

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF L.A.
2019 FEB 15 12 33
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CLERK

FELONY

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

**INDICTMENT FOR CONSPIRACY TO DEFRAUD THE UNITED STATES AND FOR
AIDING AND ASSISTING THE PRESENTATION OF A FALSE TAX RETURN**

UNITED STATES OF AMERICA

v.

MICHEGEL DWAYNE BUTLER
BRITTANY RIQUEL PATTERSON

CRIMINAL NO.

19-027

SECTION

SECT. JMAG.5

VIOLATION: 18 U.S.C. § 371

26 U.S.C. § 7206(2)

* * *

The Grand Jury charges that:

COUNT 1

(Conspiracy to Defraud the United States)

A. AT ALL TIMES MATERIAL HEREIN:

1. Crown Tax Service, LLC ("Crown Tax Service") was a tax preparation business located at 2150 Airline Drive in Kenner, Louisiana, within the Eastern District of Louisiana.
2. Defendant MICHEGEL DWAYNE BUTLER ("MICHEGEL BUTLER"), the owner of Crown Tax Service, resided in St. John the Baptist Parish, within the Eastern District of Louisiana.

Fee USA _____
 Process _____
 Dkt _____
 CtRmDep _____
 Doc. No. _____

3. Defendant **BRITTANY RIQUEL PATTERSON** (“**BRITTANY PATTERSON**”), resided in St. John the Baptist Parish, and prepared tax returns at Crown Tax Service, within the Eastern District of Louisiana.

4. Whitney Bank was a financial institution with banking locations within the Eastern District of Louisiana, the deposits of which were insured by the Federal Deposit Insurance Corporation. Defendant **MICHEGEL BUTLER** held signature authority over account ending - 8496 at Whitney Bank.

5. The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the United States.

6. An Electronic Filing Identification Number (“EFIN”) was a unique number issued by the IRS to tax return preparers that electronically file tax returns on behalf of clients.

B. THE CONSPIRACY:

7. Beginning on or before January 1, 2013, and continuing through at least April 15, 2013, within the Eastern District of Louisiana and elsewhere, defendants **MICHEGEL BUTLER**, **BRITTANY PATTERSON**, and others, both known and unknown to the Grand Jury, unlawfully, voluntarily, intentionally, and knowingly did conspire, combine, confederate, and agree together and with each other to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the IRS in the ascertainment, computation, assessment, and collection of federal income taxes. The purpose and object of the conspiracy was for the defendants and co-conspirators to unjustly enrich themselves and others by

fraudulently inflating the tax refunds claimed on the tax returns of Crown Tax Service clients to which they were not entitled.

C. MANNER AND MEANS:

8. Among the manner and means by which defendants **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others, both known and unknown to the Grand Jury carried out the conspiracy included the following:

9. **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others, aided and assisted in the filing of false U.S. Individual Income Tax Returns (IRS Forms 1040), which contained false information, which resulted in false and fraudulent claims for tax refunds from the IRS.

10. **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others charged clients a fee as high as \$600 for preparing their tax returns. The fee was often deducted from the clients' refund.

11. The false information **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others reported on their clients' returns included, but was not limited to, false Schedule C income and expenses, false dependents, and false dependent care expenses (Form 2441).

12. **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others encouraged some clients to buy or sell the personal identification of others in order to falsely report those individuals as dependents on the tax returns of Crown Tax Service clients.

13. **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others used a "Schedule C Declaration" which purported to report a client's income and expenses for a business. They directed clients of Crown Tax Service to sign blank "Schedule C Declarations," which the defendants would then complete with false business income and expenses. The defendants also

directed some clients to fill out false receipts to purport to substantiate income and expenses reported on their tax returns.

14. **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others issued, or cause to be issued, checks to clients from Crown Tax Service's bank account for the amount of their tax refund, less Crown Tax Service's preparation fee.

15. **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others required some clients to pay an additional cash fee after receiving their tax refund.

