

*J.P.*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

JUDGE HOLDERMAN

MAGISTRATE JUDGE VALDEZ

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 REX BLACK )

No. **06CR0219**

Violations: Title 18, United States  
Code, Section 514(a); Title 26  
United States Code, Section 7212(a)

**FILED**

J.N

MAR 30 2006

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

COUNT ONE

The SPECIAL DECEMBER 2005 GRAND JURY charges:

1. At times material to this indictment:

(a) Defendant REX BLACK was married and a resident of Will County, Illinois.

(b) Defendant REX BLACK held titles to a farm located at 32500 South Center

Line Road, Manteno/Peotone, in Will County Illinois ("the Farm"), and to a home located at 2852 West Eagle Lake Road, Beecher, Illinois, in Will County ("the Beecher Home"). Defendant REX BLACK held an ownership interest in the Eagle Nest Limited Trust.

(c) The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury, responsible for administering and enforcing the tax laws of the United States. Under these laws, individuals were required to report income to the IRS on income tax return forms. If a taxpayer failed to accurately report or pay his or her tax liability, the IRS could calculate and assess the correct tax liability and attempt to collect the tax liability by filing liens against any property owned by the taxpayer.

(d) The Will County Recorder of Decds was an office of the County of Will, in the State of Illinois, with responsibilities that included maintaining a list of deeds to real estate and recording matters concerning real estate, including ownership, mortgages and liens.

2. On August 21, 2001, Harris Trust & Savings Bank ("Harris Bank") closed checking account number 8501777437, belonging to defendant REX BLACK.

3. On August 24, 2001, defendant REX BLACK closed his checking account, number 944159872, at Fleet Boston Financial Bank ("Fleet Bank").

4. In or about November 2000, the IRS began an audit of the federal income tax returns of defendant REX BLACK and his wife for the 1997 and 1998 tax years ("IRS Forms 1040"). Based on the audit, in or about March 2001, the IRS assessed defendant REX BLACK and his wife approximately \$4,856,895 in additional income taxes, penalties, and interest for the 1997 and 1998 tax years.

5. In an effort to collect the additional income taxes, penalties, and interest for the 1997 and 1998 tax years, the IRS filed the following liens with the Will County Recorder of Deeds, and gave the following notices to defendant REX BLACK:

i. On October 4, 2002, the IRS filed a lien in the amount of \$4,856,895 against property and rights to property belonging to defendant REX BLACK and his wife.

ii. On October 29, 2002, the IRS notified defendant REX BLACK that the outstanding income tax had accrued an additional \$505,993 in penalties and interest.

iii. On November 7, 2002, the IRS filed a lien in the amount of \$1,467,168, on the Beecher Home owned by defendant REX BLACK.

iv. On November 7, 2002, the IRS filed a lien in the amount of \$1,417,804, on defendant REX BLACK's ownership interest in the Eagle Nest Limited Trust.

v. On July 29, 2003, the IRS filed a lien in the amount of \$4,954,049.40, on the Farm owned by defendant REX BLACK.

vi. On October 13, 2003, the IRS assessed an additional \$350 penalty against defendant REX BLACK's ownership interest in the Eagle Nest Limited Trust.

6. Beginning at least as early as November 2000, and continuing until the present, in the Northern District of Illinois, Eastern Division, and elsewhere,

REX BLACK,

defendant herein, corruptly obstructed and impeded and endeavored to obstruct and impede, the due administration of Title 26, United States Code, by impeding and impairing the IRS in carrying out its lawful function to collect income taxes, penalties, interest, and fines for the United States.

7. It was part of the corrupt endeavor that defendant REX BLACK failed to pay his outstanding income taxes, penalties, and interest that he had due and owing to the IRS for the 1997 and 1998 tax years.

8. It was further part of the corrupt endeavor that defendant REX BLACK passed and attempted to pass fictitious financial instruments purporting to be legitimate financial instruments, and checks drawn on closed bank accounts, in payment of outstanding income taxes, penalties, and interest he had due and owing to the IRS, as follows:

i. On or about October 22, 2002, defendant submitted to the IRS, check number 1535, in the amount of \$4,856,895, dated October 22, 2002, drawn on a closed account at Harris Bank, and made payable to the Internal Revenue Service;

ii. On or about November 8, 2002, defendant submitted to the IRS, check number 1537, in the amount of \$505,993, dated November 8, 2002, drawn on a closed account at Harris Bank, and made payable to the Internal Revenue Service;

