

13cr10265

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	
	)	<b>Criminal No.</b> 13cr 10265
v.	)	
	)	Violations:
	)	
THEODORE HAMMOND, JR.,	)	26 U.S.C. § 7201 (Tax Evasion)
Defendant.	)	26 U.S.C. § 7206(1) (Subscribing to False Tax Return)
	)	
	)	18 U.S.C. § 287 (False Claim)
	)	
	)	26 U.S.C. § 7212(a) (Corruptly Endeavoring to
	)	Impede the Administration of the Internal Revenue
	)	Code)

**INDICTMENT**

The Grand Jury charges that:

1. At all times material to this Indictment, defendant Theodore Hammond, Jr. (“HAMMOND”) resided in Massachusetts and was self-employed as a carpenter specializing in roofing and siding work.

2. Between 1998 and 2008, HAMMOND was paid about \$1,163,552, more or less, for his carpentry services. During that same time period, HAMMOND paid no federal income taxes.

**The IRS Notified HAMMOND  
that His 1998-2001 Taxes Were Overdue**

3. The Internal Revenue Service (“IRS”) received Forms 1099-MISC from various businesses representing that they had paid HAMMOND for services rendered in 1998, 1999, 2000, and 2001.

4. HAMMOND did not file a U.S. Individual Income Tax Return, Form 1040, (hereafter “federal income tax return” or “tax return”), for tax years 1998, 1999, 2000, and 2001 when those tax returns were due by April 15 of 1999, 2000, 2001, and 2002, respectively, nor did HAMMOND seek an extension of the filing deadlines.

5. On or about October 25, 2004, the IRS notified HAMMOND that he owed the following amounts, including taxes, penalties, and interest: \$180,775.16 for 1998; \$124,083.13 for 1999; \$77,007.51 for 2000; and \$68,306.90 for 2001.

6. When HAMMOND did not respond, his case was assigned to IRS Collections, specifically, to Revenue Officer W.W.

7. On or about May 12, 2005, W.W. visited HAMMOND at his house in Pembroke, Massachusetts. HAMMOND stated that he had never filed tax returns and that he did not think the IRS would catch up with him. HAMMOND denied owning any real estate, said that his girlfriend owned the Pembroke house where they both lived, and denied owning any assets other than a vehicle that did not run and a truck on which he owed payments.

8. In fact, HAMMOND co-owned the Pembroke house with his girlfriend, having bought it together in 2001 for \$325,000, financed in part with a \$260,000 mortgage.

9. On or about June 29, 2005, W.W. notified HAMMOND that the IRS intended to seize any property HAMMOND had available to satisfy HAMMOND’s tax obligations.

10. Thereafter, on various dates between on or about December 26, 2005 and on or about May 22, 2006, HAMMOND sent several documents to W.W. These documents purported to be, or to relate to, a “Notice of International Commercial Claim within the Admiralty Administrative Remedy.” One or more of these documents stated that unless W.W. responded to 49 assertions within a specific period of time, W.W. would owe HAMMOND \$385,253,186.52,

and that HAMMOND would record this purported debt by W.W. on a UCC-1 financing statement.

### **The IRS Summons Enforcement Actions**

11. On or about November 1, 2006, W.W. served HAMMOND with two summonses. The summonses ordered HAMMOND to appear at W.W.'s office on November 15, 2006, with financial records and other information relating to tax years 1998-2001 (summons #1) and 2002-2005 (summons #2).

12. HAMMOND did not comply with the summonses.

13. On or about December 14, 2006, the IRS notified HAMMOND that legal proceedings might be brought against him for his failure to comply with the summonses.

14. In response, on or about December 30, 2006, HAMMOND sent the IRS a letter falsely asserting that the summonses were "a Counterfeit Security punishable by up to ten years in prison and a \$250,000 fine."

15. On April 26, 2007, the government sued HAMMOND in the United States District Court for the District of Massachusetts to enforce the two summonses. United States v. Hammond, M.B.D. No. 07-10100-RWZ; United States v. Hammond, M.B.D. No. 07-10101-RWZ.

16. The Court ordered HAMMOND to comply with the summonses.

17. On or about September 24, 2007, HAMMOND appeared at W.W.'s office. The only records he brought with him were a blank 2007 ledger and a UCC-1 financing statement that HAMMOND had recorded against himself.

18. On or about February 11, 2008, HAMMOND appeared at W.W.'s office again. HAMMOND brought with him a shoebox sealed with duct tape. HAMMOND refused to open the box.

