

STATE OF WISCONSIN CIRCUIT COURT MILWAUKEE COUNTY

STATE OF WISCONSIN
Plaintiff,

DA Case No.: 2021ML024875
Court Case No.:

vs.

CRIMINAL COMPLAINT

YANG, SANDY M
2930 SOUTH STRATTON DRIVE
WEST ALLIS, WI 53219
DOB: 07/20/1983

Defendant(s).

For Official Use

THE BELOW NAMED COMPLAINANT BEING DULY SWORN, ON INFORMATION AND BELIEF STATES THAT:

Count 1: THEFT - FALSE REPRESENTATION (> \$10,000 - \$100,000)

The above-named defendant between January of 2018 and December of 2018, at 7219 West Lincoln Avenue and other locations throughout Milwaukee County, in the City of West Allis, Milwaukee County, Wisconsin, did obtain title to property of SSV and XYV, having a value greater than \$10,000 but does not exceed \$100,000, by intentionally deceiving the person with a false representation which she knew to be false, made with intent to defraud and which defrauded the person, contrary to sec. 943.20(1)(d) and (3)(c), 939.50(3)(g) Wis. Stats.

Upon conviction for this offense, a Class G Felony, the defendant may be fined not more than Twenty Five Thousand Dollars (\$25,000), or imprisoned not more than ten (10) years, or both.

Count 2: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT

The above-named defendant on or about Sunday, April 8, 2018, at 7219 West Lincoln Avenue, in the City of West Allis, Milwaukee County, Wisconsin, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required by this chapter, or to obtain a refund or credit with fraudulent intent, contrary to sec. 71.83(2)(b)1, 939.50(3)(h) Wis. Stats.

Upon conviction for this offense, a Class H Felony, the defendant may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 3: FRAUD/RENDERING INCOME TAX RETURN OR OBTAIN REFUND WITH FRAUDULENT INTENT

The above-named defendant on or about Friday, April 12, 2019, at 1935 South 10th Street, in the City of Milwaukee, Milwaukee County, Wisconsin, did render a false or fraudulent income tax return with intent to defeat or evade any assessment required by this chapter, or to obtain a refund or credit with fraudulent intent, contrary to sec. 71.83(2)(b)1, 939.50(3)(h) Wis. Stats.

Upon conviction for this offense, a Class H Felony, the defendant may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 4: FRAUDULENT CLAIM/INCOME TAX CREDIT

The above-named defendant on or about Sunday, April 8, 2018, at 7219 West Lincoln Avenue, in the City of West Allis, Milwaukee County, Wisconsin, did file a claim for credit under s. 71.07, 71.28 or 71.47 or subch. VIII or IX that is false or excessive and filed with fraudulent intent, contrary to sec. 71.83(2)(b)4, 939.50(3)(h) Wis. Stats.

Upon conviction for this offense, a Class H Felony, the defendant may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Count 5: FRAUDULENT CLAIM/INCOME TAX CREDIT

The above-named defendant on or about Friday, April 12, 2019, at 1935 South 10th Street, in the City of Milwaukee, Milwaukee County, Wisconsin, did file a claim for credit under s. 71.07, 71.28 or 71.47 or subch. VIII or IX that is false or excessive and filed with fraudulent intent, contrary to sec. 71.83(2)(b)4, 939.50(3)(h) Wis. Stats.

Upon conviction for this offense, a Class H Felony, the defendant may be fined not more than Ten Thousand Dollars (\$10,000), or imprisoned not more than six (6) years, or both.

Probable Cause:

Complainant is a law enforcement officer and bases this complaint upon his own investigation and different financial documents, as well as the investigation of fellow law enforcement officers, which Complainant has found to be truthful and reliable and conducted in the ordinary course of the official work of law enforcement. This complaint is further based on the statements of citizen witnesses who were the victims of Sandy Yang's fraudulent acts.

OVERVIEW¹

In 2017 and 2018, Sandy Yang took advantage of other individuals in the Hmong community by purporting to legitimately file their State income taxes, all while she defrauded them of their money. She did this by falsely claiming there were different fees and assessments these individuals were required to pay. As a result of Yang's actions, she defrauded SSV and XYV of over \$40,000.

Further, during the tax years of 2017 and 2018, Yang personally filed false income taxes. She failed to report significant amounts of income she received, including income from her misappropriated funds as well as gambling income and canceled debts. In addition, Yang falsely claimed the Earned Income Credit on her taxes, despite not qualifying to claim it if she had provided truthful information in her return. By failing to accurately report her income, Yang was able to reduce her tax liability, such that the State of Wisconsin was defrauded of over \$16,000.

