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8 IN THE UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA
10

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 KRISTOPHER THOMAS,
CHARMANE DOZIER,
15 KETTISHA THOMPSON-DOZIER, and
SHARON VANCE,
16 Defendants.
17

CASE NO. 1:24-cr-00231-NODJ-BAM
18 U.S.C. § 286 – Conspiracy to Submit False Claims

18
19 INDICTMENT

20 COUNT ONE: [18 U.S.C. § 286 – Conspiracy to Submit False Claims]

21 The Grand Jury charges:

22 KRISTOPHER THOMAS,
CHARMANE DOZIER,
23 KETTISHA THOMPSON-DOZIER, and
SHARON VANCE,
24

25 defendants herein, as follows:

26 I. INTRODUCTION

27 1. At all relevant times, defendant THOMAS was incarcerated at the Kern Valley State
28 Prison in Delano, State and Eastern District of California. Defendants DOZIER, THOMPSON-

FILED

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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

DOZIER, and VANCE were not in custody and resided in the State and District of South Carolina, State and District of Maryland, State and Central District of California, and elsewhere. Defendant THOMAS communicated with defendants DOZIER, THOMPSON-DOZIER, and VANCE, and others known and unknown to the grand jury, through contraband cell phones, prison-issued tablets, and recorded jail calls, among other means.

2. The Internal Revenue Service (“IRS”) is an agency of the United States Department of the Treasury (“Treasury”) that is responsible for administering and enforcing the tax laws of the United States, collecting taxes, and paying refunds owed to taxpayers.

II. RELEVANT TAX INFORMATION

3. Generally speaking, businesses that paid wages to employees during a given year must file payroll tax returns for that year with the IRS on a quarterly basis, which are commonly referred to as IRS Form 941s.

4. To file payroll tax returns with the IRS, a business must obtain an Employer Identification Number (“EIN”). An EIN is a unique number that allows the IRS to identify a specific business.

5. Among other information, a payroll tax return lists the business’ number of employees, wages paid to those employees, any refundable tax credits to which the business is entitled, and taxes owed to the IRS. If it turns out that the business overpaid its taxes, the payroll tax return will note the amount that the business is supposed to be refunded.

6. The Employee Retention Credit (“ERC”) is a fully refundable tax credit that was enacted during the COVID-19 pandemic to encourage businesses that were negatively impacted by the pandemic to keep their employees on the payrolls instead of doing layoffs. A tax credit is a dollar-for-dollar reduction of income that reduces a tax filer’s tax liability. A refundable tax credit is called “refundable” because, if the amount of the credit is larger than the tax that someone owes, a tax filer will receive a refund for the difference. For example, if someone receives a \$1,000 refundable tax credit and owes \$900 in taxes, they will receive a \$100 refund.

7. The ERC gives a business that was operating pre-pandemic up to thousands of dollars per employee that the business retained for each of the six quarters from March 2020 through December

2021. The amount of the credit is determined by the number of employees the business had and the wages it paid to those employees. The credit can be claimed retroactively.

8. A business claims the ERC on its payroll tax return. If the business is claiming the ERC retroactively, it simply files an amended return with the IRS. A business that is expecting to receive a tax refund because of the ERC may choose to receive the refund on a quarterly basis instead of waiting until the end of the year.

9. The IRS pays tax refunds in various ways, including by Treasury checks that are sent through the mail and direct deposits that are electronically deposited into a tax filer's bank account.

10. In March 2022, the IRS and other federal government agencies implemented several security measures to help prevent ERC fraud. One of those measures was to send letters to businesses that had claimed the ERC that required the principals of the businesses to certify the validity of their payroll tax returns.