19. On or about May 27, 2008, HAMMOND submitted a Form 433-A Collection Information Statement, signed under penalty of perjury, to the government attorney in the summons enforcement actions. On the form HAMMOND represented, among other things, that his monthly income was \$0; that he did not anticipate any increase in his income; that he had \$20 cash on hand; that he had no bank accounts, investments, or life insurance; that he owned the Pembroke house but his mortgage balance exceeded the value of the house; and that the only personal property he owned was a vehicle worth \$500. At the same time, HAMMOND also submitted an affidavit swearing that he never had banking records for any years 1998 through 2008, and that he had not had a bank account since 2005. In fact, HAMMOND had a checking account with Rockland Trust from in or about April 2004 through in or about October 2006.

20. Based at least in part on the false Form 433-A Collection Information Statement, the government agreed to voluntarily dismiss one of the summons enforcement cases against HAMMOND.

**HAMMOND's \$0 Income Returns for 1998-2006**

21. The IRS received Forms 1099-MISC from various businesses representing that, between 1998 and 2006, they paid HAMMOND sums totaling the following amounts:

Tax Year	1099-MISC payments to HAMMOND
1998	\$233,924
1999	\$185,581
2000	\$130,392
2001	\$129,052
2002	\$180,339
2003	\$158,490
2004	\$88,168
2005	\$22,914
2006	\$23,985
<b>Total:</b>	<b>\$1,152,845</b>

22. Despite having received these payments, on or about the following dates, HAMMOND filed, or caused to be filed, federal income tax returns, for tax years 1998 through 2006, signing each return under penalty of perjury and falsely reporting that he had received \$0 in income for each tax year:

Tax Year	Date Return Received by the IRS
1998	2/24/09
1999	2/24/09
2000	10/10/07
2001	10/10/07
2002	10/10/07
2003	10/10/07
2004	3/17/09
2005	3/17/09
2006	10/17/07

#### **HAMMOND's Claims for \$1.6 Million in Refunds for 2008**

23. On or about November 21, 2008, HAMMOND filed, or caused to be filed, a federal income tax return for 2008 on which HAMMOND falsely claimed that he was due a refund of \$400,700.30. HAMMOND signed the return under penalty of perjury.

24. On or about January 23, 2009, HAMMOND filed, or caused to be filed, a federal income tax return for 2008, on which HAMMOND falsely claimed that he was due a refund of \$1,200,906. HAMMOND signed the return under penalty of perjury.

**HAMMOND's Continued Efforts to Impede the IRS**

25. In 2008, JefBuilt Construction, a company for which HAMMOND had performed carpentry services, asked HAMMOND to complete and sign a W-9 (Request for Taxpayer Identification Number and Certification) so that the company could complete a Form 1099-MISC reporting its payments to HAMMOND. HAMMOND entered his name and address on the form and signed it, but he refused to provide his Social Security Number. HAMMOND instructed JefBuilt Construction to: "Please enter the phrase 'Employee Refused to Provide' in the space provided for a Social Security # when you report my wages and taxes."

26. On or about August 17, 2009, HAMMOND mailed several documents to then-Secretary of the Treasury Timothy Geithner. The documents included a "Private Registered Bond for Set Off – Non-Negotiable" in the amount of \$100 billion, and a "Non-Negotiable Bill of Exchange" in which HAMMOND demanded that Secretary Geithner deposit \$100 billion into HAMMOND'S "UCC Contract Trust Account."

**COUNT ONE**

**26 U.S.C. § 7201 – Tax Evasion (tax year 1999)**

27. The Grand Jury realleges and incorporates by reference paragraphs 1 through 26 of this Indictment as if set forth herein.

28. The Grand Jury charges that, beginning in or about April 2000 and continuing until on or about February 24, 2009, in the District of Massachusetts and elsewhere,

THEODORE HAMMOND, JR.

the defendant herein, did willfully attempt to evade and defeat the assessment of a substantial amount of income tax due and owing by him to the United States of America for tax year 1999 by: failing to make an income tax return on or before April 15, 2000, as required by law, to any proper officer of the Internal Revenue Service; by failing to comply with a summons issued by the Revenue Officer; and by filing, on or about February 24, 2009, a tax return for 1999 on which HAMMOND falsely reported that he had received no income.

All in violation of Title 26, United States Code, Section 7201.

**COUNT TWO**  
**26 U.S.C. § 7201 – Tax Evasion (tax year 2000)**

29. The Grand Jury realleges and incorporates by reference paragraphs 1 through 26 of this Indictment as if set forth herein.