16. One or more of the co-conspirators would and did take steps to conceal the existence of the conspiracy.

D. OVERT ACTS

17. In furtherance of the conspiracy, and to effect the objects thereof, members of the conspiracy and others known and unknown to the Grand Jury, committed or caused to be committed the following overt acts, among others, within the Eastern District of Louisiana and elsewhere:

18. On or about January 4, 2013, defendant **MICHEGEL BUTLER** formed Crown Tax Services.

19. On or about January 22, 2013, defendant **MICHEGEL BUTLER** contracted with Individual A to use the Electronic Filing Identification Numbers ("EFIN"), ending in -008, in the name of Company A, to file tax returns on behalf of Crown Tax Service.

20. On or about January 25, 2013, defendant **MICHEGEL BUTLER** opened a bank account at Whitney Bank, in the name of Crown Tax Service.

21. On or about the dates listed below, **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others, caused the filing of false United States Individual Income Tax Returns

(Form 1040), for the tax year 2012, for the individual with initials or name identified below, each paragraph constituting a separate overt act:

| Overt Act | Approximate Date Filed | Taxpayer Name | False Entries |
|-----------|------------------------|---------------|---------------------------------|
| 21-A | January 24, 2013 | M.P. | Line 12 |
| 21-B | January 24, 2013 | D.P. | Line 6c |
| 21-C | January 29, 2013 | C.M.J. | Line 12 Form 2441 |
| 21-D | January 31, 2013 | M.M. | Line 6c Line 12 Form 2441 |
| 21-E | January 31, 2013 | B.A. | Line 6c Line 12 Form 2441 |
| 21-F | January 31, 2013 | J.P. | Line 12 |
| 21-G | February 1, 2013 | D.E.A. | Line 6c Line 12 Form 2441 |
| 21-H | February 1, 2013 | D.M. | Line 6c Line 12 |
| 21-I | February 4, 2013 | K.S. | Line 12 |
| 21-J | February 5, 2013 | F.H. | Line 12 Form 2441 |
| 21-K | February 5, 2013 | N.M. | Line 12 Form 2441 |
| 21-L | February 5, 2013 | A.S. | Line 12 |
| 21-M | February 7, 2013 | X.C. | Line 6c |
| 21-N | February 8, 2013 | B.L. | Line 6c Line 12 |
| 21-O | February 8, 2013 | L.J. | Line 12 Form 2441 |
| 21-P | February 12, 2013 | F.A. | Line 6c Line 12 Form 2441 |
| 21-Q | February 14, 2013 | K.B. | Line 12 |

22. On or about the dates listed below, **MICHEGEL BUTLER, BRITTANY PATTERSON**, and others, issued and caused the issuance of checks representing a portion of the tax refund for the taxpayers identified by the initials below for the following amounts, each paragraph constituting a separate overt act:

| Overt Act | Date Issued | Taxpayer Name | Check Amount |
|-----------|-------------------|---------------|--------------|
| 22-A | February 6, 2013 | M.P. | \$1,532 |
| 22-B | February 7, 2013 | C.M.J. | \$4,470 |
| 22-C | February 16, 2013 | J.P. | \$3,850 |
| 22-D | February 19, 2013 | M.M. | \$1,800 |
| 22-E | February 19, 2013 | M.M. | \$2,800 |
| 22-F | February 19, 2013 | K.S. | \$3,700 |
| 22-G | February 22, 2013 | A.S. | \$4,950 |
| 22-H | February 25, 2013 | F.H. | \$5,500 |
| 22-I | February 25, 2013 | N.M. | \$5,300 |
| 22-J | February 27, 2013 | X.C. | \$4,440 |
| 22-K | February 28, 2013 | F.A. | \$1,120 |
| 22-L | March 4, 2013 | K.B. | \$5,300 |
| 22-M | March 4, 2013 | D.P. | \$5,000 |
| 22-N | March 6, 2013 | L.J. | \$2,220 |

In violation of Title 18, United States Code, Section 371.