¹ This complaint alleges a continuing course of multiple thefts occurring from approximately 2017 until 2018. Wisconsin Statute § 971.36 allows these thefts to be prosecuted as individual crimes because the property belonged to a single owner and the thefts were committed as part of a single deceptive scheme, as well as the property was stolen by a person in possession of it. WIS. STAT. §§ 971.36(3)(a) and (c). In alleging a continuing offense, it is sufficient to "allege generally a theft of property to a certain value committed between certain dates, without specifying any particulars." WIS. STAT. § 971.36(4). Further, the offense is not completed until the last act is completed and the statute of limitations does not begin to run until that time. See *State v. Elverman*, 2015 WI App 91, ¶ 30, 32, 367 Wis. 2d 126, 876 N.W.2d 511.

YANG FALSELY PORTRAYED HERSELF AS HAVING A PH.D

Yang attempted to hold herself out as a tax professional. She created a business titled Sy Advanced Accounting Inc. According to the Wisconsin Department of Financial Institutions, the company's listed registered agent was Lee Xiong and the headquartered at 7219 West Lincoln Avenue, West Allis, which was Yang's residence in 2017-2018.

Law enforcement investigation revealed that Yang attempted to create a false image of herself as doctoral degree holder. Yang represented to others that she had a doctorate degree from UW-Milwaukee in management science. Yang's family threw her a graduation party, in which Yang had a sign that said, "Dr. Sandy Yang, Sy Advanced Accounting," and a banner with the UW-Milwaukee Ph.D in Management Science emblem. In reality, Yang had no doctoral degree. Detective Vanderwerff contacted a UW-Milwaukee school official who stated that Yang had earned a bachelor's degree in finance. There were no records for her having any further schooling beyond her bachelor's degree. She did not hold a doctorate. Her false proclamation of receiving a doctorate contributed to SSV and XYV being misled into trusting her to do their taxes.

YANG TRAINING AND EXPERIENCE

This investigation revealed that, based upon Yang's training and experience in the realm of tax preparation, she was knowledgeable about the income tax filing requirements and her actions were done with the intent to evade liability and to fraudulently qualify for credit she did not qualify for.

Yang has training and experience in financial matters. She received an undergraduate degree in finance from UW-Milwaukee. As part of that degree, she took courses in accounting, tax law, and tax preparation. In addition, Yang completed a tax preparer training provided by Liberty Tax Service. She received training in both income tax preparation and business tax preparation from Liberty Tax Service.

Yang had significant experience with the filing of income taxes. She prepared income taxes for herself, family, friends, and community members. Law enforcement conducted a review of the DOR Winpas system to search all Wisconsin tax returns that were electronically filed from the same IP address as Yang's personal return. For tax year 2016, there were 75 returns filed using that IP address. For tax year 2017, there were 49 returns filed from the same IP address as Yang's personal return. Further, a search using the bank account number Yang provided on her personal 2017 return found 49 other instances of returns with that bank account number. In addition, Complainant participated in an interview of Yang. There, Yang stated that she filed tax returns for others

Despite having experience in tax preparation, Yang lacked the necessary requirements to be a tax preparer. Any person that prepares or assists in the preparation of federal tax returns for money is required to have a Preparer Tax Identification Number (PTIN). These numbers are issued by the IRS. As part of this investigation, law enforcement searched the IRS database and WDOR records to determine if Yang had a PTIN. No record was found that a PTIN was ever issued to Yang. As such, she lacked the legal qualifications to file taxes on behalf of others for money.

YANG MISAPPROPRIATED FUNDS

In conducting her tax preparation business, Yang took advantage of others in her community by presenting herself as someone that could file taxes for them. Instead of assisting her community, she stole money from them.

On December 4, 2018, SSV and XYV came to the West Allis Police Station to report a loss they suffered as a result of fraudulent tax preparation. XYV reported that in January 2017, she submitted

her taxes to her niece, the defendant Sandy Yang. At that time, Yang was residing at 7219 West Lincoln Avenue, in the City of West Allis, Milwaukee County.

After XYV submitted their tax forms to Yang, Yang contacted her and advised that XYV and SSV owed money on their taxes. Yang instructed XYV to write a check out in various amounts and to leave the "Pay to the Order of" line blank. Yang would continuously give XYV different reasons that XYV owed more money towards her taxes, such as different fees and penalties. These reasons were false. XYV did not owe additional fees or penalties that required additional tax payments. XYV was misled by Yang's false representations. She believed Yang's reasons because she didn't suspect a family member would lie to her.

