

NEWS

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PAUL J. FISHMAN, U.S. Attorney

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THOMAS R. CALCAGNI
Assistant U.S. Attorney

FOR IMMEDIATE RELEASE
April 7, 2010

**Former DYFS Employee Pleads Guilty to Filing Fraudulent
Tax Returns in the Names of DYFS Clients
for \$800,000 in Illicit Profit**

(More)

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TRENTON, N.J. – A former employee of the State of New Jersey, Department of Children and Families, Division of Youth and Family Services (“DYFS”) pleaded guilty today to charges that he filed fraudulent tax returns and cashed forged tax refund checks in the names of individuals served by DYFS and other state agencies, U.S. Attorney Paul J. Fishman announced.

Ugochukwu H. Madubuike, 30, of Orange, New Jersey, entered his guilty plea before United States District Judge Joel A. Pisano in Trenton federal court.

According to the Information to which Madubuike pleaded guilty, other documents filed in this case, and statements made in court:

Ugochukwu H. Madubuike, 30, of Orange, New Jersey, and his associate, Onyinye M. Nwokeji, 27, of Irvington, New Jersey, were arrested in November 2008 by federal agents following a tip from a Bank of America employee regarding the suspicious deposit of a United States Treasury tax refund check, issued in the name of someone other than Madubuike, into Madubuike’s bank account. Federal law enforcement soon discovered numerous fraudulently-endorsed tax refund checks being deposited into the bank accounts of both Madubuike and Nwokeji.

Investigation revealed that Madubuike, while working for DYFS as a Family Services Specialist from June 2004 to November 2007, had access to the personal information of those individuals served by DYFS and certain other state agencies. Madubuike admitted using that information, without authorization either from the agencies or the individuals, to prepare and submit to the Internal Revenue Service fraudulent tax returns – resulting in over 200 U.S. Treasury tax refund checks totaling over \$800,000 being issued and mailed to various addresses that he controlled. Madubuike then forged the signatures of the payees on those checks in order to deposit them into his and Nwokeji’s bank accounts.

Madubuike pleaded guilty to charges of mail fraud, conspiracy to pass forged United States Treasury checks, and making false claims to the U.S. Treasury Department. Following the plea hearing, U.S. District Judge Joel A. Pisano scheduled sentencing for July 14, 2010. Nwokeji, who pleaded guilty in February, is scheduled to be sentenced on May 15, 2010.

If convicted, Madubuike faces a maximum potential penalty on the mail fraud count of 20 years in prison, and a maximum fine of \$250,000, or twice the gross gain or loss from the offense. If convicted on the conspiracy to pass forged checks and false claims counts, he faces a maximum potential penalty of five years in prison and a fine of \$250,000 on each count, or twice the gross gain or loss from the offense. The defendant will be sentenced under the U.S. Sentencing Guidelines, which are advisory, and Judge Pisano will have discretion in imposing a sentence within or outside of those guidelines.

U.S. Attorney Fishman credited Special Agents of the Treasury Inspector General for Tax Administration, Washington Field Division, under the direction of Special Agent in Charge, Martin J. Kenney; Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord; Special Agents of the United States Secret Service, under the direction of Special Agent in Charge Cynthia Wofford; and Postal Inspectors of the United States Postal Inspection Service, under the direction of Postal Inspector in Charge

David Collins, for their investigation of this case.

The case was prosecuted by Assistant U.S. Attorney Thomas R. Calcagni of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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Defense Attorney: Samuel R. Deluca, Esq., Jersey City