

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 11-\_\_\_\_  
: :  
v. : 26 U.S.C. § 7206(2)  
: :  
MICHAEL D. MERRITT : I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information, defendant MERRITT was a resident of Elizabeth, New Jersey, and was employed as a preparer of federal income tax returns.

2. In tax years 2006 and 2007, defendant MERRITT was self-employed at 497 West Side Avenue, Jersey City, New Jersey, 07304.

3. In tax year 2008, defendant MERRITT was an employee of JC Squared, Inc., which was also located at the address listed in paragraph 2.

4. At all times relevant to this Information, defendant MERRITT:

a. met with individual taxpayers at the office described in paragraphs 2-3 to prepare their U.S. individual income tax returns;

b. prepared false U.S. individual income tax returns for his clients by, among other things, fabricating and inflating tuition and fees deductions and child tax credits on Form 1040 of their returns, and by fabricating itemized deductions, such as charitable contributions and job expenses, on

Schedule A of their returns, in order to obtain refunds for his clients in amounts greater than that to which they were entitled; and

c. charged clients a fee for his services which ranged from \$95 to \$350 per return.

5. From in or about January 2007, through in or about April 2009, defendant MERRITT prepared approximately 8,682 U.S. individual federal income tax returns on behalf of his clients for tax years 2006 through 2008. Approximately 1,750 of these returns contained falsely claimed itemized deductions or credits reported on Form 1040 or Schedule A of those tax returns. For example:

a. On or about January 30, 2008, defendant MERRITT prepared a 2007 U.S. Individual Income Tax Return, Form 1040, for MM. That return stated that MM, for calendar year 2007, was entitled to income tax deductions for tuition and fees, charitable contributions, and job expenses, credits for child and dependent care expenses, and a tax refund in the amount of \$2,124;

b. During calendar year 2007, MM was not entitled to claim income tax deductions totalling approximately \$18,334, credits totalling \$600, or a tax refund in the amount of \$2,124; and

c. Rather, during calendar year 2007, MM was only entitled to claim income tax deductions for tuition and fees, charitable contributions, and job expenses totalling

approximately \$8,599, credits totalling \$0, and a tax due and owing to the Internal Revenue Service in the amount of \$6,851.

6. On or about January 30, 2008, in the District of New Jersey, the defendant

MICHAEL D. MERRITT,

willfully did aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service of a 2007 U.S. Individual Income Tax Return, Form 1040, described in paragraph 5(a), which was fraudulent and false as to material matters, as described in paragraphs 5(b)-(c), knowing that the return was false and fraudulent.

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

  
\_\_\_\_\_  
PAUL J. FISHMAN  
United States Attorney

CASE NUMBER: \_\_\_\_\_

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**v.**

**MICHAEL D. MERRITT**

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**INFORMATION FOR**

26 USC § 7206(2)

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**PAUL J. FISHMAN**

*UNITED STATES ATTORNEY, NEWARK, NEW JERSEY*

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AARON MENDELSON

*ASSISTANT U.S. ATTORNEY*

*NEWARK, NEW JERSEY*

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