

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

**BILL OF INFORMATION FOR FALSE CLAIMS AGAINST
THE UNITED STATES, TAX EVASION, AND OBSTRUCTION OF JUSTICE**

UNITED STATES OF AMERICA

*

CRIMINAL NO.

V.

*

SECTION:

JAMES W. NELSON

*

VIOLATIONS: 18 U.S.C. § 287
26 U.S.C. § 7201
18 U.S.C. § 1519
18 U.S.C. § 2

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The United States Attorney charges that:

COUNT 1

(18 U.S.C. § 287 - False Claims Against the United States)

A. AT ALL TIMES MATERIAL HEREIN:

1. From in or about 1992 through the present, the defendant, **JAMES W. NELSON**, has been engaged in the preparation of federal income tax returns.
2. During this period of time, from in or about 1992 through the present, the defendant, **JAMES W. NELSON** operated a tax preparation company, Nelson Computerized Tax Services, Inc. ("Nelson's Tax Service"), which had several offices located throughout the New Orleans, Louisiana

metropolitan area, including Laplace, Vacherie, and Boutee, Louisiana. As part of his business, **JAMES W. NELSON**, along with his employees, prepared the taxes on an annual basis for hundreds of customers, in the Eastern District of Louisiana.

3. As a regular part of his tax preparation business, the defendant, **JAMES W. NELSON**, would create false or fictitious businesses on behalf of the taxpayer and attach a statement reflecting the taxpayer's ownership of the false business, as well as fraudulent profits and losses from the business, to the taxpayer's returns, commonly known as a "Schedule C."

4. Additionally, as a regular part of his business at Nelson's Tax Service, the defendant, **JAMES W. NELSON**, would falsely and artificially inflate certain deductions claimed by his taxpaying clients. These inflated deductions would appear on what is commonly known as the "Schedule A" to the client's federal income tax return.

5. Finally, as part of his tax preparation business, the defendant, **JAMES W. NELSON**, would falsify other forms contained on his clients' tax returns. For example, in some cases, the defendant would falsely and fraudulently claim losses to the taxpayer due to natural disasters, such as Hurricane Gustav, which struck the Gulf Coast in or around 2008, when the taxpayer in fact had no losses due to this disaster.

6. After creating these false and fictitious income tax returns, the defendant, **JAMES W. NELSON**, would transmit or cause to be transmitted these false income tax returns to the Internal Revenue Service from the Eastern District of Louisiana.

7. In many cases, the false tax returns that contained the fraudulent "Schedule C's," "Schedule A's," or other false forms, which were submitted to the Internal Revenue Service, would result in a substantial refund due and owing by the United States to the taxpaying client.

8. The defendant, **JAMES W. NELSON**, by and through his business, Nelson's Tax Service, would also charge his clients tax preparation fees and, in cases where the defendant would falsely create fraudulent forms (such as false Schedule C's, Schedule A's, or other falsified forms), he would charge his clients additional and substantial preparation fees.

B. THE FALSE CLAIMS PRESENTED:

On or about the dates below under the caption "Date Filed," in the Eastern District of Louisiana, the defendant, **JAMES W. NELSON**, knowingly made and presented, and caused to be made and presented, to the Internal Revenue Service, an agency of the Department of the Treasury, claims upon and against the United States for payment, which he knew to be false, fictitious, and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, federal income tax returns with false, fictitious, and fraudulent forms, including but not limited to false Schedule C's, false Schedule A's, or other fraudulent claims, as set forth in the table below under the caption "False Item(s)," wherein claims for income tax refunds in the amounts listed below were made, knowing such claims to be false, fictitious, and fraudulent:

Taxpayer Name	Tax Year	Date Filed	False Item(s)	False Claim
A.A.	2008	3-7-2009	Schedule C Form 4684 (Losses from Hurricane Gustav)	\$5,752.00
A.A.	2009	3-2-2010	Schedule C	\$5,559.00
A.A.	2010	2-15-2011	Schedule C	\$4,940.00
P.M.	2006	1-13-2007	Schedule C	\$2,321.00
P.M.	2008	1-23-2009	Schedule C	\$3,053.00
P.M.	2009	1-26-2010	Schedule C	\$3,513.00

