

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

2018 OCT 22 AM 8:39

DEPUTY CLERK JS

UNITED STATES OF AMERICA

v.

LARRY DUNCAN

NO.

3-18CR-536-M

FACTUAL RESUME

In support of Larry Duncan's plea of guilty to the offense(s) in Count(s) One of the Information, Duncan, the defendant, Barry Sorrels, the defendant's attorney, and the United States of America (the government) stipulate and agree to the following:

ELEMENTS OF THE OFFENSE

To prove the offense alleged in Count One of the Information, charging a violation of 26 U.S.C. § 7201, that is, Tax Evasion, the government must prove each of the following elements beyond a reasonable doubt:

- First:* That there exists a substantial tax deficiency owed by the defendant to the Internal Revenue Service, as charged;
- Second:* That the defendant committed at least one affirmative act to evade or defeat assessment or payment of the income taxes owed. An affirmative act includes any conduct the likely effect of which would be to mislead or conceal; and
- Third:* That the defendant acted willfully, that is, the law imposed a duty on the defendant, the defendant knew of that duty, and the defendant voluntarily and intentionally violated that duty.

STIPULATED FACTS

1. The defendant agrees that the following facts are true and correct.
2. Starting in or about January 2012, and continuing through at least 2016, in the Northern District of Texas and elsewhere, the defendant, Larry Duncan, willfully attempted to evade and defeat the payment of a substantial income tax due and owing by him to the United States of America, for the tax year 2016, by substantially underreporting his income and by committing at least the affirmative acts described in paragraphs 6 through 8 and 10 through 12 of the Information.
3. The defendant agrees and stipulates that, between 2012 and 2016, he received \$245,000 in campaign contributions from Force Multiplier Solutions' President, Robert Leonard.
4. Of the \$245,000 that Duncan received from Leonard, Duncan spent most of it—specifically \$184,726.03—on items unrelated to his Dallas County School's (DCS) campaigns.
5. These items included car related expenses, cash withdraws, money for Duncan and his wife, and other items which benefited Duncan personally.
6. Duncan, despite his use of the "campaign contributions" for personal benefit, knowingly and willfully failed to report all \$184,726.03 on his tax returns during tax years 2012 through 2016, resulting in a tax loss to the Internal Revenue Service (IRS) of \$39,717.00. Duncan agrees to make restitution to the Internal Revenue Service in this amount.


7. In tax year 2016, Duncan received \$112,179.84 from Leonard which constituted income under the federal tax laws because Duncan used the money for his personal benefit.

8. Duncan knowingly and willfully filed a false and fraudulent tax return for tax year 2016 by omitting the \$112,179.84 in income that he received directly or indirectly from Leonard during 2016.

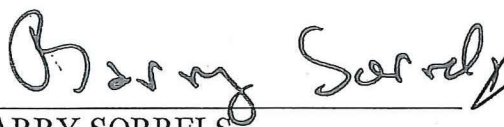
9. The defendant agrees that the defendant committed all the essential elements of the offense(s). This factual resume is not intended to be a complete accounting of all the facts and events related to the offense charged in this case. The limited purpose of this statement of facts is to demonstrate that a factual basis exists to support the defendant's guilty plea to Count(s) One the Information.

AGREED TO AND STIPULATED on this 12 day of October, 2018.

ERIN NEALY COX
UNITED STATES ATTORNEY


LARRY DUNCAN
Defendant


ANDREW O. WIRMANI
Assistant United States Attorney
Texas Bar No. 24052287
Dallas, Texas 75242-1699
Tel: (214) 659-8600
Fax: (214) 659-8809
Email: andrew.wirmani@usdoj.gov


BARRY SORRELS
Attorney for Defendant