

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INFORMATION  
v. : 98 Cr.: 1388 (AWH)  
BRUCE SCHWARTZ, : Filed: 12/03/98  
Defendant. :  
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COUNT ONE

The United States of America, acting through its attorneys, charges:

1. At all times relevant to this Information, BRUCE SCHWARTZ, the defendant, was vice-president of marketing at Austin Nichols & Co., Inc. ("Austin Nichols"), a distiller and seller of liquor based in Manhattan. In that capacity, SCHWARTZ was one of the people responsible for selecting suppliers of advertising and display materials and services for Austin Nichols.
2. From prior to in or about January 1993 through in or about November 1996, BRUCE SCHWARTZ, the defendant, sought and received kickbacks from a supplier of advertising and display materials to Austin Nichols. These kickbacks took the form of payments by the supplier of personal expenses incurred by SCHWARTZ, including vacations, furniture, and the maintenance, repair and improvement of SCHWARTZ's homes.
3. From on or about January 1 of each of the calendar years set forth below through on or about the filing dates for each of the calendar years set forth below, in the Southern District of New York and elsewhere, BRUCE SCHWARTZ, the defendant, unlawfully,

willfully and knowingly did attempt to evade and defeat a substantial part of the income tax due and owing by him and his wife to the United States of America by various means including (a) receiving kickback payments from a supplier in Manhattan, and (b) preparing and causing to be prepared, and signing and causing to be signed, false and fraudulent U.S. Individual Income Tax Returns, Forms 1040, for the calendar years 1993 through 1996, which were filed with the Internal Revenue Service ("IRS"), wherein SCHWARTZ and his wife stated that their taxable income was in the amounts set forth below and that the tax due and owing thereon was in the amounts set forth below; whereas, as SCHWARTZ then and there well knew and believed, their correct joint taxable income and the correct total tax due and owing thereon to the United States of America was substantially in excess of that reported, as set forth below:

CALENDAR YEAR	FILING DATE OR DUE DATE	REPORTED TAXABLE INCOME	REPORTED TAX	CORRECT TAXABLE INCOME	CORRECT TAX
1993	April 15, 1994	\$127,392	\$31,998	\$151,271	\$39,986
1994	April 17, 1995	\$138,477	\$35,158	\$160,363	\$43,109
1995	April 15, 1996	\$154,324	\$40,479	\$190,993	\$53,680
1996	April 15, 1997	\$177,889	\$48,535	\$255,069	\$76,320

(Title 26, United States Code, Section 7201.)

\_\_\_\_\_/s/\_\_\_\_\_  
 JOEL I. KLEIN  
 Assistant Attorney General  
 Antitrust Division  
 U.S. Department of Justice

\_\_\_\_\_/s/\_\_\_\_\_  
 MARY JO WHITE  
 United States Attorney

\_\_\_\_\_/s/\_\_\_\_\_  
RALPH T. GIORDANO  
Chief, New York Field Office  
Antitrust Division  
U.S. Department of Justice