XYV and SSV made out multiple checks and cashier's checks and presented them to Yang, all for the express purpose of addressing tax issues. All of these checks were for tax payments to the IRS, not for Yang's services, such that Yang was not entitled to any of the below funds. The following amounts were sent to Yang:

Date	Paid To Order Of	Memo	Amount
02/05/18	Lee Xiong	2017 tax	\$5,407.00
03/02/18	Pahoua Thao	2017 tax	\$1,500.00 ²
04/09/18	Lee Xiong	2017 tax	\$1,500.00
04/18/18	Sandy M Yang	Tax Aud. 2016	\$1,733.50
05/28/18	Sandy Yang	For 2018 tax	\$4,324.00
06/02/18	Pa Houa Thao	For 2016 tax aud	\$1,733.50
06/14/18	Sandy M Yang	For tax 2016	\$2,488.00
07/05/18	Lee Xiong	\$1000 (year) \$717- tax pb	\$1,717.00
07/12/18 ³	Sandy M Yang	(Blank)	\$3,000.00
07/12/18 ⁴	Sy Advanced Accounting	(Blank)	\$4,890.00
07/12/18 ⁵	Lee Xiong	(Blank)	\$6,000.00
		Total:	\$34,293.00

In addition to those cashier's checks, XYV reported that she also paid \$6,000 in cash to Yang during this same time period. This payment was not supposed to be for services that Yang provided, but was supposed to be for tax payments. As a result of the different checks, cashier's checks, and cash, XYV paid Yang \$40,293.00.

All of these checks, with the exception of the cashier's checks on 7/12 for \$3,000 and \$6,000 were deposited into Yang's bank accounts. A review of Yang's bank records shows that these funds were not used for XYV's and SSV's tax liabilities. In fact, a review of those accounts shows that these funds were predominately spent upon personal items, including hotel stays and travel expenses. While Yang's accounts reveal some payments to the IRS, those payments are dwarfed by the amounts taken from XYV and SSV.

XYV first learned of Yang's fraud when XYV received a letter from the DOR on or about November 23, 2018, stating she owed \$1,337.28. In later speaking to the DOR, XYV learned that someone created an account with the DOR and paid this balance in their name. XYV stated that she paid Yang

² This check was cashed at a BMO Harris Bank and was not deposited into Yang's account.

³ This was a cashier's check.

⁴ This was a cashier's check.

⁵ This was a cashier's check.

approximately \$100 for her 2017 returns and approximately \$200 for her 2015 amended taxes. Any other payments were solely for tax payments and not for any services rendered. Neither XYV nor SSV consented to Yang using their money for anything other than tax payments. Yang falsely represented to them that the money was needed to address tax liabilities; they only provided those funds to Yang based upon her false representations. All of these actions were done without the consent of XYV and SSV.

FRAUDULENT TAX RETURNS

Investigation by the Department of Revenue revealed that Yang failed to accurately report her income while filing her Wisconsin taxes. From 2008 until 2018, Yang timely filed income tax returns. She filed jointly with her husband, Lee Xiong. For tax years 2017 and 2018 (filed in 2018 and 2019), Yang failed to report significant amounts of income. In doing so, Yang rendered false or fraudulent income tax returns with the intent to defeat or evade any assessment required by Wisconsin income tax law. In addition, by reporting a false income, Yang qualified for and took the Earned Income Credit. This is a credit she would not have qualified for but for the fraudulent income information she provided. Yang filed a claim for this credit based on the false income information provided. As a result of Yang's failure to report accurately and taking an inappropriate Earned Income Credit, the State of Wisconsin was defrauded of \$16,831 in tax-related amounts.

Law enforcement reviewed several categories of documents relevant to Yang's income liability for tax years 2017 and 2018:

- Multiple State and Federal tax documents, including W2s, Form 1099-C, Federal Form 1040, Federal Schedule C and E, Form 1099-MISC, Form 1099-R, Form W2-G. These documents establish the different types of income, debts, and tax liabilities Yang was responsible for.
- The DOR record management system (Winpas) to determine the numbers of tax returns filed by Yang using her name, banking information, and other identifiers.
- The misappropriation investigation summaries and documents, prepared by the West Allis Police Department, as well as bank records documenting the misappropriated funds.
- Yang's 2017 and 2018 Wisconsin income tax filings. These filings reflect that none of the above-mentioned misappropriated funds were disclosed in her filings as income.

For the time period covering the 2017 and 2018 tax years, Yang lived within Milwaukee County; she currently lives at 2930 South Stratton Drive in West Allis. As such, venues lives in Milwaukee County.⁶

Accounting Determination and Analysis

In conducting this investigation, law enforcement conducted a thorough review of all known bank accounts for Yang and Xiong during the 2017 and 2018 tax years. Law enforcement determined the amount of unreported income using the bank deposit method. The Internal Revenue Service recommends using this method in cases where the subject's books and records are unavailable, the subject's records are incomplete, and when the subject deposits most of their income. "The plan of proving the existence of a business and the practice of making of deposits of business income into a bank account or accounts, and then adjusting total deposits thereto to avoid inclusion of transfer, redeposits, deposits otherwise explained, etc., and giving credit for ascertainable expenses, deductions and exemptions, has been long recognized." *United State v. Lacob*, 416 F.2d 756, 759-60 (7th Cir. 1969)(citing *Morrison v. United States*, 270 F.2d 1 (4th Cir. 1959) cert. den. 361 U.S. 894 (1959), and also *Gleckman v. United States*, 80 F.2d 394 (8th Cir. 1935) cert. den. 297 U.S. 709 (1936)).