III. CONSPIRACY

11. Beginning no later than in or around January 2022, and continuing through at least until in or around July 2023, in Delano, State and Eastern District of California, and elsewhere, defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and others known and unknown to the grand jury, agreed, combined, and conspired to defraud the United States, and the IRS and Treasury, by obtaining, and aiding in obtaining, the payment and allowance of false, fictitious, and fraudulent claims, on behalf of themselves, through the submission of false, fictitious, and fraudulent payroll tax returns to the United States, IRS, and Treasury that claimed large tax refunds based on the ERC.

IV. MANNER AND MEANS OF THE CONSPIRACY

12. Defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and others known and unknown to the grand jury, used the following manner and means, among others, to accomplish the object of their conspiracy:

13. Defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and others known and unknown to the grand jury, procured identifying information for other individuals in various ways, including from family members, friends, acquaintances, and others, and then used that information to obtain EINs for fabricated businesses associated with those individuals' identities.

1 14. Defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and others
2 known and unknown to the grand jury, obtained EINs for existing and defunct businesses as well. They
3 obtained the EINs in various ways, including from family members, friends, and acquaintances. They
4 also obtained the EINs by soliciting businesses to let them apply for the ERC and obtain tax refunds on
5 their behalf in exchange for commissions of up to forty percent of the refund amount.

6 15. Defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and others
7 known and unknown to the grand jury, subsequently used the EINs for the fabricated, existing, and
8 defunct businesses to file false, fictitious, and fraudulent payroll tax returns for the businesses with the
9 IRS that falsely reported the number of employees the business had and the wages the businesses paid to
10 those employees. They did so to increase the amount of the ERC to which the businesses were qualified
11 to receive and to claim large tax refunds. The returns were filed electronically through a commercially
12 available tax preparation software that charged a fee for each filing. This resulted in fraudulent refunds
13 being paid out by the IRS through Treasury checks, direct deposits, and other means.

14 16. At times, defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and
15 others known and unknown to the grand jury, used the EINs to file the fraudulent payroll tax returns
16 without receiving authorization from the individuals and businesses to whom the EINs were assigned.
17 They also caused different email accounts, mailing addresses, and credit cards to be used when filing the
18 fraudulent payroll tax returns through the commercially available tax preparation software to try to avoid
19 detection by government authorities.

20 17. Defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE, and others
21 known and unknown to the grand jury, caused the proceeds of their fraudulent scheme to be deposited
22 into financial accounts over which they had access and control. They then caused various financial
23 transactions to be made to distribute the proceeds to each other, including transactions that exceeded
24 \$10,000 in value.

25 18. Defendants THOMAS, DOZIER, THOMPSON-DOZIER, and VANCE retained
26 identifying information for different individuals whose identities were used in furtherance of the
27 scheme, created and used detailed instructions regarding how to carry out the scheme and respond to
28 fraud detection letters issued by the IRS and other federal government agencies, created and stored notes

1 regarding specific payroll tax returns, created and stored ledgers regarding how to share the proceeds,
2 and took photographs of the stolen proceeds.

3 19. As a result of the conspiracy, defendants THOMAS, DOZIER, THOMPSON-DOZIER,
4 and VANCE, and others known and unknown to the grand jury, caused over 400 fraudulent payroll tax
5 returns for more than 100 businesses to be submitted to the United States, IRS, and Treasury that sought
6 refunds totaling more than \$550,000,000 based on the ERC, and they caused the United States, IRS, and
7 Treasury to incur millions of dollars in actual losses. They used the proceeds for personal expenses.
8 This included trips to Disney World and jewelry.

9 20. In carrying out the conspiracy, defendants THOMAS, DOZIER, THOMPSON-DOZIER,
10 and VANCE, and others known and unknown to the grand jury, acted knowingly and with the intent
11 to defraud.

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

13
14 A TRUE BILL.

15 /s/ Signature on file w/AUSA

16
17 FOREPERSON

18 PHILLIP A. TALBERT
19 United States Attorney

20 **KIMBERLY A. SANCHEZ**

21 KIMBERLY A. SANCHEZ
22 Chief, Fresno Office
23 Assistant United States Attorney
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