



Department of Justice

U.S. Attorney's Office
Southern District of Texas

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Corporation Owner/CEO Pleads Guilty to Federal Income Tax Fraud

HOUSTON - Robert Earl Carter, the owner/CEO of Enterprise Advisory Services Inc. (EASI), has been convicted of making false statements in a federal income tax return, announced U.S. Attorney Kenneth Magidson.

Carter admitted he willfully made a materially false statement in his 2009 personal federal income tax return by under reporting the total income he earned that year. Carter reported a total income of \$276,270, failing to disclose an additional \$309,821 in bonus income he received during that year. The investigation established that he had those bonus monies converted into a check payable directly to another company controlled by a family member. Approximately one month later, \$286,821 was returned directly to Carter via a cashier's check.

EASI also issued Carter another bonus check for \$195,000 on Dec. 22, 2009, which he deposited into his personal savings account. EASI reported this \$195,000 payment as executive variable pay (a financial incentive program recognizing the contribution employees make to EASI's success). EASI did not report the income in Carter's W-2 form or issue a form 1099-MISC because EASI recorded this bonus payment as a reimbursement payment to Carter.

Carter did not, as required, report this \$195,000 personal income on his 2009 individual federal income tax return.

In sum, Carter willfully and intentionally failed to report personal income totaling \$504,821 on his 2009 tax return.

U.S. District Judge Keith P. Ellison, who accepted the plea today, has set sentencing for Dec. 10, 2014. At that time, he faces up to three years in federal prison and a possible \$100,000 maximum fine. He was permitted to remain on bond pending that hearing.

The investigation was conducted by Internal Revenue Service – Criminal Investigation and NASA - Office of Inspector General. Assistant U.S. Attorney Daniel C. Rodriguez is prosecuting.