⁶ "A proceeding for a criminal violation under [chapter 71] may be brought in the circuit court for Dane County or for the county in which the defendant resides or is located when charged with the violation." Wis. Stat. § 71.80(6m).

Furthermore, “once the Government proves unreported receipts having the appearance of income, and gives the defendant credit for the deductions he claimed on his return, as well as any others it can calculate without his assistance, the burden is on the defendant to explain the receipts, if not reportable income, and to prove any further allowable deductions not previously claimed.” *Id.* at 760 (citing *United State v. Hornstein*, 176 F.2d 217 (7th Cir. 1949); *United State v. Bender*, 218 F.2d 869 (7th Cir. 1955), *cert. den.* 349 U.S. 920 (1955), and *Elwert v. United States*, 231 F.2d 928 (9th Cir. 1956)). “Evidence of unexplained funds or property in the hands of a taxpayer establishes a prima facie case of understatement of income. It is then incumbent on the defendant to overcome the logical inferences to be drawn from the facts proved.” *Hornstein*, 176 F.2d at 220 (citations omitted). As noted by the *Gleckman* court, “[t]axation is a practical matter and taxpayers do not terminate all duty to pay income tax by willfully failing to keep account of their income.” *Gleckman*, 80 F.2d at 401.

In this investigation, law enforcement was able to determine that the unreported income was taxable income. This is based on the totality of the circumstances and *Gleckman v. United States*. Yang was engaged in an income-producing business that provided a regular income source, as she was involved in a tax preparation business and produced income from gambling. She made frequent deposits into three different bank accounts over which she exercised control. The deposits into those accounts reflect current year income. The deposited amounts far exceeded any exemptions or deductions she could’ve received. Law enforcement investigated the deposits and accounted for any excluded items that arose from non-taxable items. Law enforcement further allowed Yang to identify additional non-taxable items during an interview. Finally, the unidentified deposits have an inherent appearance of income, as the deposits have the appearance of gambling winnings, income from Yang’s tax preparation activity, and money fraudulently obtained from her tax preparation clients. Based on all of these factors, law enforcement was able to establish that the unexplained funds in Yang’s accounts resulted in an understatement of income. It would be the responsibility of the defendant to overcome those logical inferences. See *Hornstein*, 176 F.2d at 220.

In determining the total unreported income, the WDOR considered the self-employment income of Xiong, unreported gambling income, cancelled debts, unaccounted for Uber proceeds and cash/check/ACH deposits, and income from Yang’s misappropriations. Looking at the totality of circumstances, Yang failed to report over \$84,000 in income in 2017 and over \$166,000 in income in 2018.

Tax Year 2017

For tax year 2017, Yang jointly filed tax returns as a married filer with her husband, Lee Xiong. Their taxes were prepared by Yang using H&R Block tax preparation software. Their 2017 tax return was electronically filed with DOR on April 8, 2018. She ultimately reported total income of \$32,227.00. In filing, Yang failed to report several different types of income.

Yang failed to report any cancelled debts as income. Cancelled debts must be included as other income and are reported to a taxpayer on Form 1099-C. In 2017, Yang had the following cancelled debts:

Source of Debt	Amount
Chase Bank USA, NA	\$4,738.00
Chase Bank USA, NA	\$3,849.00
Chase Bank USA, NA	\$3,824.00
Barclays Bank DE	\$1,052.00
Bank of America, NA	\$2,204.00
Chase Bank USA, NA	\$1,461.00

Chase Bank USA, NA	\$3,490.00
Total:	\$20,618.00

Yang did not report any of this cancelled debt as other income. As such, the entire \$20,618.00 is income that Yang fraudulently failed to report to the State.

In addition to cancelled debts, Yang failed to report numerous amounts of cash, checks, and ACH deposits. In 2017, Yang had unaccounted for cash deposits into her bank accounts totaling \$55,110.00. She also had unaccounted for checks/ACH deposits for \$16,850. In tax year 2017, on her federal form 1040, Yang reported income from Xiong's wages of \$39,249 and rental income of \$9,600. No other income was reported. A review of the couple's bank statements showed they received checks/ACH deposits of rent payments totaling \$1,490. This implies the remainder of the rental income was paid in cash. Subtracting the remainder of legitimate rental income from the unaccounted for cash deposits leaves \$47,000 in cash deposited into Yang's accounts for which there is no legitimate explanation. The WDOR reduced this amount by \$14,000 due to cash Yang received due to an auto sale. After all legitimate funds were accountable for, Yang still had \$33,000 in unaccounted for cash deposited into her account and \$16,850 in unaccounted for checks/ACH deposits. The totality of the circumstances establishes that this was unreported self-employment income.

