

TRUE COPY OF
THE ORIGINAL

Recd 10/13/11 gpm

UNDERSIGNED:

By: Administrative Executor
Darryl Edward of the tribe of Iarkins, Secured Party
c/o Kathy Gilbert, NOTARY
500 North Michigan Avenue Suite 500
Chicago, Illinois [60611-3785]

**CONSTRUCTIVE NOTICE OF ACCEPTANCE IN RE: WISHING NO
CONTRACT AND CONDITIONAL ACCEPTANCE**

*Notice to the Agent is Notice to the Principal
Notice to the Principal is Notice to the Agent
Applicable to all Successors and Assigns*

With date: October 12th 2011, *nunc pro tunc* October 6, 2011.

To:

RESPONDENT:

Stephen Chase Higinbotham, Jr.
117 Bradford Ln
Belton, MO, US 64012

Telephone: +1 (816) 322-5297

Fax: +1 (816) 322-5298

Re: Acceptance in re: Wishing No Contract and Conditional Acceptance in re: ORDER
APPOINTING COUNSEL UNDER CJA hereinafter "OFFER".

Dear Stephen:

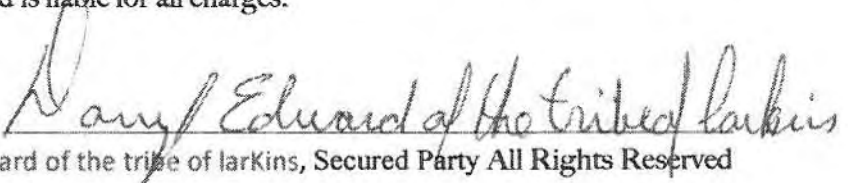
UNDERSIGNED appreciates RESPONDENT'S response in re: OFFER wishing no contract with the UNDERSIGNED. UNDERSIGNED is in receipt of an offer October 6, 2011 et seq. from RESPONDENT wherein there is an offer made for representation regarding case/account number Case No. 11 CR 4:11-cr-00223-ODS-7. UNDERSIGNED conditionally accepts RESPONDENT'S offer upon proof of claim that:

1. RESPONDENT can show cause why the private administrative record should not be adopted into the public by form of dismissal.
2. RESPONDENT provides an original charging or accusatory instrument for my inspection so that UNDERSIGNED may resolve any pending matters.

3. RESPONDENT does not and will not argue any facts.
4. RESPONDENT will take private payment compensation.
5. RESPONDENT stands as surety for the defense.
6. THIS COURT accepts these conditions in writing.

RESPONDENT's non-response is RESPONDENT's agreement to these conditions. If RESPONDENT does not respond within ten (10) days of the postmark of this page to the UNDERSIGNED, c/o Kathy Gilbert, NOTARY, RESPONDENT agrees to conditions of this said contract thereby converting RESPONDENT on all liability for the charges in re: Contract No. aka OFFER II CR 4:11-cr-00223-ODS-7 if RESPONDENT represents or thinks RESPONDENT represents UNDERSIGNED.

It is so ORDERED, RESPONDENT is hereby withdrawn from the [Case] with Contract No. Contract No. aka OFFER II CR 4:11-cr-00223-ODS-7. If RESPONDENT appears in any capacity in part or in whole of any of these proceedings pertaining to the UNDERSIGNED, RESPONDENT agrees to the conditions mentioned above and is liable for all charges.


Darryl Edward of the tribe of larkins, Secured Party All Rights Reserved

Third party public witness:

UNDERSIGNED:

Darryl Edward of the tribe of larkins, Secured Party
c/o Kathy Gilbert, NOTARY
500 North Michigan Avenue Suite 500
Chicago, Illinois [60611-3785]

CC:

Office of the Attorney General
Attorney Lisa Madigan
Chicago Main Office
100 West Randolph Street
Chicago, IL 60601

U.S. ATTORNEY ERIC HOLDER
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-000

U.S. MARSHALL'S OFFICE
Northern District of Illinois (N/IL)
U.S. Marshal: Darryl K. McPherson
219 S. Dearborn Street, Room 2444
Chicago, IL 60604

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

DARRYL E. LARKINS

Case No.

Magistrate Judge Nan R. Nolan

RECEIVED
SEP 22 2011
CLERK OF COURT
MICHAEL W. DOBBINS
U.S. DISTRICT COURT

11 CR 0652

AFFIDAVIT IN REMOVAL PROCEEDING

I, CHRISTOPHER TINSLEY, personally appearing before United States Magistrate Judge NAN R. NOLAN and being duly sworn on oath state that as a federal law enforcement officer I have been informed that DARRYL E. LARKINS has been charged by Indictment in the Western District of Missouri with the following criminal offenses: conspiracy to defraud the government in violation of Title 18, United States Code, Section 286, and filing false claims, in violation of Title 18, United States Code, Section 287.

A copy of the Indictment is attached. A copy of the arrest warrant also is attached.

CHRISTOPHER TINSLEY
Special Agent
Internal Revenue Service,
Criminal Investigation

SUBSCRIBED AND SWORN to before me this 22nd day of September 2011.

Nan R. Nolan

NAN R. NOLAN
United States Magistrate Judge

JTM (2)

Background and General Allegations

5. Tax on certain bonds must be paid as interest accrues. Debt issuers provide a yearly form to their bond holders called a 1099-Original Issue Discount ("OID"). Taxpayers report the interest shown on the Form 1099-OID to the Internal Revenue Service on their income tax returns.

6. From July 1, 2008, to September 21, 2011, POYNTER, assisted by "branch managers" he recruited across the United States, promoted a tax refund scheme that POYNTER called his *1099-OID Recoupment Process*. In lectures at hotels and in homes across the country, and through conference calls, POYNTER, Billy Ray HALL, Darryl LARKINS, Shirley OYER, Robert MORRIS, Kimberly JOHNSON and others promoted this scheme, explaining to prospective clients that they could "recoup" any debt taken out in their names. Several of these presentations were recorded.

7. In essence, 1) POYNTER told his branch managers to recruit clients, and gather financial records of the clients' debts and spending, such as credit card statements, bank records, and mortgage statements; 2) POYNTER, his assistants, or his branch managers would list the gathered financial information on Forms 1099-OID (which would appear as if they had been issued by the client's creditor, bank or lender to report taxable interest income); 3) the Forms 1099-OID were filed to support the Forms 1040 if the Internal Revenue Service checked to see if a form had been issued by the institution listed on the return; and 4) the clients' 1040 tax returns were filed, fraudulently reporting over-withholding of tax on purported interest income, making them appear due a tax refund. At the beginning of the scheme, the conspirators filed the Forms

SHIRLEY J. OYER,
[DOB: 07/15/1941],

JOHN V. PERDIDO,
[DOB: 02/03/1956],

and

JENNIFER S. WILSON,
[DOB: 12/22/1976],

Defendants.

INDICTMENT

THE GRAND JURY CHARGES THAT

Introduction

At all times relevant to this indictment:

1. Gerald A. POYNTER, II (a/k/a Brother Jerry Love) resided at 5013 Pebble Avenue, Kansas City, Missouri, in the Western District of Missouri;
2. Beginning on or about October 11, 2008, POYNTER maintained an office and karate studio at 1052 Southwest Luttrell, Suites C and F, Blue Springs, Missouri;
3. POYNTER ran a tax preparation business, which he furthered by doing business as entities such as: Sharper Solutions, Surety Analysis, Jerry Love Ministries, Luckytown, Black Belt Tax, Etree, AKKA, and The Dojo; and
4. Skype was a free software messaging service that allows video conferencing, real-time text messaging, file sharing, and phone calls over the Internet.

1099-OID by paper; later they began filing these electronically via the Internal Revenue Service's FIRE system.

