

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 11-
 :
 v. :
 :
 JEFFREY LEWIS : 26 U.S.C. § 7206(1)

I N F O R M A T I O N

COUNT ONE - FILING A FALSE TAX RETURN

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant JEFFREY LEWIS ("defendant" or "LEWIS") was a Toms River, New Jersey resident.

b. LEWIS was the principal shareholder of All American Funding Services Inc. ("AAFSI"), a mortgage brokerage company that specialized in processing high risk or sub-prime loans, with an office located in Brick, New Jersey.

c. S.C. was a business associate of LEWIS, and one of three shareholders of All American Abstract Inc. ("AAAI"), a real estate title company with an office located in Hillsdale, New Jersey.

d. J.S. was another shareholder of AAAI.

e. R.M., a friend of LEWIS's, was the third shareholder of AAAI. However, pursuant to an agreement between R.M. and LEWIS, R.M. was a shareholder of AAAI in name only;

LEWIS was the de facto third shareholder of AAAI. LEWIS funded R.M.'s shareholder investment in AAAI, and R.M. paid approximately 90% of his AAAI shareholder draws to LEWIS.

2. From in or about 2004 through at least in or about 2005, LEWIS received income from AAFSI in the form of checks made payable to LEWIS and expensed by AAFSI.

3. From in or about 2004 through at least in or about 2005, R.M. regularly received shareholder draws from AAAI. After receiving these checks, R.M. negotiated the checks, withdrew approximately 10% from each check, and then wrote a check to LEWIS for approximately 90% of the AAAI shareholder draw.

The AAFSI Scheme

4. In or about 2003, LEWIS obtained a New Jersey mortgage broker's license and opened AAFSI.

5. During 2003, LEWIS agreed with S.C. that LEWIS would purchase all title work through AAAI. For each loan referred to AAFSI by S.C., LEWIS paid S.C. half of the net fee received, after deducting expenses.

6. In 2004, AAFSI earned net profits of approximately \$43,360, and LEWIS reported this as income on his Form 1040 for the tax year 2004.

7. In 2004, LEWIS caused AAFSI to write 40 checks payable to LEWIS in the amount of approximately \$262,031. These funds were used for personal expenses and salary for LEWIS, but

AAFSI did not issue LEWIS a 1099 for these funds. LEWIS did not claim these monies on his 2004 tax return, and by failing to do so, under-reported his income for tax year 2004.

8. In 2005, AAFSI earned net profits of approximately \$78,967 and LEWIS reported this as income on his Form 1040 for the tax year 2005.

9. In 2005, LEWIS caused AAFSI to write 46 checks payable to LEWIS in the amount of approximately \$293,896. These funds were used for personal expenses and salary for LEWIS, but AAFSI did not issue LEWIS a 1099 for these funds. LEWIS did not claim these monies on his 2005 tax return, and by failing to do so, under-reported his income for tax year 2005.

The AAAI Scheme

10. In or about April 2003, S.C. invested \$30,000 to help fund the start-up costs for AAAI with two other shareholders, J.S. and R.M. At or about this same time, LEWIS, through R.M., also invested \$30,000 to help fund the start-up costs for AAAI. However, LEWIS wanted his ownership interest in AAAI to be disguised, and therefore, R.M. was installed as a shareholder of AAAI. J.S. maintained a Title Producers' license essential to AAAI's business and did not contribute any capital to AAAI.

11. During 2003, 2004, and 2005, S.C. worked at

AAAI in various capacities. S.C.'s duties at AAAI included, among other things, soliciting mortgages, telemarketing, networking, title review, and attending mortgage closings. J.S. was primarily responsible for preparing closing documents, reviewing title binders and final policies, and securing title procurement. Neither R.M. nor LEWIS had any duties at AAAI.

12. S.C. was also responsible at AAAI for determining the amount and approving the payment of shareholder distributions to himself, J.S. and R.M. Once he had approved such payments, S.C. directed AAAI's bookkeeper and office manager, D.S., to issue checks to S.C., J.S., and R.M.