In total, Yang failed to report additional income in the amount of \$70,468.00

Tax Year 2018

For tax year 2018, Yang jointly filed tax returns as a married filer with her husband, Lee Xiong. Their taxes were prepared by Yang using H&R Block tax preparation software. In addition, their return included a federal Schedule C. The federal Schedule C is used to report income from a business operated by a sole proprietor. The business Yang referenced in her Schedule C was her accounting business of Sy Advanced Accounting. Their 2018 tax return was electronically filed with DOR on April 12, 2019. She ultimately reported total income of \$27,592.00. In filing, Yang failed to report several different types of income.

For tax year 2018, Yang failed to report multiple areas of self-employment income that Yang and Xiong earned. Each of the below amounts qualifies as income upon which Yang was required to pay taxes

Source of Income	Amount	Type of Income
Amazon	\$1,236.00	
PayPal	\$1,810.00	Translation Work
Uber	\$327.00	Uber Driver Earnings
Total:	\$3,373.00	

Yang did not report any of this self-employment income as other income. As such, the entire \$3,373.00 is income that Yang fraudulently failed to report to the State.

In addition to self-employment income, Yang failed to report numerous amounts of cash, checks, and ACH deposits. A review of the couple's bank accounts showed they deposited \$70,752.00 in cash and \$108,891.00 in checks/ACH deposits into their accounts in tax year 2018. In tax year 2018, on their federal form 1040, Yang reported income from Xiong's wages of \$34,306, a distribution from Xiong's IRA of \$9,000, rental income of \$7,200, and self-employment income from Yang's accounting business of \$18,559. In total, Yang reported income of \$69,065.00. No other income was reported. A review of the couple's bank statements showed they received checks/ACH deposits of rent payments totaling \$1,900. This implies the remainder of the rental income was paid in cash. Subtracting the remainder of

legitimate rental income from the unaccounted for cash deposits leaves \$65,452 in cash deposited into Yang's accounts for which there is no legitimate explanation.

In 2018, Yang had significant gambling income that she failed to report. She won \$3,980 through Ho-Chunk Nation, \$97,550 through Potawatomi Bingo and Casino, and \$1,576 through Midwest Gaming and Entertainment. In total, Yang had 2018 gambling income of \$103,106. She did not report any of this income. In conservatively calculating the amount of loss and to ensure the gambling income is not double-counted, the WDOR subtracted the \$103,106 of gambling income from the \$108,891 of unaccounted for checks/ACH deposits. This means that the total unaccounted for checks/ACH deposits being considered is now \$5,785.

In addition, in 2018 as discussed above, Yang engaged in a scheme to defraud XYV and SSV surrounding their tax preparation and payments. As a result of Yang's false representations to them, XYV and SSV gave her \$40,293. Yang did not report any of those embezzled funds as income.⁷ In conservatively calculating the amount of loss and to ensure the embezzled funds are not double-counted, the WDOR subtracted the \$40,293 of embezzled funds from the remaining \$65,452 of unaccounted for cash deposits. This leaves an unaccounted for cash deposit amount of \$25,159. The totality of the circumstances establishes that this was unreported self-employment income.

In total, Yang failed to report additional income in the amount of \$177,716.00.

Earned Income Tax Credit

The Earned Income Credit (EIC) is a federal tax credit for individuals who work and earn income below a certain threshold. See WIS. STAT. § 71.07(9e)(aj). The credit is a refundable credit, meaning that it is used first to reduce the amount of tax owed and then any amount beyond that is refunded to the taxpayer. A taxpayer filing a return who has no tax liability will receive the entire credit as a refund. To qualify for the Wisconsin EIC, a taxpayer must qualify for the federal credit and have at least one qualifying child. Dependents are limited to those children who are related to, residence with, and are financially reliant upon, the claimant.

By failing to report all of her family's income on their 2017 and 2018 tax returns, Yang was able to fraudulently deflate her income and thus qualify for the EIC. As a result of the fraudulent returns described above, the State of Wisconsin issued Earned Income Credits to Yang based on her false income representations. This caused the State to pay monies in the form of refundable credits that Yang was not entitled to for both tax years 2017 and 2018.

In 2017, based on her fraudulently deflated income, Yang claimed \$1,053 of Wisconsin EIC. This was computed based on her family size and an earned income of \$33,407. If she had accurately reported all income for 2017, Yang would not have qualified for any EIC because her adjusted gross income was above the allowable threshold for the EIC. In 2018, based on her fraudulently deflated income, Yang claimed \$554 of Wisconsin EIC. This was computed based on her family size and an earned income of \$27,592. If she had accurately reported all income for 2018, Yang would not have qualified for any EIC because her adjusted gross income was above the allowed threshold for the EIC. As such, Yang filed false and fraudulent claims in 2017 and 2018 to received EIC she was not entitled to, thus lowering her tax liability and causing loss to the State.

⁷ "[U]nlawful, as well as lawful, gains are comprehended within the term 'gross income.'" *James v. United States*, 366 U.S. 213 (1961).