8. **POYNTER** encouraged his branch managers and clients to sign elaborate contracts, which included confidentiality provisions prohibiting disclosures to law enforcement, certifications that the applicant was not, nor had ever been, "an agent and/or informant for any government or bureaucratic agency, including but not limited to: Internal Revenue Service, FBI, CIA and Police Force of any type, NSC, or Fema. The contracts provided for a \$20-million "penalty" for disclosures of the 1099-OID scheme. Conspirators **JOHNSON**, **MORRIS**, Jennifer **WILSON**, and John **PERDIDO** signed such contracts.

9. **POYNTER**'s "branch managers" included **HALL** (whom **POYNTER** called his "regional manager"), **WILSON**, **JOHNSON**, **LARRENS**, **MORRIS**, **PERDIDO**, **OYER**, and Nkosi **GRAY**. **POYNTER** held conference calls - specifying that they were for branch managers only - to provide updates.

10. In December 2008, **HALL** and **POYNTER** held a "branch manager training" session in Atlanta, Georgia, attended by **WILSON**, **JOHNSON**, and others. There, **POYNTER** made the following statements:

1. "We're here to make money. That's what this is for."
2. "I do things based of practicality, not so much off the laws and all..."
3. "The IRS is looking for norms. The norms happen to be the minimum amount of OIDs that you send in, the better. I think the magic number's nine . . . Try to keep it around nine."
4. "I've made OIDs payable to Spiderman, Superman. You can make it to Sponge Bob. You can make it to anybody you want for however much that you want, for \$100,000 for example. . . . The man's getting

paid. They are 24 months behind on processing OIDs. You could make an OID out and slaughter it. Completely fill it out in any way you want to fill it out, booger that thing up bad. No joke.”

11. At the same training session, **POYNTER** encouraged branch managers to hide the true purpose of the scheme from public view. “Because remember, we are not soliciting an OID process or a recoupment process. Don’t solicit. Don’t put a billboard out telling anybody that this is what we’re doing. What I want you to put on the billboard is that we are a professional tax services company.” **POYNTER** encouraged attendees not to mention his name if questioned by law enforcement. “This will keep you out of trouble and keep me out of trouble. What do you think the first thing out of your mouth when the Po-Po come knocking on your door. There ain’t going to be no Jerry who he did it.”

12. **POYNTER** and his branch managers recruited at least 145 clients across the United States into the Form 1099-OID scheme. **POYNTER**, his branch managers, and his office staff gathered financial information from the clients and prepared and filed at least 284 fraudulent returns. The returns fraudulently reflected that taxes had been grossly over-withheld from the clients’ purported interest income, making the clients appear – in the aggregate – entitled to over \$95.9 million in fraudulent tax refunds.

13. The conspirators prepared one Form 1099-OID for each of the client’s bank accounts, credit cards, and loans. In actuality, these clients had not earned – or paid tax on – any purported interest income. Nor had the listed banks, creditors or lenders issued the clients any Forms 1099-OID. The conspirators calculated the interest income claimed on these fictitious Forms 1099-OID according to **POYNTER**’s arbitrary and capricious formula, by aggregating the taxpayer’s debts and spending, which in no way related to real interest income.

14. Despite the fact that multiple persons assisted with preparing each of these returns, all 284 returns in POYNTER's scheme fraudulently reflected that they were "self-prepared."

15. While about 89% of these fraudulent claims were detected by the IRS and denied, almost 11% were paid out. In all, the conspirators successfully triggered over \$3.5 million in fraudulent refunds, including individual refunds of up to \$805,000. POYNTER and the referring branch managers often split up-front fees from clients of up to \$3,000 to prepare the returns, and they often split back-end fees of up to 15% of any refunds obtained by clients.

16. For each of the denied refund claims, the IRS sent correspondence informing the filer that the claim was frivolous ("frivolous letters"), warning of possible penalties. Moreover, when 1099-OIDs were electronically filed on IRS FIRE system, the person to whom the Transmitter Control Code ("TCC") Number was registered also received notification.

17. Branch managers obtained from clients financial documents such as mortgage and loan statements, car payments, foreclosure records, bank statements, credit card statements, and other records. This information, often along with two samples of each client's signature, was transmitted to POYNTER in person, or by mail, email, or Skype. On some occasions, client information was transmitted to POYNTER through a tax-related website he maintained at www.luckytown.ws.

18. POYNTER and his office staff used the financial information to prepare fraudulent tax returns that included fraudulent Forms 1099-OID. Most of the returns and OIDs were then filed by POYNTER or his office staff. Returns for tax year 2008 and some for 2007 were prepared using TaxAct computer software. Most of these were filed electronically through

Internet Protocol addresses connected to **POYNTER**. Amended returns for previous tax years were also prepared and filed by mail. Most bore postmarks from the Kansas City area.

19. **POYNTER** maintained a master spreadsheet on a computer at his office tracking payments received from clients, amounts due to **POYNTER**, amounts due to branch managers, and returns filed, along with other information. In addition, **POYNTER** maintained Skype logs on his computers documenting his exchanges with branch managers, clients and office staff.

20. In July 2008, **POYNTER** filed a paper tax return fraudulently claiming that he was entitled to a refund, which he supported by filing a fraudulent Form 1099-OID. He received a refund of \$196,348. On July 30, 2008, the Internal Revenue Service issued a jeopardy levy against **POYNTER**, reclaiming nearly \$180,000 of the funds, informing him that the withholdings were false.

21. In addition to clients recruited by the branch managers, **POYNTER** submitted and caused to be submitted at least \$31 million in fraudulent claims for 44 direct clients. From these returns, the Internal Revenue Service paid out \$951,930 in refunds. These refunds were based on claims of over-withheld tax from interest income. But in actuality, **POYNTER**'s clients had not received interest income from the banks and lenders listed on their Forms 1099, the entities listed had not issued the forms, nor had the entities paid any taxes on behalf of the clients.

22. When **POYNTER**'s clients' refunds were denied and the IRS sent correspondence that the claims were false and frivolous, many forwarded the letters to **POYNTER**, and he provided them with form correspondence to send back to the IRS.

23. When clients or branch managers expressed concern about the process's legality, **POYNTER** frequently said, "the Government has to prove intent." On multiple occasions, he told co-conspirators that he was not going to be arrested and would not be going to go to jail. He advised clients to split refunds between multiple accounts, because if a very large refund went into one account, it might "raise eyebrows."

24. Beginning at least in December 2008, **POYNTER** assembled forms to send back to the IRS in response to challenges and frivolous letters. He distributed "enforcement packages" to clients and branch managers containing these form letter responses. On May 15, 2009, **POYNTER** sent out an email instructing co-conspirators how to handle law enforcement inquiries, including asking them to remind their clients to say their returns were "self-prepared." The title of the email was, "if ICE shows up," referring to IRS-Criminal Investigation Division.

25. **POYNTER** sought to insulate himself from the scheme. He insisted that most clients deal with a branch manager as a "buffer," and not directly with him. He regularly reminded co-conspirators to refer to his fees as "Love Donations" and to write checks for his fees to "Jerry Love Ministries." **POYNTER** asked Earl Lee **DAVIS** to provide him with an Electronic Filing Identification Number ("EFIN") for use in filing the fraudulent tax returns. Although **POYNTER** had a Transmitter Control Code ("TCC") in his own name, he requested that other co-conspirators apply for and provide him with TCC numbers for use in filing the fraudulent Forms 1099-OID. Persons who provided **POYNTER** with TCC numbers included Jeff and Karen **OLSON**, **MORRIS**, and **JOHNSON**.

