

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Madeline Cox Arleo,
 : U.S.D.J.
 v. :
 : Crim. No.
 WILLIAM KAWAM :
 : 26 U.S.C. § 7206(1)
 : 18 U.S.C. § 371

I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Making and Subscribing to a False Tax Return)

1. At all times relevant to this Information, defendant WILLIAM KAWAM (“KAWAM”), a resident of Hewitt, New Jersey, was a certified public accountant (“CPA”) employed at a mid-size accounting firm located in Morris County, New Jersey (“Accounting Firm-1”).

2. On or about April 15, 2016, KAWAM filed, and caused to be filed, with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Return for 2015 (the “Tax Return”). The Tax Return stated that KAWAM’s taxable income for calendar year 2015 was \$454,597. The Tax Return was signed by KAWAM and contained a written declaration that it was signed under the penalties of perjury.

3. The Tax Return was not true and correct as to every material matter in that defendant KAWAM failed to report \$70,014.84 in taxable income that

KAWAM had derived in 2015 from the criminal conspiracy charged in Count Two of this Information.

4. On or about April 15, 2016, in Morris County, in the District of New Jersey, and elsewhere, defendant

WILLIAM KAWAM

knowingly and willfully made and subscribed and filed and caused to be filed with the Internal Revenue Service a 2015 Form 1040, U.S. Individual Income Tax Return, which contained and was verified by a written declaration that it was made under penalties of perjury, and which KAWAM did not believe to be true and correct as to every material matter.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO
(Conspiracy to Defraud the United States)

1. Paragraphs One through Three of Count One are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to this Information, Co-Conspirator-1 was the founder and chief executive officer of both a property management company, located in Glen Rock, New Jersey, and a network of medical practices headquartered in Glen Rock, New Jersey (collectively, the “Business Entities”).

3. Co-Conspirator-1 utilized accounting services from KAWAM and Accounting Firm-1 for the Business Entities for approximately twenty-five years.

4. From in or around January 2015 through on or about April 15, 2018, in the District of New Jersey and elsewhere, defendant

WILLIAM KAWAM

knowingly and willfully conspired and agreed with Co-Conspirator-1 and others to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of revenue: to wit, income taxes.

Goal of the Conspiracy

5. The goal of the conspiracy was for KAWAM and Co-Conspirator-1 to conceal taxable income from multiple parties, including the Internal Revenue Service, thereby defrauding the United States, through a scheme whereby KAWAM utilized a credit card he received from Co-Conspirator-1 for personal

expenses and as a form of compensation for certain accounting services rendered.

Manner and Means of the Conspiracy

6. It was part of the conspiracy that:
 - a. In or around 2015, KAWAM informed Co-Conspirator-1 he had encountered financial difficulties associated with a personal matter.
 - b. Around this same time period—in or around 2015—Co-Conspirator-1 redirected a significant amount of accounting work away from KAWAM and Accounting Firm-1 to another accounting firm because of an unrelated external business arrangement.
 - c. Co-Conspirator-1 and KAWAM thereafter worked out an arrangement by which Co-Conspirator-1 would compensate KAWAM for certain accounting services rendered by providing KAWAM with a credit card associated with the Business Entities (the “Credit Card”) and allowing KAWAM to use that Credit Card for personal expenses (the “Scheme”).
 - d. As part of this Scheme between KAWAM and Co-Conspirator-1, KAWAM was authorized to spend between \$5,000 and \$6,000 per month on the Credit Card.
 - e. This Scheme was primarily intended to conceal KAWAM’s income on account of KAWAM’s personal matter, referenced in Paragraph 6(a).
 - f. Co-Conspirator-1 and KAWAM further agreed that Co-Conspirator-1 would not deduct KAWAM’s Credit Card charges as business

expenses, as such a deduction could prompt attention from the Internal Revenue Service and risk exposure of the Scheme.

Overt Acts


7. In furtherance of the conspiracy and to achieve the goals of the conspiracy, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. On or about April 15, 2016, KAWAM filed with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Return for 2015, that knowingly failed to report approximately \$70,014.84 in taxable income.

b. On or about April 15, 2017, KAWAM filed with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Return for 2016, that knowingly failed to report approximately \$55,679.14 in taxable income.

c. On or about April 15, 2018, KAWAM filed with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Return for 2017, that knowingly failed to report approximately \$20,911.02 in taxable income.

All in violation of Title 18, United States Code, Section 371.


PHILIP R. SELLINGER
United States Attorney