FILED

U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA	)	
	)	CR. NO.: _____
	)	
v.	)	In violation of 18 U.S.C. § 371 and
	)	26 U.S.C. § 7206(1)
	)	
WILLIAM L'EUROPA	)	

CR 12 128ML

INFORMATION

The United States Attorney charges that:

COUNT I
CONSPIRACY TO DEFRAUD THE UNITED STATES

At all times relevant to this Information,

INTRODUCTION

1. The Internal Revenue Service ("IRS") is a constituent agency of the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States and collecting the taxes owed to the Treasury of the United States by its citizens.

2. Public adjusters are insurance claim adjusters who advocate for the policyholder in appraising and negotiating an insurance claim. Public adjusters charge a fee for their services, usually percentage of the settlement with the insurance company.

3. McCauley & L'Europa, LLC, a limited liability corporation [hereinafter M&L], was a public adjusting firm located at 247 Hawkins Street, Providence, Rhode Island. From the beginning of the conspiracy until July 10, 2007, M&L operated under the name of Capital Public Adjusters, LLC. After July 10, 2007, M&L operated under the name McCauley & L'Europa, LLC.

4. Defendant WILLIAM L'EUROPA, was an employee of M&L and a former owner. L'EUROPA and McCauley controlled the day to day operations of M&L, including identifying and representing clients during the resolution of the clients' insurance claim. They usually charged a fee of 8-10% of the claim for their services. McCauley oversaw the record keeping functions of M&L.

5. P.I.A., LLC d/b/a P.I.A. Restoration, LLC was a restoration business that assisted individuals in the repair and rebuild of property which had been damaged by fire, flood or some other cause. The firm was located at 247 Hawkins Street, Providence, Rhode Island. Defendant WILLIAM L'EUROPA was an owner and member of P.I.A., LLC. WILLIAM L'EUROPA, had a 5% ownership interest in P.I.A., LLC. Both L'EUROPA and McCauley controlled the day-to-day operations of the business.

THE CONSPIRACY

6. From on or about January 1, 2007, the exact date being unknown to the United States Attorney, and continuing thereafter up to and including September 20, 2011, in the District of Rhode Island and elsewhere, the defendant, WILLIAM L'EUROPA, and his co-conspirator, John J. McCauley, Jr., did unlawfully, voluntarily, intentionally and knowingly conspire, combine, confederate, and agree together and with each other to defraud the United States by impeding, impairing, obstructing, and defeating the lawful Government functions of the IRS in the ascertainment, computation, assessment, and collection of the revenue, namely, income taxes.

THE OBJECTS OF THE CONSPIRACY

The objects of the conspiracy were:

7. to enrich themselves by defeating the ability of the IRS to ascertain and collect their true tax liability.

8. to conceal $1,793,793.57 of the income of M&L and P.I.A., LLC [collectively "the businesses"] from the IRS.

9. to conceal personal income received by WILLIAM L'EUROPA and John J. McCauley, Jr. derived from their respective ownership interests and participation in the businesses from the IRS.

10. to cause false tax returns to be filed with the IRS to facilitate the diversion of business revenue, the inflation of business expenditures, and the failure to report the total amount of income received.

MANNER AND MEANS

The manner and means by which the conspirators accomplished, and attempted to accomplish, the goals and objectives of the conspiracy, included, but were not limited to the following:

11. WILLIAM L'EUROPA and John J. McCauley, Jr. diverted the gross receipts of the businesses by cashing checks received by the businesses at check cashing services and banks to conceal from their accountant the total gross receipts of the businesses for reporting to the IRS.

12. WILLIAM L'EUROPA and John J. McCauley, Jr. agreed with the owner of a check cashing service to not file currency transaction reports, FINCEN Form 104, which is required to be filed when checks made payable in amounts exceeding $10,000.00 are cashed.

13. WILLIAM L'EUROPA and John J. McCauley, Jr. dispersed insurance proceeds to clients by writing checks from the business account of M&L held at Admirals Bank (formerly

known as Domestic Bank) in amounts greater than that owed to the clients. WILLIAM L'EUROPA and John J. McCauley, Jr. directed clients to write checks payable to L'EUROPA and McCauley in their personal capacities in return. By doing so, they were able to conceal the receipt of corporate distributions of funds.

