

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.  
v. : Criminal No. 10-\_\_\_\_\_  
STEVEN NELSON : 18 U.S.C. § 286  
: 18 U.S.C. § 287  
: 18 U.S.C. § 1028(a)(7)  
: 42 U.S.C. § 408(a)(8)  
: 18 U.S.C. § 1028A(a)(1)  
: 18 U.S.C. § 2

INDICTMENT

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

COUNT 1  
Conspiracy to File False, Fictitious, and Fraudulent Claims  
18 U.S.C. § 286

1. At all times relevant to this Indictment:
  - a. Defendant Steven Nelson resided in Bronx, New York. Between in or about December 2006 and in or about April 2007, defendant Steven Nelson worked at Company "J", a commercial tax preparation service, where he prepared and filed United States Individual Income Tax Returns, Forms 1040, on behalf of Company J's customers.
  - b. J.E., a coconspirator who is not charged as a defendant herein, resided in Bergen County, New Jersey.
  - c. A.F., a coconspirator who is not charged as a defendant herein, resided in Bronx, New York.
  - d. J.A. and L.B., who are not charged as defendants

herein, resided in Bronx, New York and New York City, respectively.

2. The United States made available Earned Income Credits ("EICs") and Additional Child Tax Credits ("Child Tax Credits") to lower-income taxpayers with minor children or other qualifying dependents. EICs and Child Tax Credits reduced eligible taxpayers' tax liability and, in certain cases, entitled eligible tax payers to tax refunds.

#### THE CONSPIRACY

3. Between in or about February 2006 and in or about March 2009, in the District of New Jersey and elsewhere, defendant

STEVEN NELSON

did knowingly and intentionally conspire and agree with J.E., A.F., and others to defraud the United States by obtaining and aiding each other and others to obtain the payment and allowance of false, fictitious, and fraudulent claims, namely, false United States Individual Income Tax Returns, Forms 1040, contrary to Title 18, United States Code, Section 287.

#### OBJECT OF THE CONSPIRACY

4. It was the object of the conspiracy for defendant STEVEN NELSON, J.E., A.F., and others to profit by using fraudulently obtained names and Social Security Numbers to file

false United States Individual Income Tax Returns that claimed tax refunds to which they were not entitled.

MANNER AND MEANS OF THE CONSPIRACY

5. It was part of the conspiracy that defendant STEVEN NELSON, A.F., and others fraudulently obtained names and Social Security Numbers of adults ("the Adults") from records at doctor's offices, hospitals, nursing homes, health clinics, government offices, and other places in New York City where A.F. and others either worked or had access to such.

6. It was further part of the conspiracy that defendant STEVEN NELSON and others fraudulently obtained names, dates of birth, and Social Security Numbers of minor patients ("the Minor Patients") from the records of pediatric cancer and other hospitals and health clinics in New York City.

7. It was further part of the conspiracy that defendant STEVEN NELSON would prepare false U.S. Individual Income Tax Returns in the names and Social Security Numbers of the Adults without their knowledge ("the False Returns").

8. It was further part of the conspiracy that defendant STEVEN NELSON included the names, dates of birth, and Social Security Numbers of the Minor Patients on the False Returns in support of the False Returns' claimed eligibility for EICs or Child Tax Credits. At no time did the Minor Patients or their

guardians authorize defendant STEVEN NELSON to include the Minor Patients' names, Social Security Numbers, or dates of birth on the False Returns.

9. It was further part of the conspiracy that defendant STEVEN NELSON, J.E., and others sometimes caused the False Returns to be prepared by bringing a False Return to a commercial tax return preparer for electronic filing. Once there, defendant STEVEN NELSON and others would cause the commercial tax return preparer to file the False Return and would apply for a refund anticipation loan ("RAL") through the tax return preparer. The RAL allowed defendant STEVEN NELSON, J.E., and others to receive an advance ("RAL Check") from the commercial tax return preparer against the refunds claimed on the False Tax Returns within three to five days after the False Returns were electronically filed.

10. It was further part of the conspiracy that defendant STEVEN NELSON and others sometimes filed the False Returns through Company T, an Internet website that allowed the electronic filing of tax returns.

