

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

	:	CRIMINAL NO. 2:11-cr-00075	
UNITED STATES OF AMERICA	:	DATE FILED: <u>January 24, 2012</u>	
v.	:	VIOLATIONS:	
JONATHAN BROWNLEE,	:	18 U.S.C. § 286 (conspiracy - 1 count)	10
CHRISTOPHER BROWNLEE,	:	18 U.S.C. § 287 (false claims to IRS -	
ANTHONY FOSTER, and	:	26 counts)	
PAUL RAWLS	:	42 U.S.C. § 408(a)(7) (misuse of	
	:	social security numbers - 6 counts)	
	:	18 U.S.C. § 2 (aiding and abetting)	

SUPERSEDING INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times relevant to this superseding indictment:

1. Defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS resided in Philadelphia, Pennsylvania.

THE FEDERAL HOMEBUYERS REFUNDABLE TAX CREDIT

2. The Housing and Economic Recovery Act of 2008 (the "HERA") established a refundable tax credit for first-time homebuyers called the First-time Homebuyer Credit (the "Credit"). As a refundable credit, unlike a tax deduction, a qualifying first-time homebuyer could obtain a tax refund to assist the buyer in purchasing a house even if the buyer had not paid any federal income taxes in the year that the purchase was made.

3. For first-time homebuyers in the United States who purchased homes after April 8, 2008, the First-time Homebuyer Credit could be claimed by using Form 5405, which was required to be filed with the homebuyer/taxpayer's federal income tax return.

4. For homes purchased in 2008, the Credit was ten percent of the purchase price of the home, with a maximum available credit of \$7,500 for either a single taxpayer or a married couple filing a joint return, or \$3,750 for married persons filing separate returns.

5. The First-time Homebuyer Credit was not available for taxpayers who had purchased homes prior to April 8, 2008, or who had previously owned a home or homes within the prior three years.

6. The Worker, Homeownership and Business Assistance Act of 2009 (the "WBAA-2009") extended the deadline for taxpayers who had a binding contract to purchase a home before May 1, 2010. The closing deadline was extended to September 30, 2010, by the Worker, Homeownership and Business Assistance Act of 2010 (the "WBAA-2010"), which was enacted on July 2, 2010.

7. The Internal Revenue Service ("IRS") was a constituent agency of the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States, including portions of the HERA, the WBAA-2009, and the WBAA-2010, in addition to collecting taxes owed to the Treasury of the United States.

8. Defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS agreed to participate in, and did participate in, a fraudulent scheme to obtain tax refunds from the IRS by filing false, fraudulent, or fictitious federal income tax returns that claimed refunds based on false First-time Homebuyer Credits.

STATUTORY ALLEGATIONS

9. From in or about 2009 and continuing to in or about 2010, in the Eastern District of Pennsylvania and elsewhere, defendants

**JONATHAN BROWNLEE,
CHRISTOPHER BROWNLEE,
ANTHONY FOSTER, and
PAUL RAWLS**

knowingly, intentionally, and voluntarily conspired and agreed together, with others known and unknown to the grand jury, to defraud the United States by obtaining or aiding one another to obtain the payment or allowance of false, fictitious, and fraudulent claims.

MANNER AND MEANS

It was part of the conspiracy that:

10. Defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS solicited personal identifying information such as names, addresses, and social security numbers from taxpayers, sometimes under false pretenses.

11. Defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS opened and caused others to open bank accounts in the Philadelphia area so that fraudulent tax fraudulent refunds could be deposited into these bank accounts.

12. After obtaining the personal identifying information from taxpayers, defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS prepared and caused to be prepared, and filed and caused to be filed with the IRS, false federal income tax returns claiming tax refunds for false First-time Homebuyer

Credits, to which the taxpayers were not entitled. The taxpayers in whose names false tax returns were filed were not entitled to the tax refunds because they had neither purchased homes, nor signed contracts to purchase homes, with the period established by Congress.

13. Most of the tax returns prepared or caused to be prepared by defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS claimed false businesses on Schedule C forms. In addition, most of the returns claimed similarly false First-time Homebuyer Credits.

14. Defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS prepared and caused to be prepared the false tax returns in such a way that the tax returns requested that the fraudulent tax refunds be electronically deposited into the bank accounts that the defendants had recently opened or, on occasion, to other bank accounts that they controlled or to which they had access.

