

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA

v.

JEFFREY KELLEEM,

Defendant

) Criminal No. 19cr10277
)
) Violations:
)
) Counts One - Four: Wire Fraud
) (18 U.S.C. § 1343)
)
) Count Five: Filing False Tax Return
) (26 U.S.C. § 7206(a))
)
) Forfeiture Allegation:
) (18 U.S.C. § 981(a)(1)(C) and
) 28 U.S.C. § 2461)

INFORMATION

At all times relevant to this Information:

General Allegations

1. KELLEEM was a resident of Massachusetts and a Certified Public Accountant.
2. Company-A was a privately-held Massachusetts fabric company based in Byfield, Massachusetts.
3. Jeffery Kellem Concierge Accounting ("JK Concierge") was a sole proprietorship owned and controlled by KELLEEM that offered accounting and consulting services.
4. Crab Kings LP ("Crab Kings") was a Louisiana partnership partially owned by KELLEEM and two other individuals – Individual A and Individual B.
5. Client-1 was a resident of Massachusetts and an elderly family member of Company-A's owner.

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6. Client-2 was a resident of Massachusetts and an elderly family member of Company-A's owner. Client-2 passed away in July 2017 at the age of 104.

7. Client-1 and Client-2 maintained several bank accounts at Century Bank in Massachusetts.

8. KELLEEM opened and maintained several bank accounts at Century Bank in Massachusetts including a personal account ending in -0511, a business account in the name of JK Concierge ending in -0110, and a business account in the name of Crab Kings ending in -5691.

9. Individual A maintained a personal bank account ending in -0197 at Capital One Bank in Louisiana.

10. From at least 1998 through in or around February 2018, KELLEEM worked as an accountant and consultant at Company-A. KELLEEM also managed the personal financial affairs of Client-1 and Client-2. In that capacity, KELLEEM had access to and was an authorized signer on Client-1 and Client-2's personal bank accounts at Century Bank. KELLEEM was also listed as the point of contact on Client-1 and Client-2's Century Bank accounts.

11. KELLEEM's authorized responsibilities included paying monthly expenses related to Client-1's residence at a community living establishment, and paying other related bills. KELLEEM had similar responsibilities for Client-2, prior to Client-2's death in July 2017. KELLEEM had no authority to invest or make investment decisions regarding Client-1 or Client-2's money or assets.

12. KELLEEM was paid for his services to Client-1 and Client-2 on a monthly basis by wire transfer from an account controlled by a family member of Client-1 and Client-2. In total, in 2017, KELLEEM received \$75,000 for the accounting services he provided to Client-1 and Client-2.

Scheme to Defraud

13. Beginning in or about December 2016 and continuing through in or about February 2018, KELLEM used his position as an accountant for Client-1 and Client-2 to convert without authorization more than \$1.6 million from Client-1 and Client-2's accounts at Century Bank for his own personal use. This amount was in addition to the monthly payments that he received separately for his accounting services. KELLEM accomplished this by transferring funds from Client-1 and Client-2's accounts at Century Bank to accounts that KELLEM controlled, including his personal account ending in -0511, the JK Concierge account ending in -0110, and the Crab Kings account ending in -5691.

Client-1

14. From in or about December 2016 through in or about February 2018, KELLEM transferred funds, on more than 80 occasions, totaling approximately \$1,407,500 from Client-1's Century Bank accounts to accounts KELLEM controlled. For example, during that time period, KELLEM made over \$1.3 million in unauthorized transfers from Client-1's Century Bank accounts to KELLEM's personal account ending in -0511, and over \$90,000 in unauthorized transfers from Client-1's Century Bank accounts to the JK Concierge account ending in -0110.

15. KELLEM then spent Client-1's money for his personal benefit, including by making rent payments, cash withdrawals, and wire transfers to his Crab Kings business and his business partner – Individual-A. For instance, during this time period, KELLEM transferred more than \$160,000 of Client-1's money to Individual A's Capital One account ending in -0197, and over \$650,000 of Client-1's money to the Crab Kings account ending in -5691. After transferring

Client-1's funds to the Crab King account ending in -5691, KELLEM often also made further transfers to Individual A's Capital One account ending in -0197 in Louisiana.

Estate of Client-2

16. On or about December 26, 2017, more than five months after Client-2's death, KELLEM opened a Century Bank account ending in -5632 in the name of Client-2 in order to deposit a refund check received from Client-2's assisted living residence. The refund check was issued in the amount of \$198,810.00.

17. From in or about December 2017 through on or about February 2018, KELLEM transferred, on four occasions, a total of approximately \$190,000 from Client-2's -5632 account to accounts KELLEM controlled, including KELLEM's personal account ending in -0511 and the JK Concierge account ending in -0110. KELLEM subsequently transferred over \$100,000 of these funds to the Crab Kings account ending in -5691 and then to Individual A's Capital One account ending in -0197 in Louisiana.

18. In order to conceal his theft and in furtherance of the scheme, KELLEM changed the account "nickname" that appeared on Client 1 and 2's bank statements to names that did not reveal that the funds were going to accounts he controlled. For example, KELLEM changed the account nickname for the JK Concierge account ending in -0110 to "MS Savings." As a result, at least three transfers he made from Client-2's account ending in -5632 to the JK Concierge account were described on Client-2's account statement as "transf to MS savings."

