

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:15-CR-76-1 (4)

UNITED STATES OF AMERICA)
)
) v.) INDICTMENT
)
CHRISTIAN G. RHODES)

The Grand Jury charges:

INTRODUCTION

At all times relevant to this Indictment:

1. Defendant CHRISTIAN G. RHODES ("defendant RHODES") resided in and around Raleigh, North Carolina, which is located within the Eastern District of North Carolina.

2. The Internal Revenue Service ("IRS") was an agency of the United States Department of Treasury responsible for enforcing and administering the federal tax laws of the United States.

3. A "means of identification" was any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual, including a name, signature, Social Security number, or date of birth.

COUNT ONE

[Conspiracy to Defraud the Government with Respect to Claims;
18 U.S.C. § 286]

4. The allegations in Paragraphs 1 through 3 are incorporated and fully referenced herein.

5. Beginning at least as early as October 2009, and continuing to at least February 2014, within the Eastern District of North Carolina and elsewhere, defendant RHODES, and others known and unknown to the Grand Jury, agreed, combined, and conspired to defraud the United States by obtaining and aiding to obtain the payment or allowance of false, fictitious, and fraudulent claims on behalf of themselves and others by submitting and causing to be submitted fraudulent federal income tax returns to the IRS that claimed false tax refunds.

MANNER AND MEANS

6. Defendant RHODES and others, known and unknown to the Grand Jury, would and did approach third-party taxpayers and persuade them to provide their means of identification and other personal information to defendant RHODES, all for use in preparing and filing false federal income tax returns.

7. Defendant RHODES would and did use these taxpayers' means of identification and other personal information to prepare and caused to be prepared, and file and caused to be filed electronically, false and fraudulent federal income tax returns with the IRS that claimed false tax refunds.

8. Defendant RHODES would and did add false and fictitious information on these tax returns, such as false and fictitious employers, wages, withholdings, and deductions, which information was not provided by the third-party taxpayers.

9. Defendant RHODES would and did direct the IRS to deposit electronically into third-party bank accounts and bank accounts that defendant RHODES opened, used, and controlled in his own name, tax refunds resulting from the filing of false and fraudulent federal income tax returns in the names of third-party taxpayers.

10. Defendant RHODES would and did direct others known and unknown to the Grand Jury to withdraw from bank accounts held in the names of third parties and to give to him the proceeds of tax refunds obtained from the filing of false and fraudulent federal income tax returns.

11. Defendant RHODES would and did further enrich himself by charging taxpayers fees for tax return preparation.

12. Defendant RHODES would and did instruct and facilitate the preparation and electronic filing by others known and unknown to the Grand Jury of false tax returns that claimed tax refunds.

ACTS IN FURTHERANCE OF THE CONSPIRACY

13. To accomplish the objectives of the conspiracy, in the Eastern District of North Carolina and elsewhere, defendant

RHODES and others, known and unknown to the Grand Jury, committed, among other acts:

14. On or about the dates listed below, defendant RHODES prepared and caused to be prepared, and filed and caused to be filed electronically with the IRS, the following false and fraudulent federal income tax returns, identified by tax year, taxpayer, and amount of refund claimed:

<u>Act</u>	<u>Date Filed</u>	<u>Tax Year</u>	<u>Taxpayer</u>	<u>Claimed Refund</u>
a.	2/17/2011	2010	I.I.	\$7,707
b.	2/20/2012	2011	I.I.	\$7,131
c.	1/27/2013	2012	I.I.	\$7,665
d.	4/22/2011	2010	K.L	\$5,265
e.	2/21/2011	2010	S.P.	\$6,747
f.	1/19/2012	2011	S.P.	\$6,339
g.	2/21/2011	2010	E.B.	\$6,065
h.	1/18/2012	2011	E.B.	\$6,536
i.	1/27/2013	2012	E.B.	\$5,341
j.	1/19/2012	2011	L.N.	\$7,847
k.	1/30/2013	2012	L.N.	\$7,837
l.	2/4/2014	2013	L.N.	\$7,816
m.	1/29/2013	2012	S.N.	\$6,394
n.	2/24/2011	2010	R.B.	\$4,891
o.	1/18/2012	2011	R.B.	\$5,599
p.	1/28/2013	2012	C.R.	\$19,326
q.	1/28/2013	2012	R.W.	\$6,366

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

COUNTS TWO THROUGH EIGHTEEN

[False, fictitious or fraudulent claims and aiding and abetting
18 U.S.C. §§ 287 and 2]

15. The allegations in Paragraphs 1 through 2 are incorporated and fully referenced herein.

16. On or about the dates listed below, in the Eastern District of North Carolina, defendant RHODES and others, known and unknown to the Grand Jury, aiding and abetting one another, knowingly made and caused to be made, and presented and caused to be presented, to the IRS false, fictitious and fraudulent claims against the United States for payment of income tax refunds, the following false and fraudulent federal income tax returns, identified by tax year, taxpayer, and amount of refund claimed:

<u>Count</u>	<u>Date Filed</u>	<u>Tax Year</u>	<u>Taxpayer</u>	<u>Claimed Refund</u>
Two	2/17/2011	2010	I.I.	\$7,707
Three	2/20/2012	2011	I.I.	\$7,131
Four	1/27/2013	2012	I.I.	\$7,665
Five	4/22/2011	2010	K.L.	\$5,265
Six	2/21/2011	2010	S.P.	\$6,747
Seven	1/19/2012	2011	S.P.	\$6,339
Eight	2/21/2011	2010	E.B.	\$6,065
Nine	1/18/2012	2011	E.B.	\$6,536
Ten	1/27/2013	2012	E.B.	\$5,341
Eleven	2/24/2011	2010	R.B.	\$4,891
Twelve	1/18/2012	2011	R.B.	\$5,599

Thirteen	1/28/2013	2012	C.R.	\$19,326
Fourteen	1/28/2013	2012	R.W.	\$6,366
Fifteen	1/19/2012	2011	L.N.	\$7,847
Sixteen	1/30/2013	2012	L.N.	\$7,837
Seventeen	2/4/2014	2013	L.N.	\$7,816
Eighteen	1/29/2013	2012	S.N.	\$6,394

Each entry in this table constituting a separate violation of Title 18, United States Code, Sections 287 and 2.

COUNTS NINETEEN THROUGH TWENTY-ONE

[Wire Fraud; 18 U.S.C. § 1343]

17. The allegations in Paragraphs 1 through 4 and 6 through 14 are incorporated and fully referenced herein.

18. Defendant RHODES, having knowingly and intentionally devised and intended to devise a scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, caused to be transmitted by means of wire communication in interstate commerce, communications, signals, and writings, to wit: electronically filed false federal income tax returns.

19. It was further part of the scheme and artifice to defraud that defendant RHODES would and did maintain and store the means of identification of individual taxpayers.

20. On or about the date listed below, in the Eastern District of North Carolina and elsewhere, defendant RHODES, for

the purpose of executing the scheme and artifice to defraud, transmitted, and caused to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds as described for each count below:

<u>Count</u>	<u>Date Filed</u>	<u>Tax Return</u>
Nineteen	1/27/2013	Electronically Filed Tax Return for "I.I." claiming tax refund in the amount of \$7,665.00
Twenty	1/27/2013	Electronically Filed Tax Return for "E.B." claiming tax refund in the amount of \$5,341.00
Twenty-One	2/4/2014	Electronically Filed Tax Return for "L.N." claiming tax refund in the amount of \$7,816.00

Each entry in this table constituting a separate violation of Title 18, United States Code, Section 1343.

COUNTS TWENTY-TWO THROUGH TWENTY-THREE

[Aggravated Identity Theft; 18 U.S.C. § 1028A]

21. The allegations in Paragraphs 1 through 4, 6 through 14, and 17 through 20 are incorporated and fully referenced herein.

22. On or about the dates listed below, within the Eastern District of North Carolina, defendant RHODES did knowingly transfer, possess, and use, without lawful authority, the means of identification of other persons identified below by initials, during and in relation to a wire fraud offense, that is, the defendant knowingly transferred, possessed, and used the name

and Social Security number of the actual persons below, during and in relation to a scheme to claim fraudulent federal income tax refunds by listing false and fictitious information on the federal tax returns, and then electronically filing the false tax returns that passed through interstate commerce.

<u>Count</u>	<u>Date Filed</u>	<u>Taxpayer</u>	<u>Related Count</u>
Twenty-Two	1/27/2013	I.I.	Nineteen
Twenty-Three	1/27/2013	E.B.	Twenty

Each entry in this table constituting a separate violation of Title 18, United States Code, Section 1028A(a)(1) and (c)(5).

FORFEITURE ALLEGATION

1. The allegations contained in Counts 19 through 21 of this Indictment are realleged and incorporated herein for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. Upon conviction for the offenses alleged in Counts 19 through 21, defendant RHODES 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 and all property constituting or derived from the proceeds said Defendant obtained directly or indirectly as a result of said offenses.

3. If any of the property subject to forfeiture, 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,

the United States shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section

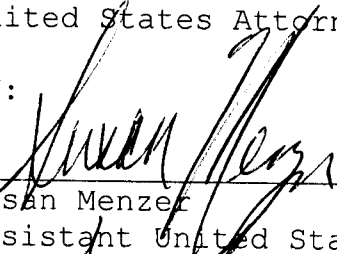
853(p), as incorporated by Title 28, United States Code, Section 2461(c), up to the value of the forfeitable property described above.

A TRUE BILL:

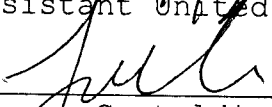
REDACTED VERSION
Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

THOMAS G. WALKER
United States Attorney

BY:



Susan Menzer
Assistant United States Attorney



Lauren Castaldi
Trial Attorney
U.S. Department of Justice
Tax Division


FOREPERSON

DATE: 3/4/15

I certify the foregoing to be a true and correct copy of the original.

Julie Richards Johnston, Clerk
United States District Court
Eastern District of North Carolina

By:



Deputy Clerk