26. **POYNTER** frequently used disclaimers, such as the assertion on his website that it was "for entertainment purposes only." On April 10, 2009, **POYNTER** sent **LARKINS**,

WILSON, JOHNSON, and others an email with the headline "Who Couldn't Use a Treasury Check Right Now? That's what Brother Love calls Surety Analysis ... It's like watching the sham wow infomercial." The email contained a purported disclaimer that it was for "entertainment and educational purposes only." POYNTER also devised and employed elaborate contracts with some of his clients and branch managers, which included "Hold Harmless" and release of liability provisions.

27. POYNTER employed Kristi JONES of Riverside, Missouri, who engaged in data entry. She looked up Employer Identification Numbers (EINs) which are required to complete Forms 1099- and she taught several others how to make entries on the IRS FIRE system, which is an electronic method to file Forms 1099-OID. JONES also taught WILSON, T.T., and others how to enter data for FIRE. JONES was the contact person at POYTNER's office for T.T. and his sister-in-law M.T., who entered data on FIRE for PERDIDO. JONES filed her own Form 1040 for tax year 2008 using Forms 1099-OID, claiming a \$5,160 refund, which the IRS paid. Although her refund was based on claims that she over-withheld tax from interest income, in actuality, JONES had not received interest income from the banks and lenders listed on her Forms 1099, they had not issued her the forms, nor had they paid any taxes on her behalf.

HALL

28. As POYNTER's Regional Manager, Billy Ray HALL, of Newton, Alabama, had at least four branch managers beneath him, including WILSON, JOHNSON, M.M., and C.I. All four were trained by POYNTER at a December 2008 seminar in Atlanta, Georgia, sponsored

by HALL. HALL spoke at another seminar with POYNTER in Monroe, Louisiana. HALL sponsored other meetings where POYNTER provided information on the Form 1099-OID process. HALL introduced POYNTER to D.W. to help develop the www.luckytown.ws website. HALL had at least 20 clients of his own, resulting in at least 51 individual income tax returns claiming \$8.7 million in fraudulent refunds. Of those, the IRS paid out \$659,740 in fraudulent refunds. For three of HALL's clients, his Bank of America account was designated on the returns, to receive 15% of the requested refunds. When IRS issued R.A.S.'s refund, \$12,488 was wired directly into HALL's account; HALL provided half to POYNTER. Although HALL's clients' refunds were based on claims that they over-withheld tax from interest income, in actuality, they had not received interest income from the banks and lenders listed on their Forms 1099, the entities listed had not issued the forms, nor had the entities paid any taxes on behalf of the clients.

*CONDITIONALLY ACCEPTED
FOR VALUE
AND RETURNED FOR VALUE
October 12, 2011
Dany Edwards/Hall*
JOHNSON

29. On February 10, 2009, Kimberly JOHNSON, of Chickamauga, Georgia, signed an affiliate contract with Sharper Solutions Trust (a POYNTER d/b/a). She participated in conference calls that POYNTER held with the branch managers every Tuesday or Thursday to provide additional OID training. On one call, JOHNSON stated:

We would also like you to know this call is an informational/educational call only. We are not advising or recommending anything ... you were invited to learn about the 1099 recoupment process and that is what we will begin now. If you have any questions you would like answered, if sitting in front of your computer, I encourage you to send them to me at: kjohnson231@comcast.net. Lastly, regarding sharing this information with other people ... I will not take any of your friends on as clients until I have a relationship with you, so please refrain from sharing this with others until you get yourself educated and have established a relationship with me.

30. **JOHNSON** paid a friend, D.K., to assist her in preparing returns for her clients. **JOHNSON** helped prepare and file 43 federal tax returns for 38 clients, claiming \$3.8 million in fraudulent refunds. Of these, at least \$306,000 was paid out. **JOHNSON** wrote checks to Jerry Love Ministries for **POYNTER**'s half of commissions, as he had instructed. She exchanged over 160 emails with **POYNTER** regarding the OID scheme. Although **JOHNSON**'s clients' refunds were based on claims that they over-withheld tax from interest income, in actuality, they had not received interest income from the banks and lenders listed on their Forms 1099, the forms had not been issued by the entities, nor had the entities paid any taxes on behalf of the clients. At **POYNTER**'s urging, **JOHNSON** applied for and received a TCC number to file Forms 1099 on the IRS FIRE system. She attempted to make the TCC number appear as though it related to her employer, a medical doctor. She provided this TCC number to **POYNTER** and he used it 487 times in furtherance of the scheme.

31. **JOHNSON**'s clients began receiving "frivolous letters" from the IRS advising that their tax returns represented a frivolous argument and that they had 30 days to amend the return or be assessed a \$5,000 penalty in addition to other possible penalties. **JOHNSON** personally amended returns for some clients, reducing the amount of the requested refunds, and refiled them. **JOHNSON** continued to assist with filing fraudulent returns at least until October 16, 2009.

WILSON

32. Jennifer **WILSON**, of Cumming, Georgia, signed an affiliate contract on February 17, 2009. On March 30, 2009, **WILSON** sent **POYNTER** an email reading: "IRS processes all of their electronic 1040s on good faith and it is only via audit that the IRS ever

establishes if the 1040 was filed in accordance to all the other supporting documents (like 1099's or w2's) that come in ... they [IRS] may never notice -- or they might." WILSON traveled to Kansas City, where Kristi JONES taught her how to enter EINs into the 1099 FIRE program. WILSON helped prepare at least five income tax returns connected to the scheme, including for herself and her husband, claiming \$1.7 million in fraudulent refunds. The IRS paid out \$174,826 in fraudulent refunds. WILSON split up front fees of at least \$750 with POYNTER, along with back end fees of \$26,223. Although WILSON's and her clients' refunds were based on claims that they over-withheld tax from interest income, in actuality they had not received interest income from the banks and lenders listed on their Forms 1099, the entities had not issued the forms, nor had those entities paid any taxes on their behalf. When asked, she reassured her clients that the OID process was legal. She advised clients to split the refunds between multiple bank accounts, to refrain from making any large transactions, and to keep transfers under \$10,000. POYNTER confided in WILSON that his residence had been searched in the past by law enforcement. When asked by agents for her perspective on filing Forms OID for clients, WILSON said "I may be committing suicide, but if you want to commit suicide, you can go right along with me."

LARKINS

33. Darryl LARKINS, of Chicago, Illinois, had at least 10 clients, for whom he helped file 17 federal income tax returns, claiming \$6.6 million in fraudulent refunds. Although LARKINS's clients' refunds were based on claims that they over-withheld tax from interest income, in actuality, they had not received interest income from the banks and lenders listed on their Forms 1099, the entities listed had not issued the forms, nor had the entities paid any taxes on behalf of LARKINS's clients.

34. On October 23, 2008, LARKINS emailed POYNTER: "Mr. Jerry Love you are a STAR tonight. . . . We are waitin to learn of your thoughts on 1099 OID and Jail...LOL." POYNTER replied: "jail is good." LARKINS responded "lol". From November 11 to November 14, 2008, LARKINS traveled to Kansas City to meet with POYNTER. LARKINS helped arrange a 1099-OID scheme seminar in Monroe, Louisiana, on November 24, 2008, and he sponsored a seminar for POYNTER in Chicago in early 2009. On December 8, 2008, LARKINS forwarded an email to POYNTER with the subjectline, "Tax defiers convicted: tried using bill of exchange and 1099 on DOJ attorneys." On December 9, 2008, D.E. sent a Skype message to LARKINS reading "YOU are doing a grave injustice to yourself and your friends AND anyone who would be encouraged to attend but dangling a carrot with the potential to explode. . . . this is not for public consumption. Period. It is for a select person with knowledge. We DO NOT speak about this over the phone. We DO NOT disclose this to others."

35. LARKINS held his own conference calls to promote OIDs, sometimes inviting POYNTER to speak. He also completed a PowerPoint presentation, which he shared with POYNTER. It stated: "This PowerPoint is intended for entertainment purposes only and the author makes no claims as to the accuracy of the information shared. Each person needs to take responsibility for whatever actions or lack thereof may come as a result of reading this presentation." Further, LARKINS helped POYNTER set up a purported non-profit foundation to conceal POYNTER's income from the scheme.

