

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA : CRIMINAL NO.
 :
 V. : VIOLATION 26 U.S.C. § 7207
 : (False Document Submitted
 WAYNE E. PRATT : to the Internal Revenue Service)
 : (One Count-Misdemeanor)

INFORMATION

The United States Attorney charges:

COUNT ONE

GENERAL ALLEGATIONS

At all times relevant to this Information:

1. The defendant WAYNE E. PRATT, a resident of Woodbury, Connecticut, was president of Wayne E. Pratt, Inc.
2. Wayne E. Pratt, Inc. is an antique business with retail shops in Middlebury, Connecticut and Nantucket, Massachusetts.
3. From approximately 1984 until approximately 2003, defendant WAYNE E. PRATT did business with an individual, known to the United States Attorney's Office and herein identified as Associate A.
4. Associate A owns and operates companies that do business with the State of Connecticut.

5. In approximately April 1997, Associate A requested that defendant WAYNE E. PRATT purchase a condominium located in Washington, D.C. Associate A informed the defendant of the purchase price and that he (Associate A) should not be listed as the purchaser of the condominium. The defendant agreed to purchase the condominium, based on the understanding that Associate A would provide the money for the defendant to purchase the condominium and make the defendant whole on the deal such that defendant WAYNE E. PRATT would suffer no financial loss as a result of the transaction.

6. Prior to the purchase of the condominium, Associate A informed defendant WAYNE E. PRATT that the seller wanted an additional \$5,000 for furniture but that any furniture in the condominium was not worth that amount. Associate A agreed to provide the additional requested funds, and defendant WAYNE E. PRATT agreed to pay the additional \$5,000 to the seller.

7. In approximately May 1997, Associate A provided defendant WAYNE E. PRATT with two checks that were primarily to cover the costs associated with the purchase of the condominium and furniture. The checks were made payable to Wayne Pratt, Inc. and were issued on Associate A's business account.

8. The defendant WAYNE E. PRATT and Associate A agreed that the funds involved in the financial transactions related to the condominium purchase would be reflected on the books of the antique business in a way that would disguise the actual nature and use of those funds.

9. On or about June 12, 1997, defendant WAYNE E. PRATT purchased the condominium for \$68,500 and the contents of the condominium for \$5,000.

10. From approximately April 1996 through approximately August 1998, a tenant leased the condominium for a monthly fee of \$1750.00, which was significantly above the then-prevailing rental rate.

11. Associate A provided funds to cover the rental payments from approximately March 1996 through approximately July 1998, a period which extends both before and after defendant WAYNE E. PRATT purchased the condominium.

12. Associate A's company records reflect that for the period alleged in paragraph 11, Associate A's company wired to the renter \$1750.00 on a monthly basis to cover the lease payment.

13. On or about December 30, 1999, defendant WAYNE E. PRATT sold the condominium for approximately \$37,500.

14. Defendant WAYNE E. PRATT reported a net capital gain, understated by a \$24,773 loss related to the condominium sale, on his 1999 federal personal income tax return, Form 1040, which was not accurate because Associate A and defendant WAYNE E. PRATT had previously agreed that defendant would be reimbursed for losses related to the condominium.

15. In approximately February 2000, defendant WAYNE E. PRATT and Associate A made an agreed-upon reconciliation related to the condominium expenditures and, as a result, Associate A owed defendant WAYNE E. PRATT

approximately \$21,952 (“reconciliation payment”).

16. Associate A directed defendant WAYNE E. PRATT and others to destroy documents related to the reconciliation payment but Wayne E. Pratt, Inc. maintained documents related to the reconciliation payment.

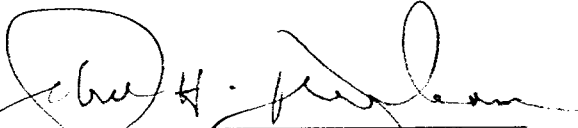
17. Defendant WAYNE E. PRATT and Associate A agreed that the reconciliation payment would flow through the books and records of Wayne E. Pratt, Inc. and be disguised as the purchase of an antique.

THE OFFENSE

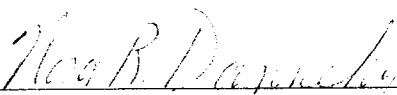
18. That on or about October 11, 2000, in the District of Connecticut, defendant WAYNE E. PRATT did willfully deliver and disclose by mailing and causing to be mailed to an Officer of the Internal Revenue Service, United States Treasury Department, an income tax return, Form 1040, which was known by the defendant to be fraudulent and false as to a material matter, in that he reported a net capital gain, which was understated as a result of a material item to which he was not entitled, namely a loss resulting from the sale of the condominium, because as he then and there well knew and believed, Associate A and defendant WAYNE E. PRATT had agreed that defendant would not suffer any financial loss on the condominium transaction.

All in violation of Title 26, United States Code, Section 7207.


UNITED STATES OF AMERICA



JOHN H. DURHAM
ACTING UNITED STATES ATTORNEY
Fed. Bar No. ct05087



NORA R. DANNEHY
ASSISTANT UNITED STATES ATTORNEY
Fed. Bar No. ct01942
450 Main Street, Room 328
Hartford, CT 06103
(860) 947-1101



ERIC J. GLOVER
ASSISTANT UNITED STATES ATTORNEY
Fed. Bar No. ct23923