13. Upon receipt of shareholder distributions from AAAI, R.M. negotiated and deposited the checks into his personal checking account. Pursuant to his agreement with LEWIS, R.M. deducted approximately 10% from the total of each AAAI shareholder distribution, and then wrote personal checks to LEWIS for the remainder of the distribution.

14. In 2004, R.M. received from AAAI 39 shareholder distribution checks in the amount of approximately \$122,342, which he deposited into his personal checking account. R.M. thereafter wrote 35 checks to LEWIS from this account totaling approximately \$109,822. LEWIS did not report any of this income on his Form 1040 for tax year 2004, and in doing so, under-reported his income for tax year 2004.

15. In 2005, R.M. received from AAAI 44 shareholder distribution checks in the amount of approximately \$110,127, which he deposited into his personal checking account. R.M. thereafter wrote 36 checks to LEWIS or S.P. from this account totaling approximately \$100,764. S.P. was listed as a dependent on LEWIS's Form 1040 for tax year 2005, and she and LEWIS were married in 2006. LEWIS did not report any of this income on his Form 1040 for tax year 2005, and in doing so, under-reported his income for tax year 2005.

False Form 1040 Filings - 2004

16. As part of the AAFSI and AAAI schemes, defendant LEWIS caused to be filed with the IRS a 2004 U.S. Individual Income Tax Return, Form 1040 (the "2004 Tax Return") which failed to report income from AAFSI and AAAI.

17. On or about April 15, 2005, defendant LEWIS signed, filed, and caused to be filed with the IRS the 2004 Tax Return, which stated that defendant LEWIS's adjustable gross income for calendar year 2004 totaled approximately \$37,360, and his taxable income was \$0.

18. The 2004 Tax Return was signed by defendant LEWIS and contained a written declaration that it was signed under penalties of perjury.

19. The 2004 Tax Return was not true and correct as to

every material matter, in that the return failed to report income that defendant LEWIS received from AAFSI and AAI during the calendar year 2004, upon which a substantial additional tax was due and owing.

20. On or about April 15, 2005, in Toms River, in Ocean County, in the District of New Jersey, and elsewhere, defendant

JEFFREY LEWIS

did knowingly and willfully make and subscribe a 2004 U.S. Individual Income Tax Return, Form 1040, as described in paragraph 17 of this Information, which he did not believe to be true and correct as to every material matter, as described in paragraph 19 of this Information.

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

COUNT TWO - FILING A FALSE TAX RETURN

1. The allegations set forth in paragraphs 1 through 15 of this Information are realleged and incorporated herein.

False Form 1040 Filings - 2005

2. As part of the AAFSI and AAAI schemes, defendant LEWIS caused to be filed with the IRS a 2005 U.S. Individual Income Tax Return, Form 1040 (the "2005 Tax Return") which failed to report income from AAFSI and AAAI.

3. On or about April 15, 2006, defendant LEWIS signed, filed, and caused to be filed with the IRS the 2005 Tax Return, which stated that defendant LEWIS's adjustable gross income for calendar year 2005 totaled approximately \$73,694, and his taxable income was \$0.

4. The 2005 Tax Return was signed by defendant LEWIS and contained a written declaration that it was signed under penalties of perjury.

5. The 2005 Tax Return was not true and correct as to every material matter, in that the return failed to report income that defendant LEWIS received from AAAI and AAFSI during the calendar year 2005, upon which a substantial additional tax was due and owing.

6. On or about April 15, 2006, in Toms River, in Ocean County, in the District of New Jersey, and elsewhere, defendant

JEFFREY LEWIS

did knowingly and willfully make and subscribe a 2005 U.S. Individual Income Tax Return, Form 1040, as described in paragraph 3 of this Information, which he did not believe to be true and correct as to every material matter, as described in paragraph 5 of this Information.

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



PAUL J. FISHMAN
United States Attorney