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10 United States of America

**FILED**

**MAY 23 2019**

CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA  
BY \_\_\_\_\_  
DEPUTY CLERK

11 IN THE UNITED STATES DISTRICT COURT  
12 EASTERN DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA,  
15 Plaintiff,

16 v.

17 SCOTT NORRIS JOHNSON,  
18 Defendant.

CASE NO. **2:19-CR-0088JAM**

26 U.S.C. § 7206(1) – Making and Subscribing a  
False Tax Return (3 Counts)

19  
20 INDICTMENT

21 COUNT ONE: [26 U.S.C. § 7206(1) – Making and Subscribing a False Tax Return]

22 The Grand Jury charges:

23 SCOTT NORRIS JOHNSON,

24 defendant herein, as follows:

25 GENERAL ALLEGATIONS

26 1. At all times material to this indictment, the defendant, SCOTT NORRIS JOHNSON,  
27 resided in Carmichael, California, in the State and Eastern District of California.

28 2. The Internal Revenue Service (“IRS”) was an agency of the United States Department of

1 the Treasury responsible for administering the tax laws of the United States.

2 3. A Form 1040, U.S. Individual Income Tax Return, was the standard federal income tax  
3 form used to report an individual's income to the IRS.

4 4. A Form 1120, U.S. Corporation Income Tax Return, was a standard federal income tax  
5 form used to report a corporation's income to the IRS.

6 5. From no later than on or about January 28, 2008, SCOTT NORRIS JOHNSON owned  
7 and operated Disabled Access Prevents Injury, Inc. ("DAPI"), a corporation registered in the State of  
8 California. DAPI was treated as a C corporation for tax purposes. SCOTT NORRIS JOHNSON was  
9 DAPI's sole shareholder.

10 6. DAPI provided legal services associated with lawsuits that it filed on behalf of SCOTT  
11 NORRIS JOHNSON as the plaintiff.

12 7. Starting no later than in or about February 2013, SCOTT NORRIS JOHNSON retained  
13 Law Firm A to represent him as a plaintiff in lawsuits.

14 8. The lawsuits filed by DAPI and Law Firm A on behalf of SCOTT NORRIS JOHNSON  
15 made claims under the Americans with Disabilities Act of 1990, the California Disabled Persons Act,  
16 and the California Unruh Civil Rights Act.

17 9. SCOTT NORRIS JOHNSON was a plaintiff in thousands of lawsuits filed in the Eastern  
18 District of California and elsewhere.

19 10. Pursuant to the Small Business Job Protection of 1996, payments related to lawsuit  
20 settlements or awards were taxable unless they were paid on account of personal physical injury or  
21 physical sickness.

22 11. SCOTT NORRIS JOHNSON reported income related to his lawsuits as "Other Income"  
23 on Line 21 and as part of his "Total Income" on Line 22 of his personal Forms 1040 as set forth below:  
24

| <b>Tax Year</b> | <b>Other Income</b> | <b>Total Income</b> |
|-----------------|---------------------|---------------------|
| 2012            | \$24,000            | \$36,369            |
| 2013            | \$1,500             | \$1,561             |
| 2014            | \$64,000            | \$97,498            |

12. SCOTT NORRIS JOHNSON reported receiving Social Security benefits totaling \$38,123 in 2012, \$38,771 in 2013 and \$39,359 in 2014 on his personal Forms 1040.

13. SCOTT NORRIS JOHNSON reported Gross Receipts or Sales on DAPI's Forms 1120 for tax years 2012 through 2014 as set forth below:

| Tax Year | Gross Receipts or Sales (Line 1a) |
|----------|-----------------------------------|
| 2012     | \$310,000                         |
| 2013     | \$47,500                          |
| 2014     | \$75,315                          |

14. In truth and in fact, during tax years 2012, 2013 and 2014, SCOTT NORRIS JOHNSON received taxable income from his lawsuits that exceeded the combined amounts that he reported on his Forms 1040 and DAPI's Forms 1120 for each of those years.