2017 Tax Return

19. For the tax year ending December 31, 2017, KELLEM failed to report the monies he took from Client-1 and Client-2 and thus falsely reported his income amount on his IRS Form

1040. Specifically, KELLEM failed to report approximately \$685,900 that he received from the scheme described above.

20. As a result, KELLEM avoided paying taxes of more than approximately \$150,000 in the tax year ending in December 2017.

COUNTS ONE-FOUR

Wire Fraud
(18 U.S.C. § 1343)

The United States Attorney alleges:

21. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 20 of this Information.

22. On or about the dates set forth below, in the District of Massachusetts, and elsewhere, the defendant,

JEFFREY KELLEEM,

having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing the scheme to defraud, as set forth below:

Count	Approximate Date	Description
1	1/16/2018	\$38,000 wire from Crab Kings account ending in -5691 in Massachusetts to Individual A's Capital One account ending in -0197 in Louisiana.
2	1/17/2018	\$35,000 wire from Crab Kings account ending in -5691 in Massachusetts to Individual A's Capital One account ending in -0197 in Louisiana.
3	1/18/2018	\$21,000 wire from Crab Kings account ending in -5691 in Massachusetts to Individual A's Capital One account ending in -0197 in Louisiana.
4	1/24/2018	\$110,000 wire from Crab Kings account ending in -5691 in Massachusetts to Individual A's Capital One account ending in -0197 in Louisiana.

All in violation of Title 18, United State Code, Section 1343.

COUNT FIVE
Filing a False Tax Return
(26 U.S.C. §7206(1))

The United States Attorney further alleges:

23. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 20 of this Information.

24. On or about the September 25, 2018, in the District of Massachusetts and elsewhere, the defendant,

JEFFREY KELLEEM,

did willfully make and subscribe a U.S. Individual Tax Return for the tax year 2017, which was verified by a written declaration that it was made under the penalties of perjury, and which was filed with the Director, Internal Revenue Service, and which return the defendant did not believe to be true and correct as to every material matter, in that the defendant failed to include the money he took from the bank accounts of Client-1 and Client-2.

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

FORFEITURE ALLEGATION
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

The United States Attorney further alleges:

25. Upon conviction of one or more of the offenses in violation of Title 18, United States Code, Section 1343, set forth in Counts One through Four of this Information, the defendant,

JEFFREY KELLEEM,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to, the following assets:

a. \$1,277,062 to be entered in the form of a forfeiture money judgment;

26. If any of the property described in Paragraph 25, above, as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), as a result of any act or omission of the defendant --

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property described in Paragraph 25 above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

Sara Bloom

SARA MIRON BLOOM
ASSISTANT UNITED STATES ATTORNEY
DISTRICT OF MASSACHUSETTS

District of Massachusetts: August 5, 2019

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense: _____ Category No. III Investigating Agency FBI, IRSCity Byfield

Related Case Information:

County Essex

Superseding Ind./ Inf. _____ Case No. _____

Same Defendant _____ New Defendant X

Magistrate Judge Case Number _____

Search Warrant Case Number _____

R 20/R 40 from District of _____

Defendant Information:

Defendant Name Jeffrey Kellem Juvenile: ☐ Yes ☒ NoIs this person an attorney and/or a member of any state/federal bar: ☐ Yes ☒ No

Alias Name _____

Address (City & State) Newton, MABirth date (Yr only): 1969 SSN (last4#): 4038 Sex M Race: Caucasian Nationality: U.S.Defense Counsel if known: James Krasnoo Address 28 Andover St, Suite 240

Bar Number _____ Andover, MA 01810

U.S. Attorney Information:

AUSA Sara Miron Bloom Bar Number if applicable 550251Interpreter: ☐ Yes ☒ No List language and/or dialect: _____Victims: ☒ Yes ☐ No If yes, are there multiple crime victims under 18 USC§3771(d)(2) ☐ Yes ☒ NoMatter to be SEALED: ☐ Yes ☒ No☐ Warrant Requested ☒ Regular Process ☐ In Custody

Location Status:

Arrest Date _____

☐ Already in Federal Custody as of _____ in _____☐ Already in State Custody at _____ ☐ Serving Sentence ☐ Awaiting Trial☐ On Pretrial Release: Ordered by: _____ on _____Charging Document: ☐ Complaint ☒ Information ☐ IndictmentTotal # of Counts: ☐ Petty _____ ☐ Misdemeanor _____ ☒ Felony 5

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☒ I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.Date: August 5, 2019Signature of AUSA: Sara Bloom

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 U.S. DISTRICT COURT
 DISTRICT OF MASS.

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant Jeffrey Kellem

U.S.C. Citations

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1	<u>18 U.S.C. § 1343</u>	<u>Wire Fraud</u>	<u>1-4</u>
Set 2	<u>26 U.S.C. § 7206(1)</u>	<u>Filing False Tax Return</u>	<u>5</u>
Set 3	<u>18 U.S.C. § 981(a)(1)(C)</u>	<u>Forfeiture Allegation</u>	<u>-</u>
Set 4	<u>28 U.S.C. § 2461</u>	<u>Forfeiture Allegation</u>	<u>-</u>
Set 5	_____	_____	_____
Set 6	_____	_____	_____
Set 7	_____	_____	_____
Set 8	_____	_____	_____
Set 9	_____	_____	_____
Set 10	_____	_____	_____
Set 11	_____	_____	_____
Set 12	_____	_____	_____
Set 13	_____	_____	_____
Set 14	_____	_____	_____
Set 15	_____	_____	_____

ADDITIONAL INFORMATION: _____