Total Income Tax Loss

Under the totality of circumstances articulated herein, the evidence shows that Yang willfully filed false or fraudulent tax returns with the intent to evade payment of income taxes, contrary to Wis. Stat. §71.83(2)(b)1. These acts and crimes are further evidence of her misappropriation of her tax clients' funds, because the omission of stolen income served to conceal these crimes and indicates a consciousness of guilt. Further, Yang fraudulently claim Earned Income Credits that she was not entitled to based upon the above information. All of Yang's actions were willful and intentional. This is shown based on her experience in tax matters, her training and schooling, and the fact that she had previously filed her own returns and the returns of others, thus demonstrating her knowledge of filing procedures and requirements.

To determine the amount of tax loss sustained by the State, the WDOR determined what the reported income was. It then makes adjustments for any unreported income, as well as any necessary adjustments to deductions, exemptions, and credits the taxpayer no longer qualifies for or qualifies at a different amount. The below chart documents the total amount of loss the State suffered, as well as how the loss amount was calculated:

Item	2017 Amounts	2018 Amounts
WI Income as Reported	\$32,227	\$27,592
Add unreported cancelled debt	\$20,618	N/A
Add unreported business income	\$49,850	\$24,908 ⁸
Less additional self-employed tax deduction	(\$3,522)	(\$1,760)
Add unreported gambling income	N/A	\$103,106
Add unreported theft income	N/A	\$40,293
Wisconsin income (Adjusted)	\$99,173	\$194,139
Less exemptions	(\$3,500)	(\$2,800)
Less standard deduction	(\$3,850)	\$0
Total Taxable Income	\$91,823	\$191,339
Wisconsin Income Tax Due	\$5,355	\$11,585
Less allowable married couples' credit	(\$480)	(\$480)
Less school property tax credit	(\$296)	(\$290)
WI withholding as reported	(\$1,807)	(\$1,635)
WI Income Tax Due (adjusted)	\$2,772	\$9,180
Add Income tax previously refunded ⁹	\$1,637	\$1,635

⁸ This figure accounts for the unreported cash deposits (\$25,2159), plus unreported check/ACH deposits (\$5,785) plus self-employed income (\$3,373), and is reduced by the reported loss suffered during the year (\$9,409).

Add EIC previously paid	\$1,053	\$554
Amount Due the State (amount of loss)	\$5,462	\$11,369

YANG STATEMENTS

During an interview with law enforcement on April 20, 2021, Yang admitted to having a gambling addiction. She stated she was behind on most of her bills and had gambled most of her money away. She stated that her gambling problem was the cause of her thefts from her tax preparation clients and her poor financial position.

Law enforcement officers conducted a further interview with Yang on April 21, 2021. Yang stated that she had been having financial trouble for the last couple years and that they were behind on multiple credit card payments and her car payment. Yang stated she initially began preparing returns for people about 10 years ago. She initially stated she would complete approximately 20 returns in a tax season, but was unsure, stating she would often do returns for college students and end up doing the students' parents' returns as well. Yang admitted to preparing her own tax returns for at least the last 10 years. Yang admitted to a gambling problem. Special Agent Kosmosky asked Yang whether she took money from XYV and SSV to feed her gambling habit. Yang responded, "Probably." She admitted she didn't want to report her gambling winnings because she didn't want to pay income tax on them.

OTHER ACTS

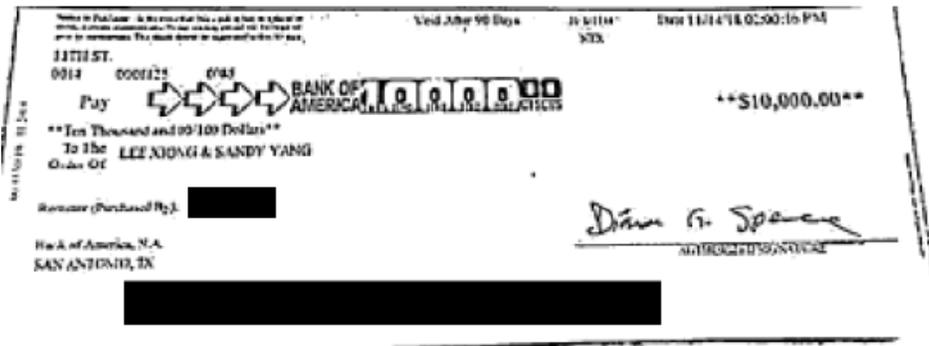
In addition to her thefts from XYV and SSV, Yang defrauded individuals from other States as well by falsely portraying herself as a financial professional who could provide services. The State provides notice that, were this case to proceed to trial, the State would anticipate filing an Other Acts motion to admit the below information. See WIS. STAT. § 904.04(2)(a) and *State v. Sullivan*, 216 Wis. 2d 768, 576 N.W.2d 30 (1998). This information is relevant to Yang's motive, plan, knowledge, and modus operandi. It demonstrates how she would target individuals in the Hmong community and falsely portray herself as able to provide a financial services, all while defrauded them of their money.

