

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

\*

CRIMINAL NO. 19-246

v.

\*

SECTION: "A"

DEEPAK "JACK" JAGTIANI

\*

\* \* \*

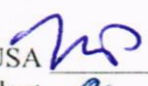

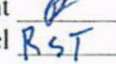
FACTUAL BASIS

Defendant DEEPAK "JACK" JAGTIANI ("JAGTIANI"), has decided to enter a plea of guilty in the above-captioned matter. Should this matter have proceeded to trial, the United States would prove beyond a reasonable doubt, through credible testimony and reliable evidence, the following facts. Unless stated otherwise, the following acts occurred within the jurisdiction of the Eastern District of Louisiana.

**I. Wire Fraud**

In 2007, JAGTIANI was hired by Dan-Gulf Shipping, Inc. ("Dan-Gulf") to serve as the company's comptroller. Dan-Gulf is a company that provides freight forwarding services internationally. Dan-Gulf is headquartered in Metairie, Louisiana. Dan-Gulf is a commercial agent for Caytrans BBC, LLC.

From 2007 through 2019, JAGTIANI served as the comptroller of Dan-Gulf. Dan-Gulf used Paychex, Inc. ("Paychex") for payroll services. Paychex is headquartered in Rochester, New York. In JAGTIANI's capacity as comptroller, he had authority to instruct Paychex to modify any payroll amounts that were paid to any employee. In furtherance of this scheme to defraud, JAGTIANI misrepresented his salary to the officers and executives of Dan-Gulf, and otherwise omitted these facts from financial reports that he delivered to Dan-Gulf's officers.

AUSA   
Defendant   
Defense Counsel 

Between 2009 and 2019, **JAGTIANI** instructed Paychex representatives by phone to increase his weekly salary beyond what was otherwise authorized by Dan-Gulf. For example, in 2018, **JAGTIANI**'s base salary and bonus from Dan-Gulf totaled \$83,708.33; however, in 2018 he fraudulently paid himself \$1,229,313.53 in salary. From 2009 to 2019, **JAGTIANI** fraudulently paid himself a total of \$7,077,137.36 in salary and benefits that were in excess of any salary and benefits that he was otherwise entitled to receive.

Included among these payments is a wire transfer that occurred on or about January 15, 2019. On or about that date, **JAGTIANI** communicated with Paychex by phone, whereby **JAGTIANI** fraudulently instructed Paychex to issue him a gross payroll payment of \$48,416.67. For that pay period, **JAGTIANI** was actually entitled to a gross payroll payment of approximately \$3,500.00. On or about the same day, this payroll payment was executed by interstate wire transfer to **JAGTIANI**'s bank account at Regions Bank, which is headquartered in Birmingham, Alabama. After tax withholding deductions, the net amount deposited by wire transfer on or about January 15, 2019 was \$42,758.70.

## II. Filing False Tax Returns

During this investigation, agents with the U.S. Secret Service ("USSS") and the Internal Revenue Service, Criminal Investigation ("IRS-CI") learned that **JAGTIANI** used a tax preparer service to file his and his spouse's federal income taxes. The tax preparer provided **JAGTIANI**'s records pursuant to a grand jury subpoena. Agents also obtained a court order for **JAGTIANI**'s filed tax returns.

A review of tax returns for tax years 2014 through 2017 revealed that **JAGTIANI** correctly represented the amount of money that he had fraudulently paid himself from Dan-Gulf.

Furthermore, **JAGTIANI** represented that he had significant gambling wins that were offset by gambling losses.

However, **JAGTIANI** did not pay taxes on a substantial amount of his earnings because he claimed that he suffered significant business losses from a catering business called "Jack's Catering Service." From tax years 2014 to 2017, **JAGTIANI** claimed enough business losses to offset most of his income for which he would be required to pay federal income tax.

Through a review of documents and interviews of **JAGTIANI's** tax preparer, agents determined that **JAGTIANI** misrepresented his business losses from catering to his tax preparer, and that **JAGTIANI** then willfully filed these fraudulent tax returns with the IRS. In fact, **JAGTIANI** never operated a catering business. Therefore, **JAGTIANI** should not have claimed any business losses on his federal tax returns, and any such business losses were fraudulent. Furthermore, agents determined that **JAGTIANI** handled most if not all of the financial affairs for the family. Agents also learned that **JAGTIANI's** spouse was not involved in filing their joint tax returns. Instead, only **JAGTIANI** communicated with the tax preparer who filed the joint tax returns on their behalf. Also, **JAGTIANI** electronically signed all of the tax returns, verifying that they were true and correct under penalty of perjury.

As a result of **JAGTIANI's** false statements regarding losses from his catering business, the government suffered a financial loss due to unpaid taxes. For example, in his 2017 calendar year filing, which **JAGTIANI** filed on or about April 15, 2018, **JAGTIANI** falsely claimed a business loss of \$998,335.00, which resulted in a tax loss to the federal government that year of \$379,418.00 in unpaid income taxes.

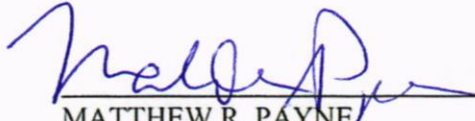
In total, **JAGTIANI's** fraudulent representations on his federal income tax returns from 2014 through 2017 caused a tax loss to the federal government of \$1,232,267.00 in unpaid income

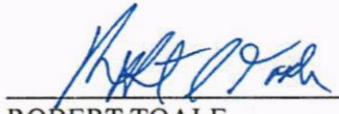


taxes.

Limited Nature of Factual Basis

This proffer of evidence is not intended to constitute a complete statement of all facts known by **JAGTIANI**, and it is not a complete statement of all facts described by **JAGTIANI** to the government. Rather, it is a minimum statement of facts intended to prove the necessary factual predicate for his guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for **JAGTIANI**'s plea of guilty to the charged offenses.

 8/18/2020  
MATTHEW R. PAYNE Date  
Assistant United States Attorney

 8/18/20  
ROBERT TOALE Date  
Attorney for Deepak "Jack" Jagtiani

 8/18/20  
DEEPAK "JACK" JAGTIANI Date  
Defendant