14. WILLIAM L'EUROPA diverted gross receipts of M&L by depositing insurance checks received as part of the public adjusting business into personal bank accounts. L'EUROPA made checks payable to John J. McCauley, Jr. or himself from personal accounts in order to disperse the diverted funds.

15. To facilitate the diversion of gross receipts from the businesses, either WILLIAM L'EUROPA or John J. McCauley, Jr. used fraudulent endorsement stamps from various mortgage companies, including Countrywide Home Loans, to endorse checks deposited into personal accounts or checks cashed at check cashing services or banks.

OVERT ACTS

In furtherance of the conspiracy and to affect the objects thereof, the following overt acts, among others, were committed in the District of Rhode Island and elsewhere:

16. On or about February 9, 2007, WILLIAM L'EUROPA cashed Patrons Mutual Insurance Company of CT check #11887 made payable to R.V., A.S.C., O.B. FSB, and Capital Public Insurance Adjusters in the amount $4,500.00 at Johnny Cash Check Cashing, a check cashing business located in Providence, Rhode Island. This check was endorsed by John J. McCauley, Jr. and was not reflected in the gross receipts of M&L (formerly Capital Public Insurance Adjusters) or in the personal tax return of L'EUROPA for tax year 2007.

17. On or about September 15, 2008, WILLIAM L'EUROPA caused a false tax return to be filed with the IRS.

18. On or about September 15, 2008, John J. McCauley, Jr. caused a false tax return to be filed with the IRS.

19. On or about November 6, 2008, WILLIAM L'EUROPA deposited into his personal bank account held at Admirals Bank check #1591 from the account of A.D., the son of a M&L client. Check #1591 was made payable to WILLIAM L'EUROPA in the amount of $6,928.00. This check was not included in the gross receipts of M&L or the personal tax return of L'EUROPA for tax year 2008.

20. On or about November 6, 2008, John J. McCauley, Jr. cashed check #891 from the personal account of WILLIAM L'EUROPA made payable to John J. McCauley, Jr. in the amount of $3,464.00. John J. McCauley, Jr. cashed this check at Admirals Bank (formerly Domestic Bank). The funds received were not included in WILLIAM L'EUROPA'S income for tax year 2008.

21. On or about August 3, 2009, WILLIAM L'EUROPA deposited check #2022 drawn on the account of K.C. in the amount of $5,997.00 and made payable to WILLIAM L'EUROPA personally. This check represented the fee paid by K.C. to M&L for public adjusting services. WILLIAM L'EUROPA deposited check #2022 in his personal account held at Admirals Bank. The $5,997.00 fee was not included in the gross receipts of M&L, nor was it reported by WILLIAM L'EUROPA as income on his personal tax return.

22. Between June 1, 2009 and October 22, 2009, WILLIAM L'EUROPA used a fraudulent endorsement stamp of Countrywide Home Loans to endorse five checks made payable to K.C., M&L, and Countrywide Home Loans.

23. On or about September 15, 2009, WILLIAM L'EUROPA caused a false tax return to be filed with the IRS.

24. On or about October 13, 2009, John J. McCauley, Jr. caused a false tax return to be filed with the IRS.

25. On or about May 29, 2010, John J. McCauley, Jr. wrote check # 3749 made payable to H.B. in the amount of $55,935.75. This was $10,000 more than H.B. was owed as part of the resolution of the insurance claim. John J. McCauley, Jr. directed H.B. to write two checks, each in the amount of $5,000.00, one made payable to John J. McCauley, Jr. and the other made payable to WILLIAM L'EUROPA. John J. McCauley, Jr. and WILLIAM L'EUROPA did not report the funds received as income on their personal returns.

26. On or about June 2, 2010, John J. McCauley, Jr. cashed check #233 made payable to him in the amount of $5,000.00 and drawn on the account of H.B. located at Citizens Bank.

27. On or about June 12, 2010, WILLIAM L'EUROPA deposited check #156 made payable to WILLIAM L'EUROPA in the amount of $5,000.00 and drawn on the account of H.B. located at Citizens Bank. WILLIAM L'EUROPA deposited this check in the WILLIAM L'EUROPA Family Trust Account held at Coastway Community Bank.

28. On or about July 20, 2010, WILLIAM L'EUROPA cashed Liberty Mutual Insurance Company Check #25521004 made payable to P.F.R. and M&L in the amount of $14,222.63 at Monimen, Inc., a check cashing service located in Providence, Rhode Island. This check was not reflected in the gross receipts of M&L, nor was it reported by WILLIAM L'EUROPA as income on his personal tax return.