DAVIS

36. At POYNTER's request, on January 6, 2009, Earl Lee DAVIS, of Monroe, Louisiana, provided POYNTER with an Electronic Filing Identification Number (EFIN). Hoping to receive payment from POYNTER, DAVIS had requested the EFIN from M.C., a tax

return preparer, telling M.C. that DAVIS had a friend who wanted to prepare returns for military personnel. M.C. was unaware that the EFIN he provided to DAVIS was for use by POYNTER. POYNTER used the EFIN provided by DAVIS to electronically file 84 Forms 1040, which included fraudulent refund claims based on purportedly-withheld tax on interest income. DAVIS also filed returns for 5 clients whom LARKINS referred to him. Although DAVIS's clients' refunds were based on claims that they over-withheld tax from interest income, in actuality, they had not received interest income from the banks and lenders listed on their Forms 1099, those entities had not issued the forms, nor had these entities paid any taxes on behalf of DAVIS's clients.

37. On February 9, 2009, Robert MORRIS, of Rocklin, California, signed a branch manager contract with POYNTER. On at least two occasions, MORRIS arranged meetings at his home in California to promote POYNTER's scheme. He sent money to POYNTER on multiple occasions to pay fees. MORRIS also obtained a TCC number in the name of Keosauqua Trust, which he set up with assistance from a neighbor. He provided the TCC number to POYNTER, who used it in connection with 123 fraudulent filings. MORRIS affirmed to IRS, via email, under penalties of perjury, that the Forms 1099-OID and Forms 1099A POYNTER filed using the Keosauqua Trust TCC number were correct. MORRIS recruited at least 11 clients to the scheme, and helped them file \$1.2 million in fraudulent claims. At least one client, A.C., received a refund of \$46,063 from her 2008 federal individual income tax return. MORRIS instructed A.C. to write him a "Love donation" check for 15% of her refund. A.C. provided a check for \$6,900. MORRIS also caused multiple Forms 1040 to be

filed in his own name. Although these claimed refunds were based on claims that tax had been over-withheld on interest income, in actuality, **MORRIS** and his clients had not received interest income from the banks and lenders listed on the Forms 1099, those entities had not issued the forms, nor had they paid taxes on their behalf.

OYER

38. Shirley **OYER**, of Overland Park, Kansas, was a promoter and branch manager, often working on tax returns from an office space at **POYNTER**'s karate studio. **OYER** recruited at least 12 clients. She helped them prepare and file at least 26 fraudulent returns, claiming \$12.4 million in refunds. Of those, the IRS paid out \$92,954. Although these claims were based on over-withholding of interest income, none of the banks or lenders listed on the Forms 1099-OID had accumulated interest income for **OYER**'s clients, they had not issued the Forms 1099-OID, nor had any paid taxes on **OYER**'s clients' behalf. One of **OYER**'s clients, J.E., received a \$64,353 refund for tax year 2006. A check from J.E. for \$6,436 was deposited into **POYNTER**'s Sharper Solutions bank account. **OYER** held at least one meeting to recruit clients, where she provided attendees with computer files illustrating the documents required to complete fraudulent Forms 1099-OID. **OYER** received at least \$2,862.20 in fees, which she deposited into the business account of her company, ABC Seamless Siding, on May 28, 2009. She also assisted multiple clients in responding to IRS correspondence concerning the fraudulent claims and refunds.

GRAY

39. Former bank teller Nkosi **GRAY**, of New Fairfield, Connecticut, became a client of **POYNTER**'s. On October 17, 2008, **GRAY** received a \$278,874 refund for his 2007 federal income tax return, which included fraudulent Forms OID. He had never accrued any interest

income from the banks and lenders listed on his Forms 1099-OID, nor had those entities issued him the forms, nor had they paid any taxes on his behalf. **GRAY** forwarded **POYNTER** a \$15,000 fee. Over the next two months, **GRAY** made 56 withdrawals from his bank account under \$10,000, purposely avoiding the bank's mandatory reporting of large withdrawals.

POYNTER recruited **GRAY** to be a branch manager, listing him on the master spreadsheet. On January 14, 2009, **GRAY** obtained a TCC number, which he used to submit fraudulent information returns on the IRS FIRE system. He continued to work with **POYNTER**. On March 6, 2009, **GRAY** sent **POYNTER** an email concerning a U.S. Department of Justice action against filers of fraudulent OID returns, with the subject line "Beware!".

40. Jeffrey and Karen **OLSON**, of Wood Dale, Illinois, met **POYNTER** at a conference. On October 13, 2008, they submitted a 2007 joint income tax return including fraudulent Forms 1099-OID, which was processed through the Kansas City, Missouri, IRS Service Center. They received a refund of \$171,806. In actuality, the **OLSONs** had never accrued any interest income from the banks and lenders listed on their Forms 1099-OID, nor had those entities issued the forms, nor had they paid any taxes on the **OLSONs'** behalf.

41. The **OLSONs** obtained a TCC number for use with their tax preparation and submission company, FATR, LLC. Jeffrey **OLSON** utilized the FIRE system in order to transmit Forms 1099 using the TCC number. He charged clients for this service. Via Skype, Karen **OLSON** taught **POYNTER** how to use the software associated with 1099 FIRE. On February 16, 2009, the **OLSONs** provided their TCC number to **POYNTER** for him to use in filing Forms 1099-OID for other clients. **POYNTER** used the advice and instruction provided by the **OLSONs** to file fraudulent claims in excess of \$89 million. Because the TCC number

POYNTER used was theirs, the OLSONs received notifications from the Internal Revenue Service that the forms appeared fraudulent. Karen OLSON requested paperwork from POYNTER "in the event anything happens [to show] that we had authorization to transmit."

42. Karen OLSON prepared at least four returns, claiming refunds of at least \$826,007, that were based on fraudulent Forms 1099-OID. Refunds totaling \$408,693 were issued. On March 16, 2009, Karen OLSON forwarded to POYNTER a notice from the IRS concerning excessive withholding and an article concerning a fraud alert for 1099-OID filings. Subsequently, Karen OLSON filed an additional return for J.B. and C.S., based on fraudulent Forms 1099-OID, requesting a refund of \$227,505 for tax year 2008. Karen OLSON also prepared a 2008 individual return for J.B., who received his refund of \$236,867, and paid \$21,986 to the OLSONs in the form of a cashier's check to The Griffen Trust, of which Karen OLSON is a trustee. From February 1, 2010, through May 15, 2010, Karen OLSON wrote checks from The Griffen Trust totaling \$23,884.67.

PERDIDO

43. In September 2008, John PERDIDO, of Temecula, California, became a POYNTER client, submitting his financial information to a branch manager. His 2007 return was filed electronically on October 13, 2008, from an Internet Protocol address connected to POYNTER. It claimed a refund of \$1,328,617 based on over-withholding of taxes from interest income. In actuality, PERDIDO had not received interest income from the banks and lenders listed on his Forms 1099, nor had those entities issued the forms or paid any taxes on his behalf. On October 29, 2008, PERDIDO emailed POYNTER regarding his 2007 return, writing that he had learned that his requested refund was problematic and questionable, and that the claims on

his return had no basis for being included as taxable income. In or around December 2008, **PERDIDO** referred six friends to the scheme.

