

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

\*

DOCKET NO. 07-439

v.

\*

SECTION: C

ELAINE MITCHELL

\*

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**FACTUAL BASIS**

Should this matter have gone to trial, the government would have proved beyond a reasonable doubt, through the introduction of competent testimony and admissible tangible exhibits, including the testimony of Special Agents from the Internal Revenue Service (“IRS”), the following to support the allegations charged by the government in Count 1 of the Bill of Information now pending against the defendant, Elaine Mitchell.

Special Agents would testify that numerous income tax returns were received by the IRS that contained questionable claims of earned wages. The tax returns were received from tax payers located in a small geographic area in Louisiana. The common pattern for all of the questionable returns in the scheme was the reported false income was derived from “household wages” referred to as “H.S.H.” wages on Line 7 of the income tax returns. Attached to

all of the returns submitted by mail was a hand-written document listing the type of work performed, the employers they purportedly worked for and the amount of “household wages” earned by the individuals submitting the returns. All of these supporting documents utilized in the scheme appeared to have been hand-written by the same person. All fraudulent tax returns and hand-written documents would be introduced as evidence.

Special Agents interviewed numerous individuals who had submitted the suspicious returns. According to these individuals, Elaine Mitchell prepared the returns in her home. When preparing the false tax returns, Mitchell would provide the tax payers with these self-employment letters which stated that the individual was employed by certain individuals who paid them an amount of money for performing household jobs and duties. Some witnesses stated that Mitchell actually wrote the letters in their presence. Other witnesses stated that Mitchell provided them with pre-prepared self-employment letters. Mitchell requested that the witnesses sign their name at the bottom of the letters. All witnesses stated that they did not know the names listed as their employers in the letters, and that the names and amounts were provided by Mitchell. Witnesses stated that they did not work at all during the years of the income tax returns. Thirteen tax payer witnesses would be called to testify to the above along with Special Agents of the IRS.

Finally, the government would introduce thirty-one false and fraudulent tax returns prepared by Mitchell. The total of false claims against the government in these tax returns totals \$117,829.00.

Of these false claims, the government paid \$77,092.00 to the tax payers as a result of these fraudulent returns before the scheme was discovered.

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G. DALL KAMMER  
Assistant United States Attorney

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Date

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SARAH STONE  
Counsel for Defendant

\_\_\_\_\_  
Date

\_\_\_\_\_  
ELAINE MITCHELL  
Defendant

\_\_\_\_\_  
Date