15. Some of the false tax returns also used addresses that defendants JONATHAN BROWNLEE, CHRISTOPHER BROWNLEE, ANTHONY FOSTER, and PAUL RAWLS owned or to which they had access. Consequently, when some of the bank accounts which the defendants used were frozen by the banks, the defendants obtained paper refund checks that the IRS mailed to the addresses on the tax returns.

16. The defendants took steps to cash these refund checks from the IRS or to deposit them into bank accounts that they controlled. For example, defendants JONATHAN BROWNLEE, ANTHONY FOSTER, and other conspirators caused taxpayers in whose names they received fraudulent refund checks to cash these refund checks. In addition, defendants JONATHAN BROWNLEE and ANTHONY FOSTER caused taxpayers in whose names they

received fraudulent refund checks to open a bank account with defendant JONATHAN BROWNLEE and to deposit the refund checks into the bank account.

17. The defendants kept most of the fraudulent tax refunds that they obtained as part of this scheme. They sometimes paid a portion of these refunds to the taxpayers in whose names they filed or caused to be filed the false, fictitious, and fraudulent tax returns.

18. The defendants made misrepresentations to advance and conceal their scheme, including misrepresentations to taxpayers regarding how they would use their personal identifying information, misrepresentations to bank employees and representatives regarding the bank accounts that they were using to further their scheme, and misrepresentations to the IRS regarding their fraudulent conduct.

In violation of Title 18, United States Code, Section 286.

COUNTS TWO THROUGH SEVENTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. On or about the dates listed in the chart below, in the Eastern District of Pennsylvania and elsewhere, defendant

JONATHAN BROWNLEE

knowingly made and presented, and caused to be made and presented, to the IRS, an agency of the Department of the Treasury, claims against the United States for payment, which he knew to be false, fictitious, or fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be federal income tax returns, for the individuals whose initials are set forth below, wherein claims for income tax refunds for the amounts listed below were made, with knowledge that such claims were false, fictitious, and fraudulent. These claims involved false and fraudulent Forms 5405, First-time Homebuyer Credit.

COUNT	TAXPAYER	FILING DATE	TAX YEAR	AMOUNT CLAIMED
2	DC	4/9/09	2008	\$7500
3	PC	4/2/09	2008	\$7500
4	SH1	3/26/09	2008	\$7521
5	LH	4/3/09	2008	\$7500
6	CH	3/25/09	2008	\$7500
7	SH2	3/6/09	2008	\$7533
8	SE	2/17/09	2008	\$7533
9	LF	4/9/09	2008	\$7500

10	DG	4/4/09	2008	\$7500
11	EB	4/6/09	2008	\$7521
12	ET	5/14/09	2008	\$7521
13	KC	4/9/09	2008	\$7500
14	SC	4/9/09	2008	\$7500
15	AW	4/11/09	2008	\$7500
16	DR	4/13/09	2008	\$7521
17	JR	4/13/09	2008	\$7500

All in violation of Title 18, United States Code, Sections 287 and 2.

COUNTS EIGHTEEN THROUGH TWENTY

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. On or about the dates listed in the chart below, in the Eastern District of Pennsylvania and elsewhere, defendant

CHRISTOPHER BROWNLEE

knowingly made and presented, and caused to be made and presented, to the IRS, an agency of the Department of the Treasury, claims against the United States for payment, which he knew to be false, fictitious, or fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be federal income tax returns, for the individuals whose initials are set forth below, wherein claims for income tax refunds for the amounts listed below were made, with knowledge that such claims were false, fictitious, and fraudulent. These claims involved false and fraudulent Forms 5405, First-time Homebuyer Credit.

COUNT	TAXPAYER	FILING DATE	TAX YEAR	AMOUNT CLAIMED
18	CB	5/14/09	2008	\$7521
19	ET	5/14/09	2008	\$7521
20	HD	5/15/09	2008	\$7521

All in violation of Title 18, United States Code, Sections 287 and 2.

COUNTS TWENTY-ONE THROUGH TWENTY-FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. On or about the dates listed in the chart below, in the Eastern District of Pennsylvania and elsewhere, defendant

ANTHONY FOSTER

knowingly made and presented, and caused to be made and presented, to the IRS, an agency of the Department of the Treasury, claims against the United States for payment, which he knew to be false, fictitious, or fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be federal income tax returns, for the individuals whose initials are set forth below, wherein claims for income tax refunds for the amounts listed below were made, with knowledge that such claims were false, fictitious, and fraudulent. These claims involved false and fraudulent Forms 5405, First-time Homebuyer Credit.