29. On or about September 8, 2010, WILLIAM L'EUROPA cashed Rhode Island Joint Reinsurance Association check #518588 made payable to McCauley & L'Europa, LLC and M.P. in the amount of $8,500.00 at ABAL Check Cashing, Inc. located in Woonsocket, Rhode

Island. This check was not reflected in the gross receipts of M&L, nor was it reported by WILLIAM L'EUROPA as income on his personal tax return.

30. On or about September 15, 2010, John J. McCauley, Jr. caused a false tax return to be filed with the IRS.

31. On or about September 15, 2010, WILLIAM L'EUROPA caused a false tax return to be filed with the IRS.

32. On or about October 18, 2010, John J. McCauley, Jr. wrote check #2250 from the P.I.A., LLC business bank account held at Admirals Bank made payable to C.J. in the amount of $21,600.00. This check was for air conditioning units installed at John J. McCauley, Jr.'s new home located in Cranston, Rhode Island. John J. McCauley, Jr. did not report the money paid to C.J. as income on his personal tax return.

33. On or about October 21, 2010, WILLIAM L'EUROPA deposited Travelers Insurance Company Check #14370307 made payable to H.J., M&L and Chase Finance in the amount of $59,852.01 into the WILLIAM L'EUROPA Family Trust Account held at Coastway Community Bank. This check was not included in the gross receipts of M&L, nor was it reported by WILLIAM L'EUROPA as income on his personal tax return.

34. On or about October 29, 2010, John J. McCauley, Jr. cashed check #1199 made payable to him in the amount of $9330.00 and drawn on the WILLIAM L'EUROPA Family Trust Account held at Coastway Community Bank. John J. McCauley, Jr. did not report these funds as income on his personal return.

35. On or about November 5, 2010, John J. McCauley, Jr. cashed check #1206 made payable to him in the amount of $2,500.00 and drawn on the WILLIAM L'EUROPA Family

Trust Account held at Coastway Community Bank. John J. McCauley, Jr. did not report these funds as income on his personal return.

36. On December 2, 2010, John J. McCauley, Jr. wrote check #2278 from the business bank account of P.I.A., LLC held at Admirals Bank made payable to S.C. in the amount of $15,000.00 to pay for landscaping work at his new residence located in Cranston, Rhode Island McCauley did not report this sum as income.

37. On or about December 7, 2010, John J. McCauley, Jr. wrote check #2280 from the P.I.A., LLC business bank account held at Admiral Bank made payable to D.L. in the amount of $28,318.79. This check was for materials used in the construction of John J. McCauley, Jr.'s new home located in Cranston, Rhode Island. John J. McCauley, Jr. did not report the money paid to D.L. as income on his personal tax return.

38. On or about December 28, 2010, WILLIAM L'EUROPA cashed Selective Insurance Company of South Carolina check #7724949 made payable to T.M. and M&L in the amount of $7,200.00 at Monimen, Inc., a check cashing business located in Providence, Rhode Island. This check was not reflected in the gross receipts of the business. WILLIAM L'EUROPA did not report the money as income on his personal return.

All in violation of 18 U.S.C. § 371.

COUNT II
FILING A FALSE TAX RETURN

On or about September 15, 2010, in the District of Rhode Island, the Defendant, WILLIAM L'EUROPA, a resident of Cranston, Rhode Island, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for tax year 2009, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service Center, which said income tax return he did not believe to be true and correct as

to every material matter, in that the said return reported his total annual income as $112,577 on Line 22, whereas, he then and there well knew and believed, the said return failed to include all of his total income, and his total income was greater than the amount reported on Line 22, in violation of 26 U.S.C. § 7206(1).

