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WILLIAM T. WALSH, CLERK

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

DERRICK M. MADISON

Hon. Katharine S. Hayden

Crim. No. 16-156

26 U.S.C. § 7212(a)

18 U.S.C. § 641

INDICTMENT

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

Introduction

At all times relevant to this Indictment:

1. The defendant, DERRICK M. MADISON, was a resident of Jersey City, New Jersey.
2. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States and collecting taxes owed to the United States.
3. The Electronic Federal Tax Payment System ("EFTPS") was a service used to pay taxes to the IRS. After enrolling in EFTPS, a taxpayer is eligible to pay outstanding taxes to the IRS via telephone from a linked bank account.
4. From on or about December 27, 2010 to on or about April 19, 2014, defendant DERRICK M. MADISON placed hundreds of telephone calls to EFTPS, using bank accounts that were closed, frozen, invalid, and overdrawn,

in an attempt to obtain credit from the IRS for hundreds of millions of dollars in fictitious tax payments to the IRS that he did not actually make.

5. On or about April 4, 2014, the IRS mailed a United States Treasury check to defendant DERRICK M. MADISON in the amount of \$170,681.22 based on a fictitious and fraudulent tax overpayment defendant DERRICK M. MADISON made using EFTPS.

6. On or about April 8, 2014, defendant DERRICK M. MADISON presented for payment the \$170,681.22 United States Treasury check at the Bayview Branch of Hudson City Savings Bank (the "Bank") in Jersey City, New Jersey. Defendant DERRICK M. MADISON deposited this check into his bank account at the Bank. The Bank placed a hold on the deposited funds shortly thereafter.

7. On or about April 28, 2014, IRS investigators interviewed defendant DERRICK M. MADISON about fraudulent payments he made to the IRS using EFTPS. During this interview, the IRS investigators showed defendant DERRICK M. MADISON a surveillance photograph from the Bank depicting an individual presenting a government check for payment on or about April 8, 2014. Defendant DERRICK M. MADISON falsely denied, among other things, that he was the person captured in the surveillance photograph.

COUNT I

(Corrupt Endeavor to Obstruct and Impede
the Due Administration of the Internal Revenue Laws)

8. The Grand Jury realleges and incorporates by reference paragraphs 1 through 7 of this Indictment in their entirety as though fully set forth herein.

9. Beginning on or about December 27, 2010, and continuing thereafter up to and including April 28, 2014, in the District of New Jersey, and elsewhere, the defendant, DERRICK M. MADISON, did corruptly endeavor to obstruct and impede the due administration of the internal revenue laws by, among other things:

a. attempting to use and using EFTPS to obtain credit from the IRS for more than \$200,000,000.00 in fictitious tax payments to the IRS that he did not actually make, using bank accounts that were closed, frozen, invalid, and overdrawn;

b. fraudulently causing the IRS to issue him a United States Treasury check in the amount of \$170,681.22; and

c. presenting for payment the fraudulently obtained United States Treasury check.

All in violation of Title 26, United States Code, Section 7212(a).

COUNT II
(Theft of Public Money)

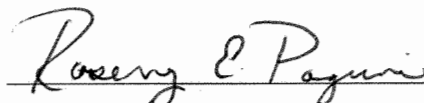
10. The Grand Jury realleges and incorporates by reference paragraphs 1 through 7 of this Indictment in their entirety as though fully set forth herein.

11. On or about April 8, 2014, in the District of New Jersey, the defendant DERRICK M. MADISON willfully and knowingly did steal, purloin, and convert to his use money of the United States, namely, funds administered by the United States Treasury in the form of a tax refund check in the name of DERRICK M. MADISON in the amount of \$170,681.22.

In violation of Title 18, United States Code, Section 641.

A TRUE BILL

FOREPERSON



Rosemary E. Paguni
Tax Division, U.S. Department of Justice

CASE NUMBER: 16-156 (KSH)


United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

DERRICK M. MADISON

INDICTMENT FOR
26 U.S.C. § 7212(a)
18 U.S.C. § 641


Foreperson

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(Ed. 1/97)