11. It was further part of the conspiracy that defendant STEVEN NELSON sometimes filed the False Returns through Company T over unsecured residential wireless Internet connections in the Bronx and elsewhere so that the filing transactions could not be traced to him.

12. It was further part of the conspiracy that defendant

STEVEN NELSON requested that the Internal Revenue Service send tax refunds owed to the Adults on the basis of the False Returns to addresses in the Bronx and elsewhere that defendant STEVEN NELSON and others controlled, including his house, his neighbors' houses, and his child's mother's house.

13. It was further part of the conspiracy that defendant STEVEN NELSON, A.F., J.E., J.A., and L.B., and others sometimes used counterfeit driver's licenses and other identification documents in the names of the Adults to cash United States Treasury checks and RAL Checks that represented the tax refunds claimed on the False Returns.

14. It was further part of the conspiracy that defendant STEVEN NELSON and others sometimes caused United States Treasury checks and RAL Checks to be deposited into bank accounts that they controlled and subsequently caused withdrawals from those accounts.

15. Defendant STEVEN NELSON and others in this manner caused approximately 163 False Returns to be filed with the Internal Revenue Service for the tax years 2005 through 2008 that claimed approximately \$507,000 from the United States government. The IRS paid approximately \$200,000 in tax refunds based on the claims in these False Returns.

OVERT ACTS

16. In order to further the objects of the conspiracy, the following overt acts were committed by defendant STEVEN NELSON and others in the District of New Jersey and elsewhere:

a. On or about February 11, 2009, defendant STEVEN NELSON and J.E. traveled to Bergen County, New Jersey in possession of a RAL Check payable to L.T., an Adult in whose name a False Tax Return had been prepared.

b. On or about February 11, 2009, in Bergen County, New Jersey, defendant STEVEN NELSON and J.E. possessed a counterfeit driver's license in the name of L.T. that bore the photograph of an individual who was not L.T.

c. On or about February 4, 2008, defendant STEVEN NELSON cashed a United States Treasury check for approximately \$2,928 payable to C.T., an Adult in whose name a False Tax Return had been filed, at a check cashing facility in New York City.

d. On or about February 18, 2008, defendant STEVEN NELSON directed A.F. to cash a United States Treasury check for approximately \$2,927 payable to C.W., an Adult in whose name a False Tax Return had been filed.

e. On or about February 2, 2006, defendant STEVEN NELSON caused a False Return in the name of H.R. to be filed with the IRS through Company T that claimed a tax refund of approximately \$2,724 and requested that the refund be sent to

defendant STEVEN NELSON's Bronx residence.

f. On or about January 14, 2008, defendant STEVEN NELSON caused a False Return in the name of T.M. to be filed with the IRS through Company T that claimed a tax refund of approximately \$2,930 and requested that the refund be sent to the Bronx residence of K.B., the mother of defendant STEVEN NELSON's child.

All in violation of Title 18, United States Code, Section 286.

COUNTS 2 THROUGH 8  
Filing False, Fictitious and Fraudulent Claims  
18 U.S.C. § 287  
18 U.S.C. § 2

1. Paragraphs 1 and 2 and 5 through 16 of Count 1 of this Indictment are realleged and incorporated as if set forth herein.

2. On or about the dates listed below, in the District of New Jersey and elsewhere, defendant

STEVEN NELSON

did knowingly and intentionally make and present and cause to be made and presented to the Internal Revenue Service, an agency of the Department of the Treasury, claims against the United States for payment, which he knew to be false, fictitious and fraudulent, by preparing and causing to be prepared, and filing and causing to be filed, what purported to be United States Individual Income Tax Returns in the name of the taxpayers identified below, wherein claims for income tax refunds in the amounts below were made, with knowledge that such claims were false, fictitious, and fraudulent.

Count	Taxpayer	Return Filed	Refund Claimed
2	M.R.	01/15/08	\$2,928
3	C.A.	01/15/08	\$2,928
4	K.L.	01/18/08	\$2,929
5	R.N.	02/04/08	\$2,634
6	I.N.	02/25/08	\$2,924
7	M.M.	03/26/08	\$2,925
8	L.T.	01/27/09	\$6,895

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

COUNTS 9 THROUGH 18  
Transfer, Possession, and Use of Means of Identification  
18 U.S.C. § 1028(a)(7)  
18 U.S.C. § 2

1. Paragraphs 1 and 2 and 5 through 16 of Count 1 of this Indictment are realleged and incorporated as if set forth herein.

