

USAO2008R01413/AM-SBK

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Crim. No. 10-148 (SRC)
: :
v. : :
: 26 U.S.C. § 7206(2)
CARLO ST. JEAN : 18 U.S.C. § 1344
: 18 U.S.C. § 1014

S U P E R S E D I N G I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting at Newark, charges:

Counts 1 through 10

26 U.S.C. § 7206(2)

Aiding and Assisting in the Filing of False Tax Returns

1. At all times relevant to this Superseding Indictment:

(a) Defendant CARLO ST. JEAN was the sole owner and
operator of Grand Travel Inc. Discount Timeshare ("GTI").

(b) GTI, which operated out of defendant CARLO ST.
JEAN's Newark, New Jersey residence, provided income tax
preparation services to its clients.

2. At various times relevant to this Superseding
Indictment, defendant CARLO ST. JEAN:

(a) met with taxpayers at GTI's office to prepare
their U.S. income tax returns;

(b) prepared false and fraudulent U.S. tax returns for
taxpayers by fabricating and inflating Schedule A itemized
deductions, such as those for medical expenses, gifts to charity,

and job and other miscellaneous expenses, in order to obtain refunds for those taxpayers in amounts greater than those to which they were entitled;

(c) presented those false and fraudulent tax returns to the Internal Revenue Service; and

(d) received a fee for the preparation of tax returns for his clients.

3. On or before the dates listed below, in Essex County, in the District of New Jersey, and elsewhere, defendant

CARLO ST. JEAN

did willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service of federal income tax returns, Forms 1040, for the individuals and tax years identified below, which were false and fraudulent as to material matters, including those described below, knowing that the returns were false and fraudulent.

COUNT	NAME OF TAX-PAYER	TAX YEAR	ON OR BEFORE	MEDICAL EXPENSES CLAIMED	GIFTS TO CHARITY CLAIMED	MISC. EXPENSES CLAIMED
1	FD	2004	4/15/05	\$6,500	\$750	\$3,830
2	FD	2005	4/17/06	\$6,890	\$750	\$6,260
3	SS	2004	4/15/05	\$7,250	\$710	\$16,277
4	SS	2005	4/17/06	\$6,550	\$750	\$16,355
5	SS	2006	4/16/07	\$5,800	\$750	\$10,912
6	MM	2004	4/15/05	\$10,509	\$750	\$8,180

COUNT	NAME OF TAX-PAYER	TAX YEAR	ON OR BEFORE	MEDICAL EXPENSES CLAIMED	GIFTS TO CHARITY CLAIMED	MISC. EXPENSES CLAIMED
7	MM	2005	4/17/06	\$6,880	\$750	\$12,647
8	MM	2006	4/16/07	\$6,980	\$750	\$12,609
9	AE	2006	4/16/07	\$5,800	\$750	\$5,894
10	NM	2006	4/16/07	\$6,800	\$750	\$11,539
11	PC	2004	2/20/05	\$9,970	\$745	\$10,705
12	PC	2005	2/14/06	\$7,870	\$750	\$0
13	JS	2006	N/A	\$5,800	\$750	\$3,960

All in violation of Title 26, United States Code, Section 7206(2).

Count 14
18 U.S.C. § 1344
Bank Fraud

1. Paragraph 1 of Counts 1 through 13 of this Superseding Indictment is realleged as if set forth herein.

2. At all times relevant to this Count, National City Bank ("NCB"), based in Ohio, was a financial institution within the meaning of Title 18, United States Code, Section 20, the accounts of which were insured by the Federal Deposit Insurance Corporation.

3. In or about September 2006, defendant CARLO ST JEAN applied to NCB for a residential mortgage loan, secured by the equity in his Newark, New Jersey residence, in the approximate amount of \$263,900 ("the Mortgage Loan").

4. During the process of applying for the Mortgage Loan, defendant CARLO ST. JEAN provided to NCB as proof of his income documents that purported to be his 2004 and 2005 United States Individual Income Tax Returns, Forms 1040 ("the Proof of Income Returns").

5. The Proof of Income Returns differed materially from the 2004 and 2005 United States Individual Income Tax Returns that defendant CARLO ST. JEAN filed with the Internal Revenue Service. As set forth in the table below, the Proof of Income Returns claimed either more business income or fewer business expenses than defendant CARLO ST. JEAN had claimed to the IRS for

the same tax years:

RECIPIENT	TAX YEAR	BUSINESS GROSS INCOME	BUSINESS EXPENSES	BUSINESS INCOME OR LOSS CLAIMED
NCB	2004	\$ 96,737.00	\$ 35,187.00	\$ 61,550.00
IRS	2004	\$ 21,137.00	\$ 27,260.00	\$ (6,123.00)
NCB	2005	\$ 120,096.00	\$ 43,405.00	\$ 76,601.00
IRS	2005	\$ 127,000.00	\$ 161,036.00	\$ (34,036.00)

6. On or about September 25, 2006, relying on defendant CARLO ST. JEAN's submission of the Proof of Income Returns, among other documents, NCB funded the Mortgage Loan in the approximate amount of \$263,900 by repaying an existing mortgage loan secured by defendant CARLO ST. JEAN's residence and forwarding approximately \$55,000 to defendant CARLO ST. JEAN.

7. Defendant CARLO ST. JEAN thereafter defaulted on the Mortgage Loan by failing to make payments on the Mortgage Loan as they came due.

8. In or about September 2006, in Essex County, in the District of New Jersey and elsewhere, defendant

CARLO ST. JEAN

did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud a financial institution, and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, namely, National City Bank, by means of false or fraudulent pretenses, representations, and promises, namely, the submission of materially false Proof of Income Returns.

All in violation of Title 18, United States Code, Section 1344.

Count 15

18 U.S.C. § 1014

False Statement in a Loan Application

1. Paragraph 1 of Counts 1 through 13 and paragraphs 1 through 7 of Count 14 of this Superseding Indictment are realleged as if set forth herein.

2. In or about September 2006, defendant

CARLO ST. JEAN

did knowingly make false statements and reports for the purpose of influencing the actions of National City Bank upon his application for the Mortgage Loan described in paragraph 3 of Count 14 of this Superseding Indictment.

A TRUE BILL



PAUL J. FISHMAN
United States Attorney

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UNITED STATES OF AMERICA

v.

CARLO ST. JEAN

SUPERSEDING INDICTMENT

26 U.S.C. § 7206(2)

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A True Bill,

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