W.M.	2006	3-21-2007	Schedule C	\$511.00
W.M.	2008	3-19-2009	Schedule C	\$462.00
W.M.	2009	2-26-2010	Schedule C	\$1,667.00
Ca. W.	2006	1-13-2007	Schedule C	\$3,177.00
Ca.W.	2008	1-29-2009	Schedule C	\$614.00
Ca.W.	2009	1-20-2010	Schedule C	\$4,272.00
L.W.	2006	2-18-2007	Schedule C	\$6,007.00
L.W.	2007	2-8-2008	Schedule A Deductions Schedule C Amounts	\$5,963.00
L.W.	2008	1-20-2009	Schedule A Deductions Schedule C Amounts	\$5,454.00
L.W.	2009	2-1-2010	Schedule A Deductions Schedule C Amounts	\$5,604.00
L.W.	2010	2-15-2011	Schedule C	\$5,657.00
Ch. W.	2007	1-21-2008	Schedule C	\$3,423.00
Ch. W.	2008	1-17-2009	Schedule C	\$3,519.00
A.G.	2010	2-15-2011	Schedule A Deductions Schedule C	\$5,234.00
T.D.	2007	1-28-2008	Schedule C	\$7,708.00
T.D.	2008	2-16-2009	Schedule C	\$5,476.00
T.D.	2009	2-2-2010	Schedule C	\$5,800.00
C.D.	2008	2-13-2009	Schedule C Amounts	\$2,952.00
C.D.	2009	4-1-2010	Schedule C Amounts	\$1,948.00
T.R.	2008	4-21-2009	Schedule C Amounts	\$3,735.00
T.R.	2009	1-16-2010	Schedule C Amounts	\$4,986.00
B.W.	2006	2-10-2007	Schedule C	\$1,460.00
B.W.	2008	1-17-2009	Schedule C	\$4,198.00

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

COUNT 2
(26 U.S.C. § 7201 - Tax Evasion)

A. The allegations contained in Section A, Paragraphs 1 through 8, of Count 1 are realleged and incorporated by reference as if fully set forth herein.

B. During the calendar years 2006, 2008, and 2009, the defendant, **JAMES W. NELSON**, a resident of Laplace, Louisiana, located in the Eastern District of Louisiana, received taxable income in the aggregate sum of \$145,367.00; that upon said aggregate taxable income there was owing to the United States of America an income tax of \$21,051.00; that well-knowing and believing the foregoing facts, **JAMES W. NELSON**, during the tax years 2006, 2008, and 2009, in the Eastern District of Louisiana, did willfully attempt to evade and defeat the said income tax due and owing by him to the United States of America by (1) failing to make an income tax return on or before the date it was due, as required by law, to any proper officer of the Internal Revenue Service; (2) by failing to pay the Internal Revenue Service said income tax; and (3) by concealing the taxable income noted above in various methods, including by preparing tax returns and other financial documents for purposes of presenting them to financial institutions to obtain funds but failing to declare the taxable income on properly-filed income tax returns.

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

COUNT 3
(18 U.S.C. § 1519 - Obstruction of Justice)

A. The allegations contained in Section A, Paragraphs 1 through 8, of Count 1 are realleged and incorporated by reference as if fully set forth herein.

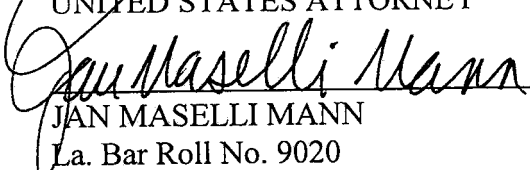
B. THE OBSTRUCTION:

On or about June 17, 2010, in the Eastern District of Louisiana, the defendant, **JAMES W.**

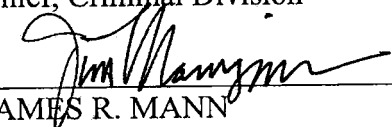
NELSON, did knowingly alter, destroy, mutilate, conceal, cover up, falsify, and make a false entry, in a record and document with intent to impede, obstruct, or influence a federal investigation being conducted by the Internal Revenue Service, in that the defendant, JAMES W. NELSON, knowingly falsified, and assisted in falsifying, a worksheet purporting to support a false, fictitious, and fraudulent Schedule C attached to the 2008 tax return for T.D., a taxpaying customer of Nelson's Computerized Tax Services, in connection with an official investigation being conducted by the Internal Revenue Service; all in violation of Title 18, United States Code, Section 1519.



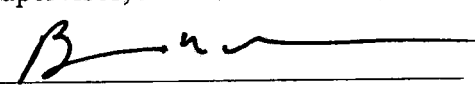
JIM LETTEN
La. Bar Roll No. 8517
UNITED STATES ATTORNEY



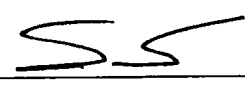
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New Orleans, Louisiana
_____, 2012