Fraud against LL

Complainant's investigation revealed Yang also defrauded an individual from Oklahoma, LL. Complainant spoke with LL. LL reported that he lives in Oklahoma and knew Yang from when he lived in Milwaukee.

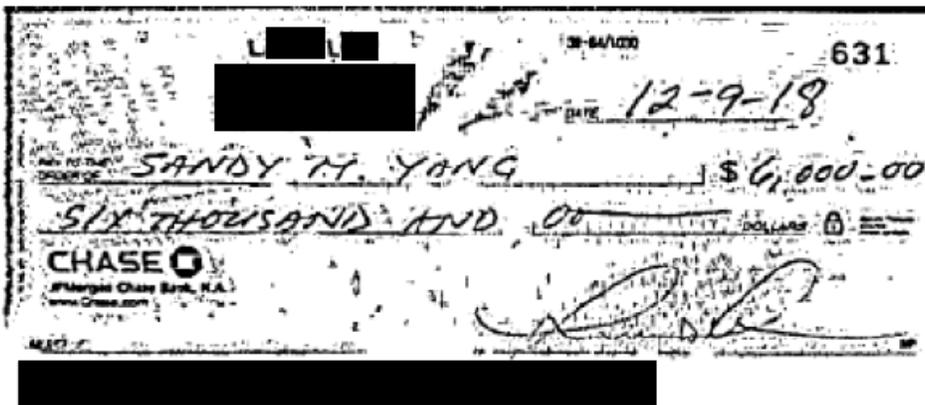
LL stated that he loaned \$10,000 to Yang based on her representation that she was going to buy a house with the money. That was a false statement, as Yang never used the money to purchase a home. Complainant was able to locate the below checks that were provided to Yang from LL. These are not the extent of payments provided by LL, only an illustrative example.

⁹ This reflects the tax refund Yang originally received on her fraudulent 2017 and 2018 taxes. As Yang would've had a tax liability if she accurately reported her income, that shows that the entire amount of the refunds received were not owed to Yang. Those amounts were only paid out due to Yang's fraudulent returns.

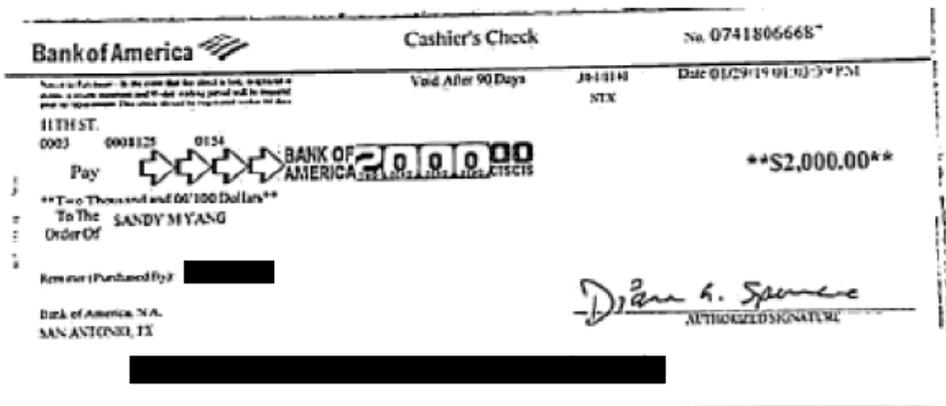


This check was issued on 11/14/18 and deposited into Yang's account on 2/19/19. Yang ended February 2019 with a balance of -\$10,041. This means that the entirety of the deposit was spent. There was no evidence any money was spent on purchasing a home.

LL further provided Yang \$17,500 to invest in the stock market. Once again, Yang never used the money for its intended purpose. She kept the money for her own use. Complainant located multiple checks that were written to Yang from LL. For each of these checks, there was no evidence the check when to investing in the stock market. For example:



This check was deposited into Yang's account on December 10, 2018. She ended that month with a negative account balance. As such, the entirety of the funds had been spent. Nothing in Yang's financial records supports that any funds were spent on the stock market or for LL's benefit.



This cashier's check was deposited into Yang's account on February 4, 2019. She ended that month with a negative account balance. As such, the entirety of the funds had been spent. There is no evidence any of these funds went to LL's benefit.

In addition, LL gave Yang \$6,000 to do his 2016 taxes. The money was intended to go to the IRS to pay his tax liabilities. Yang never sent the money to the IRS; she kept it for her own use. LL provided Yang with three checks, each for \$6,000 on July 22, 2019, July 24, 2019, and July 30, 2019. All of those checks were deposited into Yang's bank account. By August 19, 2019, Yang's account balance was negative. As such, she had spent the entirety of the funds. There is no evidence that any of those funds went to LL's benefit or to his tax liabilities.

Further, a review of Yang's financial accounts shows that on April 4, 2018, LL's tax refund of \$3,535 was deposited into Yang's account. Yang withdrew \$3,500 the next day. There is no evidence any of that money was sent to LL.

