

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA)	Criminal No. 20cr10124
)	
v.)	Violation:
)	
MICHAEL J. WAGNER,)	<u>Count One</u> : Filing a False Tax Return
)	(26 U.S.C. § 7206(1))
Defendant)	

INDICTMENT

At all times relevant to this Indictment:

General Allegations

1. Defendant MICHAEL J. WAGNER (“WAGNER”), a resident of Pelham, New Hampshire, was a Captain with Salem Police Department (“PD”) in Salem, New Hampshire and had been employed at the Salem PD as a police officer since 2000.
2. In or about 2012 and 2013, among other official duties and responsibilities with the Salem PD, WAGNER was a patrol shift supervisor, firearms instructor and the armorer for the Salem PD responsible for acquiring and maintaining the Salem PD’s supply of police firearms, ammunition and related equipment.

WAGNER’s Repetitive Purchase and Sale of Assault Rifles for Profit

3. On various days between on or about December 23, 2012 and January 23, 2013 (following an event on December 14, 2012 that led to an increased demand for assault rifles), WAGNER purchased approximately 36 assault rifles from Sig Sauer Academy in Epping, New Hampshire.

4. WAGNER purchased 28 of the approximately 36 assault rifles at a 25 percent discount that Sig Sauer offered to law enforcement officers. With the law enforcement discount, WAGNER saved more than \$10,000, paying approximately \$40,567.50 for the 28 assault rifles.

5. Beginning on or about January 12, 2013, Sig Sauer stopped giving WAGNER the law enforcement discount. As a result, on or about January 13, 2013, WAGNER directed a subordinate Salem PD officer to purchase an assault rifle for him at Sig Sauer so that WAGNER could take advantage of the 25 percent discount. Thereafter, on various days between January 16, 2013 and January 22, 2013, WAGNER purchased approximately 6 additional assault rifles without the law enforcement discount.

6. Of the approximately 36 assault rifles that he purchased from Sig Sauer in December 2012 and January 2013, WAGNER resold 33 – 31 in January 2013 and the remaining two in February and April 2013. As a result of those sales, WAGNER earned a profit of more than \$33,000.

WAGNER's 2013 Tax Return

7. The Internal Revenue Service (“IRS”) was an agency of the United States Department of Treasury responsible for administering and enforcing the Internal Revenue Code including the ascertainment, computation, assessment and collection of taxes owed to the federal government by its citizens and residents.

8. In order to accurately assess and collect taxes, the IRS must, among other things, determine a taxpayer's actual income, credits and deductions. In general, a taxpayer is required

to file a U.S. Individual Income Tax Return, Form 1040, to report, among other things, the taxpayer's income and tax liability. Among other itemized deductions, individual taxpayers are generally permitted to deduct from their taxable income business or work related expenses that are not reimbursed by their employer.

9. WAGNER and his spouse filed joint federal income tax returns, Forms 1040, with the IRS through an accounting firm (the "Accounting Firm") in New Hampshire. Each year, the Accounting Firm prepared WAGNER's 1040 based on the information that WAGNER and his spouse provided about their income and deductions.

10. For the tax year 2013, WAGNER provided the Accounting Firm with information about his income from the Salem PD, but failed to disclose any information about the more than \$33,000 in profit that he earned from buying and re-selling assault rifles in early 2013.

11. In addition to information regarding his and his spouse's income, WAGNER also provided the Accounting Firm with a list of purportedly unreimbursed business expenses from the Salem PD including more than \$10,000 purportedly spent on police equipment, ammunition, and firearms. In fact, in 2013, WAGNER did not spend more than \$10,000 on police equipment, ammunition and firearms on behalf of the Salem PD.

12. On or about February 22, 2014, WAGNER electronically signed and declared, under penalty of perjury, that the information submitted in his 2013 Form 1040 joint income tax return was true, correct and complete even though it omitted more than approximately \$33,000 in income from WAGNER's purchase and re-sale of assault rifles, and included approximately \$10,000 in deductions for non-existent unreimbursed work related expenses for equipment,

ammunition and firearms. WAGNER's 2013 1040 joint income tax return was electronically filed from New Hampshire and thereafter received and processed by the IRS's Service Center in Andover, Massachusetts on or about March 17, 2014.

COUNT ONE
Filing a False Tax Return
(26 U.S.C. § 7206(1))

The Grand Jury Charges:

13. The Grand Jury re-alleges and incorporates by reference paragraphs 1-12 of this Indictment.

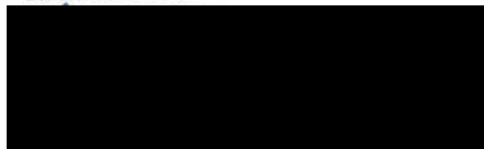
14. On or about February 22, 2014, in the District of Massachusetts and elsewhere, the defendant,

MICHAEL J. WAGNER,

did willfully make and subscribe a joint U.S. Individual Income Tax Return, Form 1040, for the tax year 2013, which was verified by a written declaration that it was made under the penalties of perjury, and which was filed with the IRS in Andover, Massachusetts, and which return the defendant did not believe to be true and correct as to every material matter in that the 2013 Form 1040 falsely and fraudulently claimed total income of \$166,170, and unreimbursed job expenses of \$10,790 for “police equipment/ammo,” whereas, as he then and there knew and believed, the defendant had significantly more income because he omitted the profit he earned from buying and re-selling assault rifles, and substantially less unreimbursed business expenses.

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

A TRUE BILL



FOREPERSON



Neil J. Gallagher, Jr.
Assistant U.S. Attorney
District of Massachusetts

District of Massachusetts: July 1, 2020
Returned into the District Court by the Grand Jurors and filed.

/s/ Noreen A. Russo



DEPUTY CLERK

at 2:56 PM