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Assistant U.S. Attorney

STEPHEN G. DAMBRUCH
Assistant U.S. Attorney
Criminal Chief

Dated: 09-12-2012

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

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U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA	:	
v.	:	CR. NO.
WILLIAM L'EUROPA	:	CR 12 128ML

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the United States and Defendant, William L'Europa, have reached the following agreement:

1. Defendant's Obligations.

a. Defendant will waive presentation of this matter to a grand jury and consent to the filing of a two count Information which charges Defendant with conspiracy to defraud the United States, in violation of 18 U.S.C. § 371, and filing a false income tax return, in violation of 26 U.S.C. § 7206(1). Defendant agrees that he will plead guilty to said Information. Defendant further agrees that the time between the filing of this plea agreement and the scheduled date for the change of plea is excludable under the Speedy Trial Act, 18 U.S.C. § 3161.

b. Defendant understands and agrees that the terms of the plea agreement do not resolve any civil tax liability he may have, including any penalties and interest. Defendant further understands and agrees that this plea agreement does not prohibit or restrict the Internal Revenue Service from pursuing any administrative or civil actions against Defendant. Defendant agrees to cooperate with employees of the IRS, the Civil Division of the U.S. Attorney's Office, and law enforcement agents working with attorneys in the Civil Division of the U.S. Attorney's Office, in making an assessment of his civil liabilities. Defendant specifically authorizes release by the IRS to the aforementioned agencies and their representatives of information for purposes of making

that assessment. Defendant further agrees to assent to the filing and allowance of a motion under Rule 6(e) of the Federal Rules of Criminal Procedure, to permit the disclosure of matters occurring before the grand jury for this purpose. Defendant agrees to file accurate, amended federal income tax returns for tax years 2007 through 2011 prior to sentencing in this matter.

2. Government's Obligations. In exchange for Defendant's plea of guilty:

a. The government will recommend that the Court impose a term of imprisonment within the guidelines range for the offense level determined by the Court under the United States Sentencing Guidelines (the U.S.S.G. or "guidelines"), but not including probation or a "split-sentence," even if permitted under the guidelines.

b. For purposes of determining the offense level, the government agrees to recommend a two-level reduction in the offense level for acceptance of responsibility under § 3E1.1(a) of the guidelines if Defendant continues to demonstrate acceptance of responsibility through sentencing.

c. As of the date of this agreement, Defendant has timely notified authorities of an intention to enter a plea of guilty. If the offense level is 16 or greater and Defendant enters a plea of guilty pursuant to this agreement, the government will move the sentencing Court for an additional decrease of one level, pursuant to U.S.S.G. § 3E1.1(b), unless Defendant indicates an intention not to enter a plea of guilty, thereby requiring the government to prepare for trial.

d. The government is free to recommend any combination of supervised release, fines, and restitution which it deems appropriate.

3. Defendant understands that the guidelines are not binding on the Court, and that, although the Court must consult the guidelines in fashioning any sentence in this case, the guidelines are only advisory, and the Court may impose any reasonable sentence in this matter up

to the statutory maximum penalties after taking into account the factors enumerated in 18 U.S.C. § 3553(a).

4. The United States and defendant stipulate and agree to the following facts under the guidelines:

a. The Defendant and John J. McCauley, Jr. owned and operated McCauley and L'Europa Public Adjusters, LLC and PIA Restoration, LLC. The Defendant conspired with John J. McCauley, Jr. to defraud the United States for the purpose of impeding, impairing, obstructing and defeating the Internal Revenue Service in the ascertainment, computation, assessment, and collection of the revenue. As part of the conspiracy, the Defendant and McCauley evaded income taxes owed in tax years 2007 through 2010. The Defendant agrees that the total tax loss for these years is relevant conduct for sentencing pursuant to U.S.S.G. § 1B1.3.

b. The parties agree that for guidelines purposes, the unreported business receipts and corresponding additional tax due and owing calculated at a 28% rate are as follows:

Tax Year	Unreported Receipts	Additional Tax Owing
i. 2007	$ 421,802.08	$ 118,104.58
ii. 2008	$ 291,457.50	$ 81,608.10
iii. 2009	$ 244,570.70	$ 68,479.80
iv. 2010	$ 835,963.29	$ 234,069.72
v. TOTAL	$ 1,793,793.57	$ 502,262.20

c. The Defendant further agrees that the total tax loss as a result of his conduct is more than $400,000, but not more than $1,000,000, resulting in an offense level of 20 pursuant to U.S.S.G. §§ 2T1.1 and 2T4.1.

d. The government agrees to recommend to the Court that the Defendant not receive an adjustment for sophisticated means pursuant to U.S.S.G. § 2T1.1(b)(2).

e. The government agrees to recommend to the Court that the Defendant not receive an adjustment for obstruction of justice pursuant to U.S.S.G. § 3C1.1.

5. Except as expressly provided in the preceding paragraph, there is no agreement as to which Offense Level and Criminal History Category applies in this case. Both the United States and Defendant reserve their rights to argue and present evidence on all matters affecting the guidelines calculation.

