SEA/2010R00600

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	
	:	Criminal No. 15-
v.	:	26 U.S.C. § 7206(2)
DARLENE COVINGTON	:	

INDICTMENT

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

COUNTS ONE THROUGH TWENTY-FOUR

1. At all times relevant to this Indictment, defendant DARLENE COVINGTON ("COVINGTON) was employed as a tax preparer at a tax preparer business, KCJ Financial Corp., a New Jersey corporation, hereinafter "KCJ," located at 1200 Clinton Avenue, Irvington, New Jersey 07011.

2. Certain financial institutions provided loans to taxpayers, known as Refund Anticipation Loans, in exchange for obtaining the rights to an income tax refund owed to the taxpayer by the Internal Revenue Service. Before extending a Refund Anticipation Loan, the institutions required a taxpayer to show that

the taxpayer had filed an income tax return with the Internal Revenue Service and that the income tax return demonstrated the taxpayer was entitled to an income tax refund from the Internal Revenue Service.

The Scheme

3. As part of the Scheme, COVINGTON obtained personal identification information, such as name and social security number (the "Personal Identification Information"), for 20 persons (the "Taxpayers").

4. COVINGTON used the Personal Identification Information, without the knowledge, consent, or permission of the Taxpayers, to prepare 24 Individual Income Tax Returns, Forms 1040A and 1040EZ, in the names of the Taxpayers for tax years 2008 and 2009 (the "Form 1040 Returns").

5. COVINGTON included materially false information on the Form 1040 Returns, which purported to show that each Taxpayer was entitled to an income tax refund from the Internal Revenue Service.

6. COVINGTON, without the knowledge, consent or permission of the Taxpayers, filed the false Form 1040 Returns with the Internal Revenue Service.

7. COVINGTON and a co-coconspirator then used the filed false Form 1040 Returns to secure Refund Anticipation Loans from various banks.

8. COVINGTON received a portion of the Refund Anticipation Loan for each of the false Form 1040 Returns.

9. On or before the dates listed below, in Essex County, in the District of New Jersey and elsewhere, defendant

DARLENE COVINGTON

did knowingly and willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the Internal Revenue Service of Form 1040 Returns, for the taxpayers identified below, which were false and fraudulent as to material matters, knowing that the returns were false and fraudulent.

COUNT	TAXPAYER	YEAR OF RETURN	FILING DATE	REFUND AMOUNT CLAIMED
1	ASM	2009	2/15/2010	$8094
2	MM	2009	2/8/2010	$9001
3	BBL	2008	5/4/2009	$2831
4	BBL	2009	2/11/2010	$2262
5	CL	2009	3/26/2010	$870
6	JAM	2008	2/16/2009	$5807
7	ST	2008	4/20/2009	$4591
8	DT	2008	3/09/2009	$3530
9	DT	2009	2/8/2010	$5854
10	AJG	2009	2/15/2010	$7776
11	KSM	2009	2/15/2010	$4900

12	RB	2008	9/14/2009	$3185
13	RB	2009	3/1/2010	$2903
14	BD	2008	3/2/2009	$4525
15	KYK	2009	3/8/2010	$2857
16	KM	2009	3/1/2010	$3247
17	KDT	2009	2/8/2010	$9202
18	MED	2009	3/2/2010	$2899
19	LHS	2009	3/1/2010	$2805
20	ME	2008	4/27/2009	$3024
21	ME	2009	3/1/2010	$2843
22	MT	2009	2/22/2010	$2738
23	SNB	2009	2/22/2010	$5141
24	MG	2009	2/8/2010	$5854

All in violation of Title 26, United State Code, Section 7206(2).

A TRUE BILL

FOREPERSON

PAUL J. FISHMAN
United States Attorney

United States District Court
for the
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	:	
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I, the duly appointed foreperson of the grand jury of this court, at the term begun and held at Newark on the April 17, 2014, do herewith file with the clerk of the court as required by Rule 6(c), Federal Rules of Criminal Procedure, a record of the number of grand jurors concurring in the finding of indictment in the above case, which record shall not be made public except upon order of this court:

18 grand jurors concurring in Counts

Counts 1 - 24.

4/10/15
Date

Foreperson

CASE NUMBER: 15-

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

DARLENE COVINGTON

INDICTMENT FOR

26 U.S.C. § 7206(2)

A True Bill,

Foreperson

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NEWARK, NEW JERSEY

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