Fraud against SY

Further, investigation revealed Yang also defrauded an individual from California, SY, and her husband, DM. Complainant spoke with SY. She stated that she lives in California and met Yang through a mutual friend in September or October of 2020. Yang came to see SY in California and told SY she was involved in the immigration process of bringing people to the United States. SY's sister lived overseas and Yang stated she could bring the sister to the United States under a business Visa for \$97,000.

Yang told SY that she needed \$50,000 to have a total of \$200,000 in her bank account for the sponsorship. She told SY she had sponsored people in the past. Yang further told SY she needed \$97,000 for additional fees and a COVID test that was part of the immigration process. Further, Yang told SY and her husband that they needed to buy a plane ticket from Thailand and back. They went to the airport, but were unable to purchase tickets. Yang then told them they needed to travel to Minnesota to receive a new COVID test. They flew to Minnesota on or about November 2020. They went to an Airbnb that Yang claimed to own. Yang then told them that the doctor performing the COVID test was out of town and the trip to Laos would need to be rescheduled. SY and DM returned to California.

Yang gave SY two checks to return some of the money paid to her. One check was for \$10,000, while the other was for \$20,000. Both checks were deposited into DM's bank account. Both checks bounced. As a result of SY's fraudulent representations to SY regarding her ability to sponsor SY's sister in coming to the United States, SY was defrauded of over \$50,000. As a result of those fraudulent representations, SY and her husband sent 14 transfers to Yang via Zelle.¹⁰ In addition, SY incurred fees for travel that she would not have incurred but for Yang's false statements about her ability to sponsor SY's sister. The below chart documents the losses suffered by SY:

Date	Account	Description	Amount
9/9/20	x2305	Zelle Transfer to Lee Xiong	\$5.00
9/11/20	x2305	Zelle Transfer to Lee Xiong	\$2,000.00

¹⁰ Zelle is a digital banking application which allows the digital transfer of money between bank accounts.

9/11/20	x2305	Zelle Transfer to Lee Xiong	\$3,000.00
9/14/20	x2305	Zelle Transfer to Lee Xiong	\$5,000.00
9/15/20	x2305	Zelle Transfer to Lee Xiong	\$5,000.00
9/28/20	x2305	Zelle Transfer to Lee Xiong	\$7,000.00
10/8/20	x1693	Zelle Transfer to Lee Xiong	\$1.00
10/8/20	x1693	Zelle Transfer to Lee Xiong	\$13,000.00
10/9/20	x1693	Zelle Transfer to Lee Xiong	\$2,000.00
10/9/20	x1693	Zelle Transfer to Lee Xiong	\$6,000.00
10/9/20	X2305	Zelle Transfer to Lee Xiong	\$5,000.00
10/13/20	X2305	Zelle Transfer to Lee Xiong	\$3,000.00
10/13/20	X2305	Zelle Transfer to Lee Xiong	\$3,000.00
10/19/20	X2305	Zelle Transfer to Lee Xiong	\$3,000.00
11/20/20	x2305	Delta Baggage Fee	\$30.00
11/23/20	x2305	Delta Air	\$328.60
11/23/20	X2305	Delta Air	\$328.60
		Total:	\$57,693.20

[Remainder of Page Intentionally Left Blank]

CONCLUSION

Yang used her connections in the Hmong community to perpetrate a fraudulent tax preparer business. She falsely portrayed that she was engaging in tax preparation for SSV and XYV. Instead, she was misleading them into providing her repeated payments for "tax purposes." In total, Yang misappropriated over \$40,000 as a result of her false representations to SSV and XYV.

Further, in tax years 2017 and 2018, Yang made multiple fraudulent representations on her tax returns. She underreported her income significantly and took Earned Income Credits that she was not entitled to. As a result, the State of Wisconsin was defrauded of over \$16,831 in tax due and owing.

****End of Complaint****

Electronic Filing Notice:

This case was electronically filed with the Milwaukee County Clerk of Circuit Court office. The electronic filing system is designed to allow for fast, reliable exchange of documents in court cases. Parties who register as electronic parties can file, receive and view documents online through the court electronic filing website. A document filed electronically has the same legal effect as a document filed by traditional means. You may also register as an electronic party by following the instructions found at <http://efiling.wicourts.gov> and may withdraw as an electronic party at any time. There is a \$ 20.00 fee to register as an electronic party. If you are not represented by an attorney and would like to register an electronic party, you will need to contact the Clerk of Circuit Court office at 414-278-4120. Unless you register as an electronic party, you will be served with traditional paper documents by other parties and by the court. You must file and serve traditional paper documents.

Criminal Complaint prepared by Matthew Richard Westphal.

Subscribed and sworn to before me on 01/31/22

Electronically Signed By:

Matthew Richard Westphal

Assistant District Attorney

State Bar #: 1071292

Electronically Signed By:

Detective Jason Vanderwerff

Complainant