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**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA**

STATE OF ARIZONA,
Plaintiff,

v.

KAREN HERNANDEZ (001),
(Counts 1 – 10)

PEDRO A. ARVIZU (002),
(Counts 1, 11-17)

Defendants.

Case No:

84 SGJ 86

INDICTMENT

CHARGING VIOLATIONS OF:

**COUNT 1: FRAUDULENT SCHEMES
AND ARTIFICES, a class 2 felony in
violation of A.R.S. §13-2310**

**COUNTS 2-10: PREPARING FALSE
RETURN, a class 5 felony in violation of
A.R.S. §42-1127(B)(2)**

**COUNTS 11-17: PREPARING FALSE
RETURN, a class 5 felony in violation of
A.R.S. §42-1127(B)(2)**

The Arizona State Grand Jury accuses **KAREN HERNANDEZ (001)** and **PEDRO A. ARVIZU (002)**, charging on this 15th day of January, 2019 that in or from Maricopa County, Arizona:

COUNT 1
FRAUDULENT SCHEMES AND ARTIFICES

On or between January 1, 2017 and March 30, 2018, **KAREN HERNANDEZ (001) and PEDRO A. ARVIZU(002)**, pursuant to a scheme or artifice to defraud, knowingly obtained any benefit by means of false or fraudulent pretenses, representations, promises or material omissions in violation of A.R.S. §§ 13-2310, 13-2310(C), 13-2301, 13-301, 13-302, 13-303,013-304, 13-701, 13-702, 13-703, and 13-801.

To Wit: **KAREN HERNANDEZ (001) and PEDRO A. ARVIZU (002)**, knowingly prepared Arizona State Resident Personal Income Tax Returns with false itemized Schedule A deductions.

COUNT 2
PREPARING FALSE RETURN

On or about February 24, 2017, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Jose Manzano, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303,013-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 3
PREPARING FALSE RETURN

On or about February 2, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Jose Manzano, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303,013-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 4
PREPARING FALSE RETURN

On or about March 27, 2017, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Brandon J. Travers and Amanda Travers, the taxpayers authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 5
PREPARING FALSE RETURN

On or about March 2, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Brandon J. Travers and Amanda Travers, the taxpayers authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 6
PREPARING FALSE RETURN

On or about February 6, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Caroline Jaquez, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 7
PREPARING FALSE RETURN

On or about January 31, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Angela Marquez, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 8
PREPARING FALSE RETURN

On or about February 14, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Luis V. Manzano and Celia Manzano, the taxpayers authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 9
PREPARING FALSE RETURN

On or about February 7, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Alexis Valdez Valencia, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 10
PREPARING FALSE RETURN

On or about February 5, 2018, **KAREN HERNANDEZ (001)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Martin Ontiveros Rivera, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 11
PREPARING FALSE RETURN

On or about February 20, 2017, **PEDRO A. ARVIZU(002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Ginger Medina, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 12
PREPARING FALSE RETURN

On or about January 30, 2017, **PEDRO A. ARVIZU (002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Angie Escobedo, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 13
PREPARING FALSE RETURN

On or about February 7, 2018, **PEDRO A. ARVIZU (002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Angie Escobedo, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 14
PREPARING FALSE RETURN

On or about March 2, 2017, **PEDRO A. ARVIZU (002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Ricardo Perez, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 15
PREPARING FALSE RETURN

On or about March 5, 2018, **PEDRO A. ARVIZU (002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Ricardo Perez, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

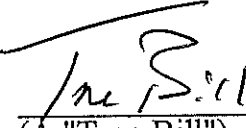
COUNT 16
PREPARING FALSE RETURN

On or about February 2, 2017, **PEDRO A. ARVIZU (002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Victoria Ybarra, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.

COUNT 17
PREPARING FALSE RETURN

On or about February 28, 2018, **PEDRO A. ARVIZU (002)**, knowingly prepared, presented or aided, procured or advised in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of Ivan Bazua Machado, the taxpayer authorized or required to present the return, affidavit, claim or document, in violation of A.R.S. §42-1127(B)(2), 42-1101.01, 13-301, 13-302, 13-303, 13-304, 13-701, 13-702, 13-703, and 13-801.


Pursuant to A.R.S. § 21-425, the State Grand Jurors find that the offenses described above were committed in Maricopa County, Arizona.



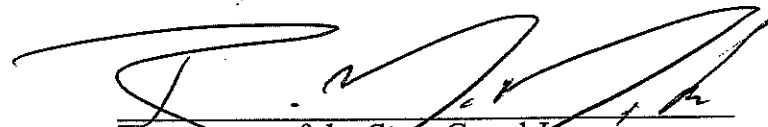
(A "True Bill")

MARK BRNOVICH
ATTORNEY GENERAL
STATE OF ARIZONA

Dated: 1.15.19



Mary Harriss
Assistant Attorney General



Foreperson of the State Grand Jury

#7570151