44. On February 6, 2009, **PERDIDO** received the largest single refund from **POYNTER**'s scheme – \$805,749 for his tax year 2007 federal individual income tax return – which used fraudulent Forms 1099-OID. From February 11, 2009 to March 30, 2009, over \$500,000 was quickly removed from the **PERDIDO**s' bank accounts. There were two wire transfers to the Philippines of \$100,000 each, which **PERDIDO** used to purchase a car and a house in Batung, and to make renovations to the house. He also bought an \$11,000 Rolex watch, paid off his credit cards, and invested \$200,000. On February 23, 2009, **PERDIDO** wire transferred \$118,000 to **POYNTER** as payment. On March 2, 2009, **PERDIDO** sent **POYNTER** a signed contract to act as a branch manager. **PERDIDO** recruited 16 clients to the scheme. **PERDIDO** asked T.T. and M.T. to assist him in entering data in a format that FIRE would accept. T.T. and M.T. contacted Kristi **JONES** for assistance when they had questions. **PERDIDO** instructed T.T. not to talk with him about OIDs over the phone.

MURRAY

45. Mark **MURRAY**, of Newton, Alabama, was a client of Billy Ray **HALL**. **MURRAY** received a \$352,885 refund for 2005, and a \$229,606.33 refund for 2006. Although his refunds were based on claims that he over-withheld tax from interest income, in actuality, **MURRAY** had not received interest income from the banks and lenders listed on his Forms 1099, they had not issued the forms, nor had those entities paid any taxes on his behalf. **MURRAY**, who had used a CPA to prepare his returns for the previous 20 years, did not discuss the 1099-OID process with his CPA before participating in the scheme. Between April 15, 2009,

and September 20, 2010, in order to prevent the IRS from recovering the fraudulent refunds, he regularly moved the funds between accounts. MURRAY purchased at least 28 bank checks for increasingly smaller amounts as he disposed of the refunds. MURRAY paid off the land on which his house is located for \$69,881.41. On the same day, he transferred \$16,000 to another account at the same bank, withdrew \$4,000 in cash, and wrote a \$6,089.69 check to GE Capital. A week later on April 7, 2009, he bought a \$43,364.04 check with for his irrigation business, and the next day he bought \$150,000 in silver coins, which he stored at a friend's house. In August, he bought additional silver coins for \$35,000. On June 4, 2010, MURRAY purchased for HALL a new 2010 GMC Sierra 1500 for an initial loan amount of \$40,000 and 60 monthly payments of \$748.76. He falsely explained to the car dealership that he was related to HALL.

46. The allegations outlined below in Counts Two through Seventy-two are hereby incorporated by reference as if fully set forth herein.

Manner and Means

As part of the conspiracy to defraud:

47. Defendants promoted the 1099-OID recoupment process, recruited clients across the United States, gathered financial information from the clients, and prepared income tax returns that fraudulently showed the clients were due a tax refund.

48. Defendants prepared and caused to be submitted to the IRS fraudulent Forms 1099 showing themselves or clients as recipients of "Original issue discount" income, and also reporting fraudulent amounts of "Federal income tax withheld." Defendants knew at the time that the purported payers shown on the Forms 1099-OID had not issued any such form to the purported recipients shown.

49. Defendants submitted and caused to be submitted to the IRS, for themselves and clients, Forms 1040 or 1040A, U.S. Individual Income Tax Returns, reporting "Taxable interest" in amounts corresponding to the cumulative total of the fraudulent amounts of "Original issue discount" income shown on the Forms 1099-OID.

50. Defendants submitted and caused to be submitted to the Internal Revenue Service, in support of the Forms 1040 or 1040A showing fraudulent amounts of "taxable interest" and fraudulent amounts of "federal income tax withheld," Schedules B-Interest and Ordinary Dividends, listing creditors as "payers" of interest, well knowing at the time that the taxpayers named in the Forms 1040 or 1040A had not received interest income or income of any kind, from the purported payers. The purported payers listed in the Schedules-B were generally the same as the purported payers shown on the Forms 1099-OID.

51. The Forms 1040 or 1040A, which defendants submitted and caused to be submitted to the Internal Revenue Service, claimed refunds based on false amounts of federal income tax withheld and false amounts of overpayments.

52. Defendants submitted and caused to be submitted to the Internal Revenue Service, Forms 1040X, Amended U.S. Individual Income Tax Return, for prior years, utilizing similar fraudulent Forms 1099-OID or 1099A to support fraudulent increases in taxable income and fraudulent increases in federal tax withheld, to claim fraudulent overpayments and to claim fraudulent refunds.

53. Defendants moved and transferred money obtained from the fraudulent refunds, including by structuring withdrawals under \$10,000, and using d/b/as, in an effort to prevent the IRS from seizing the funds.

COUNT ONE

54. The allegations in paragraphs 1 through 53 are hereby incorporated by reference as if fully set forth herein.

55. During the period from on or about July 1, 2008, to September 21, 2011, in the Western District of Missouri, and elsewhere, defendants **GERALD A. POYNTER, II, EARL LEE DAVIS, NKOSI GRAY, BILLY RAY HALL, KIMBERLY JOHNSON, KRISTI L. JONES, JEFFREY A. OLSON, KAREN A. OLSON, SHIRLEY J. OYER, JOHN V. PERDIDO, JENNIFER S. WILSON, MARK J. MURRAY, ROBERT E. MORRIS, AND DARRYL E. LARKINS**, and others known and unknown to the Grand Jury, did knowingly agree, combine, and conspire together with each other, and with others, to defraud the Internal Revenue Service, an agency of the United States Department of the Treasury, by obtaining and attempting to obtain the payment and allowance of false, fictitious and fraudulent claims for refunds of withheld income tax.

All in violation of Title 18, United States Code, Section 286.

COUNTS TWO THROUGH SEVENTY-TWO

56. On or about the dates listed below for the respective counts, in the Western District of Missouri, defendants **GERALD A. POYNTER, II, BILLY RAY HALL, SHIRLEY J. OYER, JEFFREY A. OLSON, KAREN A. OLSON, DARRYL E. LARKINS, KIMBERLY JOHNSON, JENNIFER S. WILSON, ROBERT E. MORRIS, JOHN V. PERDIDO, KRISTI L. JONES, MARK J. MURRAY** and **NKOSI GRAY**, as named below in the specific counts, made and presented, and caused to be made and presented, and aided and abetted the same, to the Internal Revenue Service, an agency of the United States Department of the Treasury, claims against the United States for payment of tax refunds, which they knew to be false, fictitious and

fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, purported individual income tax returns on Forms 1040, 1040A and 1040X, for the individuals named below in the specific counts, wherein claims for income tax refunds for the amounts listed below in the specific counts were made, which claims defendants then and there knew to be false, fictitious and fraudulent.

Count	Date Submitted	Defendants	Name(s) on Tax Return	Type of Return	Refund Claimed
2	10/03/08	Poynter, Gray	Nkosik Gray	1040 2007	\$283,888
3	11/05/08	Poynter, Murray Hall	Mark J. Murray and D.E.M.	1040X 2005	\$287,676
4	11/05/08	Poynter, Murray Hall	Mark J. Murray & D.E.M.	1040X 2006	\$199,968
5	10/13/08	Poynter, Perido	John V. Perido & M.F.R.	1040 2007	\$875,705
6	10/13/08	Poynter	E.P. & J.P.	1040 2007	\$401,600
7	07/30/08	Poynter	Gerald A. Poynter II & J.A.P.	1040X 2005	\$165,752.00
8	03/01/08	Poynter	Gerald A. Poynter II & J.A.P.	1040X 2006	\$21,423.92
9	03/01/08	Poynter	Gerald A. Poynter, II	1040 2007	\$1,186,036.06
10	08/01/08	Poynter	Gerald A. Poynter II	1040 2007	\$119,501
11	03/05/09	Poynter	R.B.T. & E.J.T.	1040X 2005	\$27,226
12	03/05/09	Poynter	R.B.T. & E.J.T.	1040X 2006	\$34,106
13	03/05/09	Poynter	R.B.T. & E.J.T.	1040X 2007	\$43,878
14	03/18/09	Poynter	R.B.T.	1040 2008	\$73,973