6. The maximum statutory penalties for the offenses to which Defendant is pleading are as follows:

a. As to Count I, five years imprisonment; a fine of $250,000 or the greater of twice the gross gain or twice the gross loss; a term of supervised release of three years; and a mandatory special assessment of $100.

b. As to Count II, three years imprisonment; a fine of $250,000 or the greater of twice the gross gain or twice the gross loss; a term of supervised release of one year; and a mandatory special assessment of $100.

c. If imposed consecutively, the maximum penalties for all offenses to which Defendant is pleading guilty are eight years imprisonment; a fine of $ 500,000 or the greater of twice the gross gain or twice the gross loss; and a term of supervised release of four years. The mandatory special assessment totals $ 200.

7. Defendant agrees that, after Defendant and Defendant's counsel sign this agreement, counsel will return it to the United States Attorney's Office along with a money order or certified check, payable to the Clerk, United States District Court, in payment of the special assessment. Failure to do so, unless the Court has made a previous finding of indigence, will relieve the government of its obligation to recommend a reduction in the offense level under the guidelines for acceptance of responsibility.

8. Defendant is advised and understands that:

a. The government has the right, in a prosecution for perjury or making a false statement, to use against Defendant any statement that Defendant gives under oath;

b. Defendant has the right to plead not guilty, or having already so pleaded, to persist in that plea;

c. Defendant has the right to a jury trial;

d. Defendant has the right to be represented by counsel – and if necessary have the Court appoint counsel – at trial and every other stage of the proceeding;

e. Defendant has the right at trial to confront and cross-examine adverse witnesses, to be protected from self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and

f. Defendant waives these trial rights if the Court accepts a plea of guilty.

9. The government reserves its full right of allocution, including the right to present any information to the Court for its consideration in fashioning an appropriate sentence, the right to correct misstatements, misrepresentations, or omissions by Defendant, and to answer any questions asked by the Court.

10. Except for paragraphs 2 and 4 above, the parties have made no agreement concerning the application of the guidelines in this case.

11. Defendant understands that the Court alone makes all sentencing decisions, including the application of the guidelines and the sentence to be imposed. The Court is not bound by the parties' stipulations of fact, offense level adjustments, or the government's recommendations. The Court is free to impose any sentence it deems appropriate up to and including the statutory maximum. Defendant also understands that even if the Court's guideline determinations and sentence are different than Defendant expects, Defendant will not be allowed to withdraw Defendant's plea of guilty.

12. Defendant hereby waives Defendant's right to appeal the conviction and sentence imposed by the Court, if the sentence imposed by the Court is within or below the sentencing guideline range determined by the Court. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b), and the government retains its right to appeal any of the Court's sentencing determinations.

13. This agreement is binding on the government only if Defendant pleads guilty, fulfills all Defendant's obligations under the agreement, does not engage in any conduct constituting obstruction of justice under § 3C1.1 of the guidelines, and does not commit any new offenses. Defendant understands that if Defendant violates this agreement in any way, the government shall be released from its obligations under the agreement and will be free to make any recommendations that it deems appropriate. If that occurs, Defendant shall not have the right to withdraw Defendant's guilty plea.

14. This agreement is limited to the District of Rhode Island and does not bind any other federal, state, or local prosecutive authorities.

15. This agreement constitutes the entire agreement between the parties. No other promises or inducements have been made concerning the plea in this case. Defendant acknowledges that no person has, directly or indirectly, threatened or coerced Defendant to enter this agreement. Any additions, deletions, or modifications to this agreement must be made in writing and signed by all the parties in order to be effective.

16. Counsel for Defendant states that Counsel has read this agreement, been given a copy of it for Counsel's file, explained it to Defendant, and states that to the best of Counsel's knowledge and belief, Defendant understands the agreement.

17. Defendant states that Defendant has read the agreement or has had it read to Defendant, has discussed it with Defendant's Counsel, understands it, and agrees to its provisions.

WILLIAM L'EUROPA
Defendant

Date 9/12/12

SCOTT LUTES
Counsel for Defendant

Date 9/12/12

WILLIAM J. FERLAND
Assistant U.S. Attorney

Date 9/12/12

SANDRA R. HEBERT
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Date 9/12/12

STEPHEN G. DAMBRUCH
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Date 09/12/2012