15. As a result of understating his income on his tax returns, SCOTT NORRIS JOHNSON paid little to no income tax for tax years 2012, 2013 and 2014. Total income taxes paid by SCOTT NORRIS JOHNSON and DAPI are set forth below:

| Tax Year | Income Tax Paid by JOHNSON | Income Tax Paid by DAPI |
|----------|----------------------------|-------------------------|
| 2012     | \$3,559                    | \$5,427                 |
| 2013     | \$0                        | \$0                     |
| 2014     | \$17,688                   | \$0                     |

FALSE SUBSCRIBING

On or about April 15, 2013, in the Eastern District of California and elsewhere, SCOTT NORRIS JOHNSON did willfully make and subscribe a false 2012 U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service and was verified by a written declaration that it was made under the penalties of perjury, and which he did not believe to be true and correct as to every material matter, in that he knew he received more taxable income than he reported as Other Income on Line 21 and Total Income on Line 22, all in violation of Title 26, United States Code, Section 7206(1).

1 COUNT TWO: [26 U.S.C. § 7206(1) – Making and Subscribing a False Tax Return]

2 The Grand Jury further charges:

3 SCOTT NORRIS JOHNSON,

4 defendant herein, as follows:

5 1. Paragraphs 1 through 15 of Count 1 are reincorporated as if fully set forth herein.

6 2. On or about April 14, 2014, in the Eastern District of California and elsewhere, SCOTT  
7 NORRIS JOHNSON did willfully make and subscribe a false 2013 U.S. Individual Income Tax Return,  
8 Form 1040, which was filed with the Internal Revenue Service and was verified by a written declaration  
9 that it was made under the penalties of perjury, and which he did not believe to be true and correct as to  
10 every material matter, in that he knew he received more taxable income than he reported as Other  
11 Income on Line 21 and Total Income on Line 22, all in violation of Title 26, United States Code, Section  
12 7206(1).

13 COUNT THREE: [26 U.S.C. § 7206(1) – Making and Subscribing a False Tax Return]

14 The Grand Jury further charges:

15 SCOTT NORRIS JOHNSON,

16 defendant herein, as follows:

17 1. Paragraphs 1 through 15 of Count 1 are reincorporated as if fully set forth herein.

18 2. On or about September 15, 2015, in the Eastern District of California and elsewhere,  
19 SCOTT NORRIS JOHNSON did willfully make and subscribe a false 2014 U.S. Individual Income Tax  
20 Return, Form 1040, which was filed with the Internal Revenue Service and was verified by a written  
21 declaration that it was made under the penalties of perjury, and which he did not believe to be true and  
22 correct as to every material matter, in that he knew he received more taxable income than he reported as

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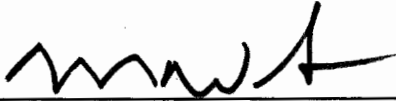
28 //

1 Other Income on Line 21 and Total Income on Line 22, all in violation of Title 26, United States Code,  
2 Section 7206(1).

3 A TRUE BILL.

4 **/s/ Signature on file w/AUSA**

5  
6 FOREPERSON

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8 McGREGOR W. SCOTT  
9 United States Attorney

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No. 2:19-CR-00088 JAM

**UNITED STATES DISTRICT COURT**

*Eastern District of California*

*Criminal Division*

THE UNITED STATES OF AMERICA

vs.

SCOTT NORRIS JOHNSON

*notice to appear  
5/29/2019  
2 pm*

INDICTMENT

**VIOLATION(S):**

26 U.S.C. § 7206(1) – Making and Subscribing a False Tax Return (3 Counts)

*A true bill,*

**/s/ Signature on file w/AUSA**

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*Foreman.*

Filed in open court this 23 day

of may, A.D. 20 19

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*Clerk.*

*notice to appear 5/29/2019 2:00 pm*  
Bail, \$

*Cardrick Delany*



2:19-CR-00888 JAM

**United States v. Scott Norris Johnson**  
**Penalties for Indictment**

**COUNTS 1-3:**      **SCOTT NORRIS JOHNSON**

**VIOLATION:**      26 U.S.C. §§ 7206(1) – Making and Subscribing a False Tax Return

**PENALTIES:**      Maximum of up to three years in prison on each count.  
Fine of up to \$100,000; or both fine and imprisonment  
Up to three year term of supervised release.

**SPECIAL ASSESSMENT:** \$100 (mandatory on each count)