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by submitting a false W-4 form to his employer claiming he was exempt from tax withholdings; all in violation of Title 26, United States Code, Section 7201.

COUNT FIVE

(18 U.S.C. §514(a)(2) — PRESENTING A FICTITIOUS FINANCIAL INSTRUMENT)

D-1 KENNETH HEATH

On or about August 13, 2003, in the Eastern District of Michigan, Southern Division, defendant KENNETH HEATH, with intent to defraud, presented, offered, passed and attempted to

pass a false and fictitious instrument entitled "Registered Bill of Exchange" payable to the Internal Revenue Service, in the amount of \$88,997.38, appearing, purporting and contriving through scheme and artifice to be an actual financial instrument issued under the authority of the United States. It was part of the scheme and artifice that, on or about August 13, 2003, defendant KENNETH HEATH mailed the false and fictitious instrument entitled "Registered Bill of Exchange" to the Internal Revenue Service office in Detroit, Michigan, along with an individual master file printout showing his account balance and written instructions that the false and fictitious instrument be used to pay taxes due and owing to the Internal Revenue Service; all in violation of Title 18, United States Code, Section 514(a)(2).

COUNT SIX

(18 U.S.C. §514(a)(2) — PRESENTING A FICTITIOUS FINANCIAL INSTRUMENT)

D-1 KENNETH HEATH

On or about December 23, 2003, in the Eastern District of Michigan, Southern Division, defendant KENNETH HEATH, with intent to defraud, presented, offered, passed and attempted to pass a false and fictitious instrument entitled "Registered Bill of Exchange" payable to the Internal Revenue Service, in the amount of \$20,297.82, appearing, purporting and contriving through scheme and artifice to be an actual financial instrument issued under the authority of the United States. It was part of the scheme and artifice that, on or about December 23, 2003, defendant KENNETH HEATH mailed the false and fictitious instrument entitled "Registered Bill of Exchange" to the Internal Revenue Service office in Kansas City, Missouri, along with a Internal Revenue Service reminder notice showing his account balance and written instructions that the false and fictitious

instrument be used to pay taxes due and owing to the Internal Revenue Service; all in violation of Title 18, United States Code, Section 514(a)(2).

THIS IS A TRUE BILL

/s FOREPERSON

FOREPERSON

Dated:

STEPHEN J. MURPHY
United States Attorney

/s Alan M. Gershel

ALAN M. GERSHEL
Assistant U.S. Attorney
Chief of the Criminal Division

/s Sarah Resnick Cohen

SARAH RESNICK COHEN
Assistant U.S. Attorney

05-81115
Case Number

a
United States District Court
Eastern District of Michigan

Criminal Case Cover Sheet

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects. *GCS/S1115/VMM*

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
() Yes (x) No	AUSA's Initials: <i>SCSC</i>

Case Title: USA v. Kenneth Heath
County where offense occurred : Macomb

Check One: (x) Felony () Misdemeanor () Petty

- (x) Indictment X /Information no prior complaint.
- () Indictment /Information based upon prior complaint [Case number:]
- () Indictment /Information based upon LCrR 57.10 (d) [Complete Superseding section below].

JUDGE : Steeh, George Caram
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Superseding Case Information:

Superseding to Case No: Judge:

- () Original case was terminated; no additional charges or defendants.
- () Corrects errors; no additional charges or defendants.
- () Involves, for plea purposes, different charges or adds counts.
- () Embraces same subject matter but adds the additional defendants or charges below:

Defendant name Charges

December 7, 2005
Date

Sarah Resnick Cohen
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¹ Companion cases are matters in which it appears that substantially similar evidence will be offered at trial or the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.