COUNT	TAXPAYER	FILING DATE	TAX YEAR	AMOUNT CLAIMED
21	AF	2/4/09	2008	\$11,924
22	DC	4/9/09	2008	\$7500
23	PC	4/2/09	2008	\$7500
24	JC	4/8/09	2008	\$7500

All in violation of Title 18, United States Code, Sections 287 and 2.

COUNTS TWENTY-FIVE THROUGH TWENTY-SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. On or about the dates listed in the chart below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL RAWLS

knowingly made and presented, and caused to be made and presented, to the IRS, an agency of the Department of the Treasury, claims against the United States for payment, which he knew to be false, fictitious, or fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be federal income tax returns, for the individuals whose initials are set forth below, wherein claims for income tax refunds for the amounts listed below were made, with knowledge that such claims were false, fictitious, and fraudulent. These claims involved false and fraudulent Forms 5405, First-time Homebuyer Credit.

COUNT	TAXPAYER	FILING DATE	TAX YEAR	AMOUNT CLAIMED
25	PR	3/4/09	2008	\$7533
26	AW	4/11/09	2008	\$7500
27	JR	4/13/09	2008	\$7500

All in violation of Title 18, United States Code, Sections 287 and 2.

COUNT TWENTY-EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. In or about March 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

JONATHAN BROWNLEE,

for the purpose of obtaining something of value and for other purposes, knowingly, willfully and with the intent to deceive made a materially false statement to the Internal Revenue Service for the purpose of obtaining a tax refund, that is, using the name and social security number of S.H. on the submission of a tax return when in fact S.H. had not given the defendant permission to use her name or social security number for the purpose of filing a false, fraudulent or fictitious federal income tax return.

In violation of Title 42, United States Code, Section 408(a)(7).

COUNT TWENTY-NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. In or about April 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

JONATHAN BROWNLEE,

for the purpose of obtaining something of value and for other purposes, knowingly, willfully and with the intent to deceive made a materially false statement to the Internal Revenue Service for the purpose of obtaining a tax refund, that is, using the name and social security number of K.C. on the submission of a tax return when in fact K.C. had not given the defendant permission to use her name or social security number for the purpose of filing a false, fraudulent or fictitious federal income tax return.

In violation of Title 42, United States Code, Section 408(a)(7).

COUNT THIRTY

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. In or about April 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

JONATHAN BROWNLEE,

for the purpose of obtaining something of value and for other purposes, knowingly, willfully and with the intent to deceive made a materially false statement to the Internal Revenue Service for the purpose of obtaining a tax refund, that is, using the name and social security number of S.C. on the submission of a tax return when in fact S.C. had not given the defendant permission to use her name or social security number for the purpose of filing a false, fraudulent or fictitious federal income tax return.

In violation of Title 42, United States Code, Section 408(a)(7).

COUNT THIRTY-ONE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. In or about April 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL RAWLS,

for the purpose of obtaining something of value and for other purposes, knowingly, willfully and with the intent to deceive made a materially false statement to the Internal Revenue Service for the purpose of obtaining a tax refund, that is, using the name and social security number of J.R. on the submission of a tax return when in fact J.R. had not given the defendant permission to use her name or social security number for the purpose of filing a false, fraudulent or fictitious federal income tax return.

In violation of Title 42, United States Code, Section 408(a)(7).

COUNT THIRTY-TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. In or about April 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL RAWLS,

for the purpose of obtaining something of value and for other purposes, knowingly, willfully and with the intent to deceive made a materially false statement to the Internal Revenue Service for the purpose of obtaining a tax refund, that is, using the name and social security number of J.S. on the submission of a tax return when in fact J.S. had not given the defendant permission to use her name and social security number for the purpose of filing a false, fraudulent or fictitious federal income tax return.

In violation of Title 42, United States Code, Section 408(a)(7).

COUNT THIRTY-THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 8 and 10 through 18 of Count One are incorporated here.
2. In or about April 2009, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL RAWLS,

for the purpose of obtaining something of value and for other purposes, knowingly, willfully and with the intent to deceive made a materially false statement to the Internal Revenue Service for the purpose of obtaining a tax refund, that is, using the name and social security number of C.W. on the submission of a tax return when in fact C.W. had not given the defendant permission to use her name and social security number for the purpose of filing a false, fraudulent or fictitious federal income tax return.

In violation of Title 42, United States Code, Section 408(a)(7).

A TRUE BILL


ZANE DAVID MEMEGER
UNITED STATES ATTORNEY

GRAND JURY FOREPERSON