2. On or about February 11, 2009, defendant STEVEN NELSON possessed three USB flash drives on which appeared the names, dates of birth, and Social Security Numbers of approximately 350 individuals, including, among other individuals, both Adults and Minor Patients whose names, Social Security Numbers, and dates of birth appeared on the False Returns described in Count 1 of this Indictment.

3. On or about February 11, 2010, in the District of New Jersey and elsewhere, defendant

STEVEN NELSON

did knowingly and intentionally transfer, possess, and use the means of identification of the individuals set forth below without lawful authority, in a manner affecting interstate commerce, with the intent to commit, and to aid and abet, and in connection with, unlawful activity, namely: (a) conspiracy to file false, fraudulent and fictitious claims against the United States, contrary to Title 18, United States Code, Section 286, and (b) filing false, fictitious, and fraudulent claims against

the United States, contrary to Title 18, United States Code,  
Section 287:

Count	Individual
9	Z.B.
10	N.B.
11	S.C.
12	B.P.
13	E.P.
14	L.T.
15	D.E.
16	O.M.
17	Y.R.
18	R.Q.

All in violation of Title 18, United States Code, Sections  
1028(a)(7) and (b)(1)(D) and Section 2.

COUNTS 19 THROUGH 27  
Illegal Use of Social Security Numbers  
42 U.S.C. § 408(a)(8)  
18 U.S.C. § 2

1. Paragraphs 1 and 2 and 5 through 16 of Count 1 of this Indictment are realleged and incorporated as if set forth herein.

2. On or about the dates set forth in the table below, defendant

STEVEN NELSON

did knowingly and intentionally disclose, use, and compel the disclosure of Social Security Numbers of the persons described in the table below in violation of the law of the United States, namely, as part of the conspiracy to file false, fictitious, and fraudulent claims against the United States described in Count 1 of this Indictment.

Count	Individual
19	Z.B.
20	N.B.
21	S.C.
22	B.P.
23	E.P.
24	D.E.
25	O.M.
26	Y.R.
27	R.Q.

All in violation of Title 42, United States Code, Section

408(a)(8) and Title 18, United States Code, Section 2.

COUNT 28  
Aggravated Identify Theft  
18 U.S.C. § 1028A(a)(1)  
18 U.S.C. § 2

1. The allegations in paragraphs 1 and 2 and 5 through 16 of Count 1 and paragraph 2 of Counts 9 through 18 of this Indictment are realleged and incorporated as if set forth herein.

2. On or about February 11, 2009, in the District of New Jersey and elsewhere, defendant

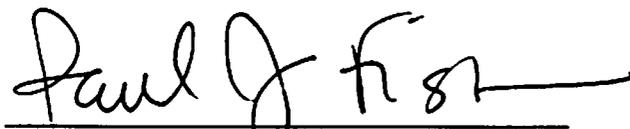
STEVEN NELSON

did knowingly and intentionally transfer, possess, and use, without lawful authority, means of identification of another person, namely, the names and Social Security Number of an individual identified herein as Z.B. during and in relation to a felony violation of section 208 of the Social Security Act, that is the unlawful use of a Social Security Number in violation of Title 42, United States Code, Section 408(a)(8) that is charged in Count 19 of this Indictment.

All in violation of Title 18, United States Code, Section 1028A(a)(1) and Section 2.

A TRUE BILL

FOREPERSON

  
PAUL J. FISHMAN  
United States Attorney

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

**United States District Court  
District of New Jersey**

**UNITED STATES OF AMERICA**

**v.**

**STEVEN NELSON**

**INDICTMENT FOR**

18 U.S.C. § 286; 18 U.S.C. § 287  
18 U.S.C. § 1028(a) (7)  
42 U.S.C. § 408(a) (8)  
18 U.S.C. 1028A(a) (1)  
18 U.S.C. § 2

**A True Bill,**

**Foreperson**

**PAUL J. FISHMAN**  
**U.S. ATTORNEY**  
**NEWARK, NEW JERSEY**

**SETH B. KOSTO**  
**ASSISTANT U.S. ATTORNEY**  
**(973) 645-2737**