COUNTS 2-10

(Aiding and Assisting the Preparation and Presentation of a False Tax Return)

23. The general allegations in paragraphs 1-6 are realleged and incorporated by reference as though fully set forth herein.

24. On or about the dates set forth below, in the Eastern District of Louisiana and elsewhere, defendant **MICHEGEL BUTLER** did willfully aid and assist in, and procure, counsel and advise the preparation and presentation to the IRS of, U.S. Individual Income Tax Returns, IRS Forms 1040, for the 2012 tax year for the taxpayers, as identified by their initials, which tax returns were false and fraudulent as to material matters as described below:

| Count | Approximate Date Filed | Taxpayer Name | False Entries |
|-------|------------------------|---------------|--|
| 2 | January 24, 2013 | M.P. | 1. Line 12 |
| 3 | January 31, 2013 | M.M. | 1. Line 6c 2. Line 12 3. Form 2441 |

| | | | |
|----|-------------------|------|----------------------------|
| 4 | February 4, 2013 | K.S. | 1. Line 12 |
| 5 | February 5, 2013 | F.H. | 1. Line 12 2. Form 2441 |
| 6 | February 5, 2013 | N.M. | 1. Line 12 2. Form 2441 |
| 7 | February 5, 2013 | A.S. | 1. Line 12 |
| 8 | February 7, 2013 | X.C. | 1. Line 6c |
| 9 | February 8, 2013 | B.L. | 1. Line 6c 2. Line 12 |
| 10 | February 14, 2013 | K.B. | 1. Line 12 |

COUNTS 11-14

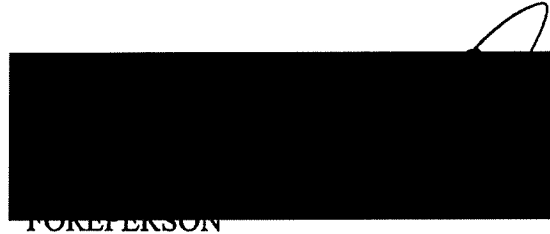
(Aiding and Assisting the Preparation and Presentation of a False Tax Return)

25. The general allegations in paragraphs 1-6 are realleged and incorporated by reference as though fully set forth herein.

26. On or about the dates set forth below, in the Eastern District of Louisiana and elsewhere, defendant **BRITTANY PATTERSON** did willfully aid and assist in, and procure, counsel and advise the preparation and presentation to the IRS of, U.S. Individual Income Tax Returns, IRS Forms 1040, for the 2012 tax year for the taxpayers, as identified by their initials, which tax returns were false and fraudulent as to material matters as described below:

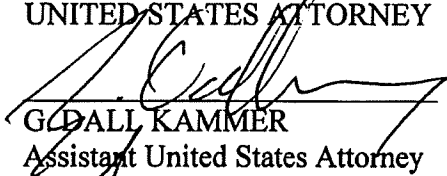
| Count | Approximate Date Filed | Taxpayer Name | False Entries |
|--------------|-------------------------------|----------------------|----------------------------|
| 11 | January 24, 2013 | D.P. | 1. Line 6c |
| 12 | January 29, 2013 | C.M.J. | 1. Line 12 2. Form 2441 |

| | | | |
|----|------------------|------|--|
| 13 | January 31, 2013 | B.A. | 1. Line 6c 2. Line 12 3. Form 2441 |
| 14 | February 8, 2013 | L.J. | 1. Line 12 2. Form 2441 |

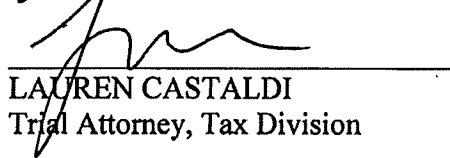


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New Orleans, Louisiana
February 15, 2019