Count	Date Submitted	Defendants	Name(s) on Tax Return	Type of Return	Refund Claimed
15	11/04/08	Poynter	L.R.T.	1040 2006	\$104,418
16	04/03/09	Poynter	L.R.T.	1040 2008	\$100,122
17	10/14/08	Hall, Poynter	H.E.B. & N.S.B.	1040X 2005	\$238,272
18	10/10/08	Poynter, Hall	H.E.B. & N.S.B.	1040X 2006	\$78,384
19	10/21/08	Poynter, Hall	H.E.B. & N.S.B.	1040X 2007	\$115,504
20	04/13/09	Poynter, Hall	H.E.B. & N.S.B.	1040 2008	\$48,377
21	03/09/09	Poynter, Hall	J.F.C. & S.B.C.	1040X 2005	\$128,956
22	03/09/09	Poynter, Hall	J.F.C. & S.B.C.	1040X 2006	\$122,920
23	03/09/09	Poynter, Hall	J.F.C. & S.B.C.	1040X 2007	\$194,408
24	10/12/08	Poynter, Hall	A.L.D.	1040 2007	\$124,372
25	12/29/08	Poynter, Hall	J.W.H. & D.S.H.	1040X 2006	\$685,531
26	12/29/08	Poynter, Hall	J.W.H. & D.S.H.	1040X 2007	\$87,194
27	12/29/08	Poynter, Hall	D.S.M. & M.M.	1040X 2005	\$327,166
28	12/29/08	Poynter, Hall	D.S.M. & M.M.	1040X 2006	\$317,222
29	12/29/08	Poynter, Hall	D.S.M. & M.M.	1040X 2007	\$161,711
30	03/11/09	Poynter, Hall	D.E.M. & M.M.	1040 2008	\$282,875

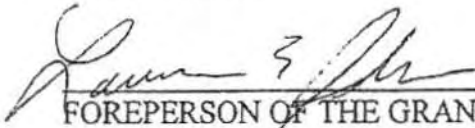
Count	Date Submitted	Defendants	Name(s) on Tax Return	Type of Return	Refund Claimed
31	03/09/09	Poynter, Hall	W.P.	1040A 2007	\$20,257
32	04/15/09	Poynter, Hall	W.P.	1040A 2008	\$24,852
33	10/14/08	Poynter, Hall	J.B.R. & P.R.	1040X 2005	\$481,393
34	10/09/08	Poynter, Hall	J.B.R. & P.R.	1040 2007	\$1,044,158
35	10/08/08	Poynter, Hall	R.A.S.	1040 2007	\$83,255
36	04/15/09	Poynter, Oyer	W.P.	1040A 2008	\$28,622
37	04/15/09	Poynter, Oyer	C.L.B.	1040 2008	\$29,971
38	12/16/08	Poynter, Oyer	J.L.E.	1040 2005	\$162,150
39	10/27/08	Poynter, Oyer	J.L.E.	1040A 2006	\$70,521
40	10/21/08	Poynter, Oyer	J.L.E.	1040A 2007	\$41,254
41	10/13/08	Jeffrey Olson, Karen Olson	Jeffrey V. & Karen A. Olson	1040 2007	\$171,806
42	11/18/08	Karen Olson	J.D.S. & C.E.S.	1040X 2005	\$191,684.12
43	03/24/09	Karen Olson	J.D.S. & C.E.S.	1040 2008	\$227,563
44	03/26/09	Poynter, Larkins	T.L.	1040X 2006	\$124,355
45	03/26/09	Poynter, Larkins	T.L.	1040X 2007	\$37,303
46	03/25/09	Poynter, Larkins	T.M.L & J.K.L	1040 2008	\$885,413

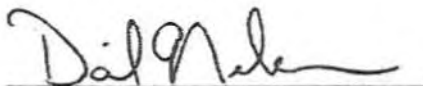
Count	Date Submitted	Defendants	Name(s) on Tax Return	Type of Return	Refund Claimed
47	10/27/08	Poynter, Larkins	K.T. & E.M.T.	1040 2007	\$1,455,879
48	11/08/08	Poynter, Larkins	R.T. & A.E.T.	1040X 2005	\$888,818
49	11/08/08	Poynter, Larkins	R.T. & A.E.T.	1040X 2006	\$957,935
50	03/16/09	Poynter, Larkins	B.E.H.	1040 2006	\$295,978
51	03/16/09	Poynter, Larkins	B.E.H.	1040 2007	\$100,839
52	04/13/09	Poynter, Johnson	K. Johnson, Jennifer D.E.	1040A 2008	\$29,026
53	04/15/09	Poynter, Johnson	B.B.	1040 2008	\$123,744
54	04/29/09	Poynter, Johnson	M.A.P.	1040 2008	\$61,959
55	04/11/09	Poynter, Johnson	D.Y.K. & D.L.K.	1040 2008	\$132,184
56	04/07/09	Poynter, Johnson	D.Y.K. & L.E.K.	1040 2008	\$206,816
57	04/12/09	Poynter, Johnson	A.S.M. & A.J.M.	1040 2008	\$97,689
58	04/27/09	Poynter, Johnson	E.R.	1040A 2008	\$49,111
59	07/17/09	Poynter, Johnson	L.C.S.	1040 2008	\$27,045
60	04/13/09	Poynter, Johnson	A.D.S. & S.D.S.	1040 2008	\$86,301
61	04/15/09	Wilson	Jennifer S. Wilson	1040 2008	\$449,807
62	04/13/09	Wilson	J.L.W.	1040 2008	\$572,653

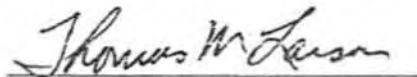
Count	Date Submitted	Defendants	Name(s) on Tax Return	Type of Return	Refund Claimed
63	04/14/09	Poynter, Wilson	D.D.S. & S.A.S.	1040 2008	\$502,458
64	04/15/09	Poynter, Wilson	M.L.C.	1040 2008	\$69,591
65	04/14/09	Poynter, Wilson	T.L.C.	1040 2008	\$174,826
66	04/20/09	Poynter, Morris	Robert E. Morris & L.R.M.	1040 2008	\$104,472
67	04/14/09	Poynter, Morris	A.M.C.	1040 2008	\$46,063
68	04/14/09	Poynter, Morris	C.M.C.	1040 2008	\$245,042
69	04/12/09	Poynter, Morris	M.J.V. & M.R.V.	1040 2008	\$80,146
70	10/17/08	Poynter, Perdido	John V. Perdido & M.F.P.	1040X 2005	\$194,750
71	10/17/08	Poynter, Perdido	John V. Perdido & M.F.P.	1040X 2006	\$153,975
72	04/11/09	Jones	Kristi L. Jones	1040 2008	\$5,160

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

A TRUE BILL.


FOREPERSON OF THE GRAND JURY


Daniel M. Nelson #53885
Assistant United States Attorney


Thomas M. Larson #21957
Assistant United States Attorney

Date: 9/21/2001
Kansas City, Missouri

AO 442 (Rev. 01/09) Arrest Warrant

UNITED STATES DISTRICT COURT

for the

Western District of Missouri

United States of America

v.