30. The Grand Jury charges that, beginning in or about April 2001 and continuing until on or about October 10, 2007, in the District of Massachusetts and elsewhere,

THEODORE HAMMOND, JR.

the defendant herein, did willfully attempt to evade and defeat the assessment of a substantial amount of income tax due and owing by him to the United States of America for tax year 2000 by: failing to make an income tax return on or before April 15, 2001, as required by law, to any proper officer of the Internal Revenue Service; by failing to comply with a summons issued by the Revenue Officer; and by filing, on or about October 10, 2007, a tax return for 2000 on which HAMMOND falsely reported that he had received no income.

All in violation of Title 26, United States Code, Section 7201.



**COUNTS THREE through NINE**  
**26 U.S.C. § 7206(1) – Subscribing to False Tax Returns**

31. The Grand Jury realleges and incorporates by reference paragraphs 1 through 26 of this Indictment as if set forth herein.

32. The Grand Jury charges that, on or about the dates alleged below, in the District of Massachusetts and elsewhere,

THEODORE HAMMOND, JR.

the defendant herein, did willfully make and subscribe U.S. Individual Income Tax Returns, Form 1040, for the tax years identified below, which were verified by written declarations that each return was made under the penalties of perjury and which were filed with the Director, Internal Revenue Service, which returns HAMMOND did not believe to be true and correct as to every material matter in that said returns falsely reported that HAMMOND's income in each such year was \$0:

Count	Tax Year	Date return received by IRS
3	1998	2/24/09
4	2001	10/10/07
5	2002	10/10/07
6	2003	10/10/07
7	2004	3/17/09
8	2005	3/17/09
9	2006	10/17/07

All in violation of Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.

**COUNTS TEN and ELEVEN**  
**18 U.S.C. § 287 – False Claims**

33. The Grand Jury realleges and incorporates by reference paragraphs 1 through 26 of this Indictment as if set forth herein.

34. The Grand Jury charges that, on or about the dates alleged below, in the District of Massachusetts and elsewhere,

THEODORE HAMMOND, JR.

the defendant herein, made and presented to the United States Treasury Department a claim against the United States for payment of a refund of taxes in the amounts listed below, which he then and there knew to be false, fictitious, and fraudulent. HAMMOND made the claim by preparing or causing to be prepared a U.S. Individual Income Tax Return, Form 1040, which was presented to the United States Treasury Department, through the Internal Revenue Service.

Count	Tax Year	Date return received by IRS	Refund amount claimed
10	2008	11/21/08	\$400,700.30
11	2008	1/23/09	\$1,200,906.00

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

**COUNT TWELVE**

**26 U.S.C. § 7212(a) – Corruptly Endeavoring to Impede the Administration of the Internal Revenue Code**

35. The Grand Jury realleges and incorporates by reference paragraphs 1 through 26 of this Indictment as if set forth herein.


36. The Grand Jury charges that, beginning in or about April 1999 and continuing through in or about August 2009, in the District of Massachusetts and elsewhere,

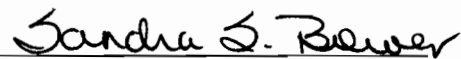
THEODORE HAMMOND, JR.

the defendant herein, did corruptly endeavor to obstruct and impede the due administration of the Internal Revenue laws by: failing to timely file federal income tax returns for 1998-2006; failing to respond to correspondence from the Internal Revenue Service; threatening to file a UCC-1 financing statement against the Revenue Officer; sending false and frivolous mailings to the Internal Revenue Service; failing to comply with summonses issued by the Revenue Officer; providing a false and/or misleading Form 433-A and a false affidavit in one of the summons enforcement actions; filing false \$0 income tax returns for 1998-2006; refusing to include his Social Security Number on a Form W-9; and filing two federal income tax returns for 2008 seeking refunds to which HAMMOND knew he was not entitled.

All in violation of Title 26, United States Code, Section 7212(a), and Title 18, United States Code, Section 2.

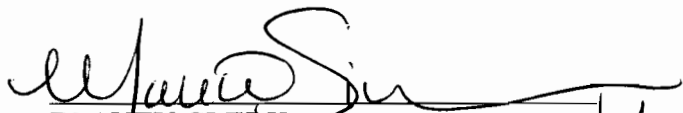
A TRUE BILL

  
FOREPERSON OF THE GRAND JURY

  
SANDRA S. BOWER  
CHRISTINE J. WICHERS  
Assistant United States Attorneys

DISTRICT OF MASSACHUSETTS, September 18, 2013

Returned into the District Court by the Grand Jurors and filed.

  
DEPUTY CLERK  
11:20 9/18/13  
