

ATTACHMENT A

Count One

On or about March 11, 2005, in Ocean County, New Jersey, in the District of New Jersey and elsewhere, defendant Walter V. Childs, in a matter within the jurisdiction of the executive branch of the United States, namely, the United States Department of Labor, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, made and used false writings and documents knowing them to contain materially false, fictitious, and fraudulent statements and entries, and falsified, concealed, and covered up by trick, scheme, and device, certain material facts, for the purpose of obtaining tax-free workers' compensation benefits under the Federal Employees' Compensation Act, as more fully set forth in Attachment B, in violation of Title 18, United States Code, Sections 1001 and 2.

Count Two

On or about October 31, 2006, in Ocean County, New Jersey, in the District of New Jersey and elsewhere, defendant Walter V. Childs, in a matter within the jurisdiction of the executive branch of the United States, namely, the United States Department of Labor, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, made and used false writings and documents knowing them to contain materially false, fictitious, and fraudulent statements and entries, and falsified, concealed, and covered up by trick, scheme, and device, certain material facts, for the purpose of obtaining tax-free workers' compensation benefits under the Federal Employees' Compensation Act, as more fully set forth in Attachment B, in violation of Title 18, United States Code, Sections 1001 and 2.

ATTACHMENT B

I, Bryan A. Hanusey, am a Special Agent with the Defense Criminal Investigative Service. I have knowledge of the facts set forth herein through my personal participation in this investigation and through oral and written reports from other federal agents or other law enforcement officers. Where statements of others are related herein, they are related in substance and part. Since this Criminal Complaint is being submitted for a limited purpose, I have not set forth every fact that I know concerning this investigation. I have only set forth those facts that I believe are sufficient to show probable cause exists to believe that the defendant has committed the offenses set forth in Attachment A. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

Introduction

1. Defendant Walter V. Childs, Sr. (hereinafter "Childs") was a federal civilian employee with the Department of Defense (hereinafter "DoD") assigned to the Lakehurst Naval Base, New Jersey. In or about late 1994, defendant Childs reported that he sustained a back injury in the performance of his duties with the DoD. From in or about late 1995 through the date of this Criminal Complaint, defendant Childs did not report to work with the DoD because of the alleged injury. During this time period, defendant Childs sought and received federal workers' compensation benefits under the Federal Employees' Compensation Act (hereinafter "FECA"), Title 5, United States Code, Section 8101 et seq.

Overview of FECA

2. Under FECA, benefits are available to federal employees who sustain work-related injuries or occupational diseases. These benefits include compensation for lost wages and the payment of medical expenses. The United States Department of Labor, Office of Workers' Compensation Programs (hereinafter "OWCP"), an agency of the executive branch of the United States, administers the FECA program.

3. As a condition of receiving FECA benefits, claimants are required to truthfully complete and submit to OWCP a Form 1032 (hereinafter "Form 1032"). OWCP uses the Form 1032 to determine whether or not the claimant qualifies for continued benefits and to determine whether or not an adjustment for continued benefits is warranted. The Form 1032 requires the

claimant to truthfully report to OWCP whether or not the claimant had worked for any employer, was self-employed, involved in any business enterprise, or earned any income independent of FECA benefits during the prior fifteen months.

4. The Form 1032 further advises the claimant that he or she has an obligation to immediately report to OWCP the cessation of his or her disability, any employment, and any improvement in the claimant's medical condition. Furthermore, the form advises claimants that the fraudulent concealment of material information or the making of false statements could result in criminal penalties.

Count One - Defendant Child's False and Fraudulent Form 1032

5. On or about March 11, 2005, OWCP received a Form 1032 that defendant Childs had signed on or about February 20, 2005. On this Form 1032, defendant Childs indicated that he was neither self-employed nor involved in any business enterprise from in or around November 2003 through the date of the form, i.e., the prior fifteen months. Furthermore, on this form, defendant Childs did not report any income, sales commissions, or rates of pay. Defendant Childs' entries on this form were false, in whole and in part, and concealed materials facts, as described below.

6. Your Affiant's investigation has determined that between November 2003 and February 2005, defendant Childs owned, managed, and earned additional income from an unincorporated landscaping/ handyman business that operated in Monmouth and Ocean Counties, New Jersey, which business, at times, operated under the name "W and W."

7. According to records obtained through a federal Grand Jury subpoena issued to a financial institution with a branch in Ocean County, New Jersey, defendant Childs maintained a personal checking account at this bank (hereinafter "Childs Account") between November 2003 and February 2005. Defendant Childs was the only authorized signatory on this account. These bank records revealed that between November 2003 and February 2005, defendant Childs deposited numerous checks into this account. The vast majority of the checks were made payable to "cash" or to defendant Childs. The memo portion of some of these checks contain notes such as "powerwashing" and "leaves."