iii. On or about April 22, 2003, defendant submitted to the IRS, check number 111, in the amount of \$1,467,168, dated April 22, 2003, drawn on a closed account at Fleet Bank, and made payable to the Department of the Treasury;

iv. On or about April 22, 2003, defendant submitted to the IRS, check number 112, in the amount of \$1,417,804, dated April 22, 2003, drawn on a closed account at Fleet Bank, and made payable to the Department of the Treasury;

v. On or about July 10, 2003, defendant submitted to the IRS, Registered Bill of Exchange number 4406, a fictitious financial instrument, in the amount of \$1,467,168, dated July 10, 2003, and made payable to the Internal Revenue Service;

vi. On or about August 14, 2003, defendant submitted to the IRS, Registered Bill of Exchange number 4437, a fictitious financial instrument, in the amount of \$4,954,049, dated August 14, 2003, and made payable to the United States Treasury; and

vii. On or about August 14, 2003, defendant submitted to the IRS, check number 123, in the amount of \$350, dated October 22, 2003, drawn on a closed account at Fleet Bank, and made payable to the Internal Revenue Service.

9. It was further part of the corrupt endeavor that defendant REX BLACK misrepresented, hid and concealed, and caused to be misrepresented, hidden and concealed, the true nature and purposes of the corrupt endeavor, and acts done in furtherance of the corrupt endeavor.

In violation of Title 26, United States Code, Section 7212(a).

**COUNT TWO**

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about July 10, 2003, at Momence, in the Northern District of Illinois, Eastern Division, and elsewhere,

**REX BLACK,**

defendant herein, with intent to defraud, passed and presented and attempted to pass and present within the United States, a false and fictitious instrument and document appearing, representing and purporting to be an actual financial instrument issued under the authority of the United States, namely a Registered Bill of Exchange, number 4406, bearing the name and address of Rex E. Black in Beecher, Illinois, made payable to the Internal Revenue Service, in the amount of \$1,467,168, falsely claiming to be drawn on an United States Department of Treasury Account;

In violation of Title 18, United States Code, Sections 514(a)(3).

**COUNT THREE**

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. On March 12, 2003, defendant REX BLACK was held in contempt of court in *U.S. v. Richmond, et al.*, 02 C 1559, and fined \$326,000, which fine was due and owing to the Clerk of the Court for the Northern District of Illinois, located in Chicago, Illinois.

2. On or about July 31, 2003, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

REX BLACK,

defendant herein, with intent to defraud, passed and presented and attempted to pass and present within the United States, a false and fictitious instrument and document appearing, representing and purporting to be an actual financial instrument issued under the authority of the United States, namely a Registered Bill of Exchange, number 4428, bearing the name and address of Rex E. Black in Beecher, Illinois, made payable to the Clerk of the Court, Northern District of Illinois, in the amount of \$326,000, falsely claiming to be drawn on an United States Department of Treasury Account;

In violation of Title 18, United States Code, Sections 514(a)(3).

**COUNT FOUR**

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

On or about August 14, 2003, at Beecher, in the Northern District of Illinois, Eastern Division, and elsewhere,

REX BLACK,

defendant herein, with intent to defraud, passed and presented and attempted to pass and present within the United States, a false and fictitious instrument and document appearing, representing and purporting to be an actual financial instrument issued under the authority of the United States, namely a Registered Bill of Exchange, number 4437, bearing the name and address of Rex E. Black in Beecher, Illinois, made payable to the United States Treasury, in the amount of \$4,954,049, falsely claiming to be drawn on an United States Department of Treasury Account;

In violation of Title 18, United States Code, Sections 514(a)(3).

**COUNT FIVE**

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. On September 15, 2003, the IRS assessed penalties of \$384,000 against defendant REX BLACK, and on October 9, 2003, the IRS filed a lien in that amount on defendant with the Will County Recorder of Deeds.

2. On or about October 10, 2003, at Beecher, in the Northern District of Illinois, Eastern Division, and elsewhere,

REX BLACK,

defendant herein, with intent to defraud, passed and presented and attempted to pass and present within the United States, a false and fictitious instrument and document appearing, representing and purporting to be an actual financial instrument issued under the authority of the United States, namely a Certified Draft, number 7061, bearing the name and address of Rex E. Black in Beecher, Illinois, made payable to the United States Treasury, in the amount of \$384,000, falsely claiming to be drawn on an United States Department of Treasury Account;

In violation of Title 18, United States Code, Sections 514(a)(3).

A TRUE BILL:

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FOREPERSON

\_\_\_\_\_  
UNITED STATES ATTORNEY