Darryl E. Larkins

Defendant

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay

(name of person to be arrested) Darryl E. Larkins

who is accused of an offense or violation based on the following document filed with the court:

- ☒ Indictment ☐ Superseding Indictment ☐ Information ☐ Superseding Information ☐ Complaint
☐ Probation Violation Petition ☐ Supervised Release Violation Petition ☐ Violation Notice ☐ Order of the Court

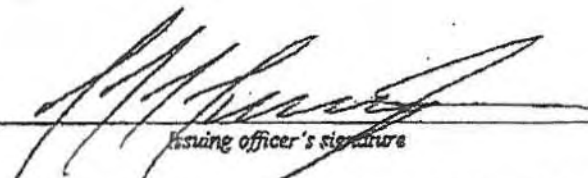
This offense is briefly described as follows:

Count One - Tax Conspiracy, in violation of 18 U.S.C. § 236

Counts Forty-Four through Fifty-One - Filing of False Claims, in violation of 18 U.S.C. § 287

Date: 09/21/2011

City and state: Kansas City, MO


 Issuing officer's signature
 Honorable John T. Maughmer, United States Magistrate Judge
 Printed name and title

Return

This warrant was received on (date) _____, and the person was arrested on (date) _____
 at (city and state) _____

Date: _____

Arresting officer's signature

Printed name and title

RECEIVED
UNITED STATES DISTRICT COURT
 for the

NORTHERN District of ILLINOIS

NEW ORIGINAL

United States of America
 v.

DARRYL LARKINS
 Defendant

Case No. 11 CR 652

ORDER SETTING CONDITIONS OF RELEASE

IT IS ORDERED that the defendant's release is subject to these conditions:

- (1) The defendant must not violate any federal, state or local law while on release.
- (2) The defendant must cooperate in the collection of a DNA sample if the collection is authorized by 42 U.S.C. § 14135a.
- (3) The defendant must immediately advise the court, defense counsel, and the U.S. attorney in writing before any change in address or telephone number.
- (4) The defendant must appear in court as required and must surrender to serve any sentence imposed

The defendant must appear at (if blank, to be notified) U.S. COURTHOUSE, 400 E. 9TH
 Place
STREET, KANSAS CITY, MISSOURI on OCTOBER 6, 2011 AT 10:30 A.M.
 Date and Time

Release on Personal Recognizance or Unsecured Bond

IT IS FURTHER ORDERED that the defendant be released on condition that:

- (☒) (5) The defendant promises to appear in court as required and surrender to serve any sentence imposed.
- (☒) (6) The defendant executes an unsecured bond binding the defendant to pay to the United States the sum of FOUR THOUSAND FIVE HUNDRED dollars (\$ 4,500) in the event of a failure to appear as required or surrender to serve any sentence imposed.

ADDITIONAL CONDITIONS OF RELEASE

Upon finding that release by one of the above methods will not by itself reasonably assure the defendant's appearance and the safety of other persons or the community, IT IS FURTHER ORDERED that the defendant's release is subject to the conditions marked below:

() (7) The defendant is placed in the custody of:

Person or organization _____

Address (only if above is an organization) _____

City and state _____

Tel. No. (only if above is an organization) _____

who agrees (a) to supervise the defendant in accordance with all of the conditions of release, (b) to use every effort to assure the defendant's appearance at all scheduled court proceedings, and (c) to notify the court immediately if the defendant violates any condition of release or disappears.

Signed: _____

Custodian or Proxy _____

Date _____

(✓) (8) The defendant must:

- () (a) report to the U.S. PRE-TRIAL SERVICES
telephone number 312-435-5793, no later than AS DIRECTED
- () (b) execute a bond or an agreement to forfeit upon failing to appear as required the following sum of money or designated property: _____
- () (c) post with the court the following proof of ownership of the designated property, or the following amount or percentage of the above-described sum _____
- () (d) execute a bail bond with solvent sureties in the amount of \$ _____
- () (e) maintain or actively seek employment.
- () (f) maintain or commence an education program.
- (✓) (g) surrender any passport to: PRE-TRIAL SERVICES
- (✓) (h) obtain no passport.
- (✓) (i) abide by the following restrictions on personal association, place of abode, or travel: NO CONTACT WITH DEFENDANTS IN THE CASE UNITED STATES V. EDWARD J. BISHOP UNLESS THEY ARE IN YOUR IMMEDIATE FAMILY
- () (j) avoid all contact, directly or indirectly, with any person who is or may become a victim or potential witness in the investigation or prosecution, including but not limited to: _____
- () (k) undergo medical or psychiatric treatment _____
- () (l) return to custody each (week) day at _____ o'clock after being released each (week) day at _____ o'clock for employment, schooling, or the following purpose(s): _____
- () (m) maintain residence at a halfway house or community corrections center, as the pretrial services office or supervising officer considers necessary.
- (✓) (n) refrain from possessing a firearm, destructive device, or other dangerous weapons.
- () (o) refrain from () any () excessive use of alcohol.
- (✓) (p) refrain from use or unlawful possession of a narcotic drug or other controlled substances defined in 21 U.S.C. § 802, unless prescribed by a licensed medical practitioner.
- () (q) submit to any testing required by the pretrial services office or the supervising officer to determine whether the defendant is using a prohibited substance. Any testing may be used with random frequency and include urine testing, the wearing of a sweat patch, a remote alcohol testing system, and/or any form of prohibited substance screening or testing. The defendant must refrain from obstructing or attempting to obstruct or tamper, in any fashion, with the efficiency and accuracy of any prohibited substance testing or monitoring which is (are) required as a condition of release.
- () (r) participate in a program of inpatient or outpatient substance abuse therapy and counseling if the pretrial services office or supervising officer considers it advisable.
- () (s) participate in one of the following location monitoring program components and abide by its requirements as the pretrial services officer or supervising officer instructs.
- () (i) Curfew. You are restricted to your residence every day () from _____ to _____ or () as directed by the pretrial services office or supervising officer; or
- () (ii) Home Detention. You are restricted to your residence at all times except for employment; education; religious services; medical, substance abuse, or mental health treatment; attorney visits; court appearances; court-ordered obligations; or other activities pre-approved by the pretrial services office or supervising officer; or
- () (iii) Home Incarceration. You are restricted to 24-hour-a-day lock-down except for medical necessities and court appearances or other activities specifically approved by the court.
- () (t) submit to the location monitoring indicated below and abide by all of the program requirements and instructions provided by the pretrial services officer or supervising officer related to the proper operation of the technology.
- () The defendant must pay all or part of the cost of the program based upon your ability to pay as the pretrial services office or supervising officer determines.
- () (i) Location monitoring technology as directed by the pretrial services office or supervising officer;
- () (ii) Radio Frequency (RF) monitoring;
- () (iii) Passive Global Positioning Satellite (GPS) monitoring;
- () (iv) Active Global Positioning Satellite (GPS) monitoring (including "hybrid" (Active/Passive) GPS);
- () (v) Voice Recognition monitoring.

(X) (u) YOU ARE ORDERED NOT TO FILE OR HAVE ANOTHER PERSON FILE ON YOUR BEHALF A FORM 1099-MISC, FORM 1099-DIV, OR FORM 1099-A WITH THE INTERNAL REVENUE SERVICE

DISTRIBUTION: COURT DEFENDANT PRETRIAL SERVICES U.S. ATTORNEY U.S. MARSHAL

(X) (v) SUBMIT TO AN INITIAL DRUG TEST BY U.S. PRE-TRIAL SERVICES

ADVICE OF PENALTIES AND SANCTIONS

TO THE DEFENDANT:

YOU ARE ADVISED OF THE FOLLOWING PENALTIES AND SANCTIONS:

Violating any of the foregoing conditions of release may result in the immediate issuance of a warrant for your arrest, a revocation of your release, an order of detention, a forfeiture of any bond, and a prosecution for contempt of court and could result in imprisonment, a fine, or both.

While on release, if you commit a federal felony offense the punishment is an additional prison term of not more than ten years and for a federal misdemeanor offense the punishment is an additional prison term of not more than one year. This sentence will be consecutive (i.e., in addition to) to any other sentence you receive.

It is a crime punishable by up to ten years in prison, and a \$250,000 fine, to: obstruct a criminal investigation; tamper with a witness, victim, or informant; retaliate or attempt to retaliate against a witness, victim, or informant; or intimidate or attempt to intimidate a witness, victim, juror, informant, or officer of the court. The penalties for tampering, retaliation, or intimidation are significantly more serious if they involve a killing or attempted killing.