8. Federal agents have interviewed an individual who is a resident of Jackson, New Jersey (hereinafter "Customer One"). According to Customer One, he/she hired defendant Childs

to stain and clean a deck. According to Customer One, he/she paid defendant Childs \$850 by check for this service. A review of this check reveals that it was made payable to "Walter Childs" and deposited in the Childs Account on or about August 28, 2004. Customer One also provided federal agents with a business card that Customer One stated he/she had received from defendant Childs. This business card lists "W & W" as a business that provides powerwashing, landscaping, shrub trimming, clean ups, and gutter cleaning services. The business card does not provide a business address but lists a phone number that, according to a phone company, is personally registered to defendant Childs.

9. Defendant Childs neither reported the services he provided to Customer One nor the income he received from rendering such services on the Form 1032 referred to in Paragraph 5 above.

Count Two - Defendant Child's False and Fraudulent Form 1032

10. On or about October 31, 2006, OWCP again received a Form 1032 that defendant Childs had signed on or about October 17, 2006. On this Form 1032, defendant Childs indicated that he was neither self-employed nor involved in any business enterprise from in or around July 2005 through the date of the form, *i.e.*, the prior fifteen months. Furthermore, on this form, defendant Childs did not report any income, sales commissions, or rates of pay. Defendant Childs' entries on this form were false, in whole and in part, and concealed materials facts, as described below.

11. Your Affiant's investigation has determined that between July 2005 and October 2006, defendant Childs continued to own, manage, and earn income from his unincorporated landscaping/handyman business referred to in Paragraph 6 above.

12. According to records obtained from the financial institution referred to in Paragraph 7 above, defendant Childs continued to use the Childs Account to deposit checks from customers of his business. Between July 2005 and October 2006, defendant Childs deposited numerous checks into this account. The vast majority of the checks were made payable to defendant Childs. The memo portion of some of these checks contain notes such as "for scaffolding," "tree stump removal,"; and "landscaping."

13. Federal agents have interviewed an individual who is a resident of Freehold, New Jersey (hereinafter "Customer Two"). According to Customer Two, he/she hired defendant Childs to perform landscaping work at his/her residence. This work included installing a bed liner and laying mulch. This work was performed between on or about September 2006 and October 2006. Customer Two provided federal agents with a copy of a check in the amount of \$9,333, dated October 7, 2006. A review of this check reveals that defendant Childs endorsed this check. Furthermore, according to records from the Childs Account, federal agents were able to determine that approximately \$6,000 from this check was deposited into the Childs Account on or about October 10, 2006. According to Customer Two, he/she provided this check to defendant Childs for the landscaping work referred to in this paragraph. Customer Two also issued defendant Childs another check in the amount of \$3,500, dated September 24, 2006. This check was deposited into the Childs Account, and the memo portion of this check references landscaping work performed at Customer Two's residence.

14. Defendant Childs neither reported the services he provided to this customer nor the income he received from rendering such services on the Form 1032 in Paragraph 10 above.

15. On or about December 17, 2008, a federal agent posing as an interested customer called the phone number listed on the business card referred to in Paragraph 8 above. When federal agent asked for "W and W," the individual stated that the business no longer exists. The individual then asked the caller what he/she "was looking for," or words to that effect. The undercover federal agent stated he/she was looking for tree removal. The individual then stated that "we" still do "some," but that he does not advertise anymore and that he tries to "do it" by word of mouth with friends. At the conclusion of the conversation, the individual identified himself as "Walt."

16. On or about December 29, 2008, defendant Childs left a voice message on the phone number previously provided to defendant Childs by the undercover federal agent on or about December 17, 2008. During the voice message, defendant Childs identified himself as "Walt" from "W and W." On the voice message, defendant Childs requested that the undercover federal agent return his phone call if he/she had still needed tree removal services.

17. If defendant Childs had truthfully reported his business, self-employment, and the income he had received on the Forms 1032 referred to in Paragraphs 5 and 10 above, then OWCP would have done the following: (1) offset his FECA benefits based on the reported income from his business and/or self-employment; and (2) requested that defendant Childs be reevaluated by a medical doctor to determine his further entitlement to FECA benefits and to determine whether or not he was medically fit to return to work with the DoD.

18. According to records obtained from OWCP, defendant Childs continues to receive tax-free FECA benefits from OWCP and has received in excess of \$353,000 in tax free benefits from in or about late 1995 through the date of this Criminal Complaint.