

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

\*

CRIMINAL NO. 17-239

v.

\*

SECTION: "E" (5)

EMELDA MATTHEWS

\*

VIOLATION: 26 U.S.C. § 7206(2)

\* \* \*

FACTUAL BASIS

Should this matter have proceeded to trial, the United States would have proven, through the introduction of competent testimony and admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Bill of Information.<sup>1</sup>

Education Tax Credits (American Opportunity and Lifetime Earning Credits)

The Internal Revenue Service ("IRS") was an agency of the United States Department of Treasury responsible for enforcing and administering the tax laws of the United States and collecting taxes owed to the United States. And the internal revenue laws of the United States allowed for certain education tax credits to be claimed (by qualifying individuals) on annual personal income tax returns filed with the IRS.

Emelda Matthews – Aided and Assisted in the Preparation of False Tax Returns

At all times material herein, the defendant, Emelda Matthews ("Matthews"), resided in Violet, Louisiana located within the Eastern District of Louisiana. From 2013 through 2015,

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<sup>1</sup> This proffer of evidence is not intended to constitute a complete statement of facts known to the United States. The limited purpose of this factual basis is to demonstrate a sufficient legal basis for the defendant's plea of guilty to the charged offense.

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Matthews operated an unregistered tax preparer business from her home in Violet, Louisiana. During this same time frame, Matthews aided and assisted over 40 individuals in preparing their annual tax returns. Matthews operated as a “ghost preparer”<sup>2</sup> and used TurboTax, a tax preparation software, to prepare the false tax returns.

From 2013 through 2015, Matthews aided and assisted in the preparation and presentation of false income tax returns to the IRS and charged approximately \$200 per return. Matthews willfully included false statements on tax returns she prepared by including fraudulent claims for education tax credits on the returns she prepared.<sup>3</sup> Matthews knew the taxpayers did not qualify for the declared tax credit, but included the fraudulent claims on the returns, knowing it to be a false statement and in violation of the internal revenue laws.<sup>4</sup>

Scope of the Offense – Total Tax Loss

From 2013 through 2015, Matthews aided and assisted in the preparation and filing of approximately fifty-five (55) false tax returns with the IRS.<sup>5</sup> Matthews also filed a false federal income tax return for herself in 2015 and recovered an education tax credit she knew she was not

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<sup>2</sup> A “ghost preparer” is an individual who prepares income tax returns for other individuals without using any identifying information on the filed return to indicate the return was prepared by someone other than the taxpayer.

<sup>3</sup> Matthews falsified and fabricated numbers on the income tax returns and added falsified tuition expenses to have the tax filer qualify for the American Opportunity Credit. The American Opportunity Tax Credit is a tax credit of up to \$2,500 paid to qualified taxpayers to assist a taxpayer in offsetting qualified educational expenses.

<sup>4</sup> As part of the scheme, Matthews falsely stated on the returns that her taxpayers qualified for the American Opportunity Tax Credit for education expenses allegedly paid to Nunez Community College in Chalmette, Louisiana. However, Nunez Community College confirmed that the taxpayers Matthews claimed were entitled to the education credit (for tax years 2012 through 2014) did not attend the college during this time frame.

<sup>5</sup> As an example, on or about February 23, 2015, Matthews aided and assisted in the preparation of G.T.’s 2014 federal income tax return. This filed return included a fraudulent claim for the return of a \$1,000 American Opportunity Education Tax Credit.

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entitled to receive.

In summary, Matthews's criminal conduct from 2013 through 2015 caused a tax loss to the United States of approximately \$74,191.20. And all of the evidence introduced at trial would have established the elements of the offense and proven the defendant's guilt beyond a reasonable doubt.

**READ AND APPROVED:**

  
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RICHARD R. PICKENS, II  
Assistant United States Attorney

1/19/18  
Date

  
\_\_\_\_\_  
DAVID GERNHAUSER  
Counsel for Emelda Matthews

2/1/18  
Date

  
\_\_\_\_\_  
EMELDA MATTHEWS  
Defendant

2-1-18  
Date