If, after release, you knowingly fail to appear as the conditions of release require, or to surrender to serve a sentence, you may be prosecuted for failing to appear or surrender and additional punishment may be imposed. If you are convicted of:

- (1) an offense punishable by death, life imprisonment, or imprisonment for a term of fifteen years or more – you will be fined not more than \$250,000 or imprisoned for not more than 10 years, or both;
- (2) an offense punishable by imprisonment for a term of five years or more, but less than fifteen years – you will be fined not more than \$250,000 or imprisoned for not more than five years, or both;
- (3) any other felony – you will be fined not more than \$250,000 or imprisoned not more than two years, or both;
- (4) a misdemeanor – you will be fined not more than \$100,000 or imprisoned not more than one year, or both.

A term of imprisonment imposed for failure to appear or surrender will be consecutive to any other sentence you receive. In addition, a failure to appear or surrender may result in the forfeiture of any bond posted.

Acknowledgment of the Defendant

I acknowledge that I am the defendant in this case and that I am aware of the conditions of release. I promise to obey all conditions of release, to appear as directed, and surrender to serve any sentence imposed. I am aware of the penalties and sanctions set forth above.

DARRYL EDWARD CLARKINS ^(TA)

Defendant's Signature

CHICAGO ILLINOIS

City and State

Directions to the United States Marshal

- (X) The defendant is ORDERED released after processing.
- () The United States marshal is ORDERED to keep the defendant in custody until notified by the clerk or judge that the defendant has posted bond and/or complied with all other conditions for release. If still in custody, the defendant must be produced before the appropriate judge at the time and place specified.

Date: 11/22/11

Wan R. Holon

Judicial Officer's Signature

US Magistrate Judge

Printed name and title

DISTRIBUTION: COURT DEFENDANT PRETRIAL SERVICE U.S. ATTORNEY U.S. MARSHAL

NOTARY'S CERTIFICATE OF SERVICE

It is hereby certified that on October 12, 2011, I, KERI M BURNOR, a duly empowered Notary Public, in and for the State of Texas, a third party, and not a party to the matter, for the sole purpose of certifying a response or want thereof, did present the following documents on behalf of Darryl Edward of the tribe of larkins, to wit:

PLAINTIFF

Richard Matthew Hiller
United States Attorney's Office (NDIL)
219 South Dearborn Street
Suite 500
Chicago, IL 60604
(312) 697-4088
Email: matt.hiller@usdoj.gov
FED-EX US Air Bill No. 872828057483

RESPONDENT(S):

Sarah W. Hayes
United States Magistrate Judge
United States District Court
Western District of Missouri
400 E. 9th Street
Kansas City, Missouri
FED-EX US Air Bill No. 872828059751

NAN R. NOLAN
United States Magistrate Judge
United States District Court
Western District of Missouri
400 E. 9th Street
Kansas City, Missouri
VIA CERTIFIED MAIL No. 70110110000143207411

CHRIS TINSLEY SPECIAL AGENT
Internal Revenue Service
2850 NE Independence Avenue Suite 102
Lee's Summit, Missouri 64064
VIA CERTIFIED MAIL No. 70101870000071730381

Daniel M. Nelson #53885
Assistant United States Attorney
400 Est 9th street Suite #5510
Kansas City, Missouri 64106
VIA CERTIFIED MAIL No. 70101870000071730374

Thomas M. Larson #21957
Assistant United States Attorney

400 Est 9th street Suite #5510
Kansas City, Missouri 64106
VIA CERTIFIED MAIL No. 70110110000143207442

KURT BERTRAM SPECIAL AGENT
2850 NE Independent Avenue Suite 102
Lee's Summit, Missouri 64064
VIA CERTIFIED MAIL No. 70110110000143207435

Carrie J. Holdberg
U.S. Pretrial Services
Northern District of Illinois
219 South Dearborn
Room 15100
Chicago, Illinois 60604-1984
VIA CERTIFIED MAIL No. 70110110000143207411

Cc:

Office of the Attorney General
Attorney Lisa Madigan
Chicago Main Office
100 West Randolph Street
Chicago, IL 60601
VIA REGULAR US MAIL

U.S. ATTORNEY ERIC HOLDER
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-000
VIA REGULAR US MAIL

U.S. MARSHALL'S OFFICE
Northern District of Illinois (N/IL)
U.S. Marshal: Darryl K. McPherson
219 S. Dearborn Street, Room 2444
Chicago, IL 60604
VIA REGULAR US MAIL

Nick Zych
U.S. Probation & Pretrial Services Officer
Charles Evans Whittaker Courthouse
400 East 9th Street
Room 4510
Kansas City, Missouri 64106
VIA REGULAR US MAIL

As follows:

1. **CONSTRUCTIVE NOTICE OF CONDITIONAL ACCEPTANCE AND NINETY (90)-DAY ABATEMENT REQUEST OF PUBLIC PROCEEDINGS** with date October 12, 2011 *nunc pro tunc* October 7, 2011 _____ leaves.
2. **Copy of NOTARY'S CERTIFICATE OF SERVICE** (signed original on file) (4 leaves)

a total of _____ pages by placing said documents in respective envelopes properly addressed to PLAINTIFF(S)/RESPONDENT(S) above.

For the Certified Mail No.'s listed above Return Receipt attached by placing same in a postpaid envelope properly addressed to Recipient at the said address and depositing same at an official depository under the exclusive face and custody of the U.S. Postal Service within the State of Texas.

RESPONDENT(S):

RESPONDENT:

Stephen Chase Higinbotham, Jr.
117 Bradford Ln
Belton, MO, US 64012
VIA CERTIFIED MAIL No. 70110110000143207374

As follows:

1. **CONSTRUCTIVE NOTICE OF ACCEPTANCE IN RE: WISHING NO CONTRACT AND CONDITIONAL ACCEPTANCE**
2. **with** date October 12th 2011, *nunc pro tunc* October 6, 2011, _____ leaves.

a total of _____ pages by placing said documents in respective envelopes properly addressed to RESPONDENT(S) above.

For the Certified Mail No.'s listed above Return Receipt attached by placing same in a postpaid envelope properly addressed to Recipient at the said address and depositing same at an official depository under the exclusive face and custody of the U.S. Postal Service within the State of Texas.

Signed this _____ day of _____, 2011

Sincerely,

KERI M BURNOR, Third-Party Witness, NOTARY
P.O. Box 850191
Richardson, Texas [75085]

Teste Meipso

Using a notary does not constitute any adhesion, nor does it alter Administrator's status in any manner. The purpose for notary is verification and identification only and not for entrance into any foreign jurisdiction.

VERIFICATION

Texas state)
)
Dallas county)

Before me, a notary public, on this day personally appeared _____,
known to me to be the person whose name is subscribed to the foregoing document and, being by me first
duly sworn, declared that the statements therein contained are true and correct.

Notary Public's Signature

LEGAL NOTICE The Certifying Notary is an independent contractor and not a party to this claim. In fact the Certifying Notary is a Federal Witness Pursuant to TITLE 18, PART I, CHAPTER 73, SEC. 1512. *Tampering with a witness, victim, or an informant.* The Certifying Notary also performs the functions of a quasi-Postal Inspector under the Homeland Security Act by being compelled to report any violations of the U.S. Postal regulations as an Officer of the Executive Department. Intimidating a Notary Public under Color of Law is a violation of Title 18, U.S. Code, Section 242, titled "Deprivation of Rights Under Color of Law," which primarily governs police misconduct investigations. This Statute makes it a crime for any person acting under the Color of Law to willfully deprive any individual residing in the United States and/or United States of America those rights protected by the Constitution and U.S. laws.