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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

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UNITED STATES OF AMERICA : Hon. Joseph. A. Dickson  
:   
v. : Magistrate No. 16-6543 (JAD)  
:   
REGINALD EAFORD and :   
WINFRED MOSES :   
: **CRIMINAL COMPLAINT**

I, Brian J. MacDonald, being duly sworn, state that the following is true  
and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Postal Inspector with the United States Postal  
Inspection Service, and that this complaint is based upon the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

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Brian J. MacDonald  
Postal Inspector  
U.S. Postal Inspection Service

Sworn to before me and subscribed in my presence,

March 11, 2016 at  
Date

Newark, New Jersey  
City and State

Honorable Joseph A. Dickson  
United States Magistrate Judge  
Name & Title of Judicial Officer

  
Signature of Judicial Officer

**ATTACHMENT A**

**COUNT ONE**

**Conspiracy to Defraud the United States**

From at least in or around 2013, through on or about August 5, 2014 in Essex County, in the District of New Jersey and elsewhere, defendants

**REGINALD EAFORD and  
WINFRED MOSES**

knowingly and intentionally conspired and agreed with each other and others, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful governmental functions of the Internal Revenue Service of the Department of the Treasury, an agency of the United States, to ascertain, compute, assess, and collect income taxes.

In furtherance of the conspiracy and to effect its unlawful objects, the above-listed defendants and their co-conspirators committed and caused to be committed the overt acts, among others, in the District of New Jersey and elsewhere, as set forth in Attachment B of the Criminal Complaint.

In violation of Title 18, United States Code, Section 371.

**COUNT TWO**

**Aggravated Identity Theft**

From at least in or around 2013, through on or about August 5, 2014 in Essex County, in the District of New Jersey and elsewhere, defendants

**REGINALD EAFORD and  
WINFRED MOSES**

knowingly transferred, possessed, and used, without lawful authority, the means of identification of other persons, namely the name, social security numbers, and dates of birth of Co-Conspirator 3 and Co-Conspirator 4, during and in relation to violations of federal law, namely wire fraud (18 U.S.C. § 1343).

In violation of Title 18, United States Code, Section 1028A and Section 2.

## **ATTACHMENT B**

I, Brian J. MacDonald, being duly sworn, depose and say:

1. I am a Postal Inspector with the United States Postal Inspection Service ("USPIS") and have been so employed since May 2012. I have completed twelve weeks of Basis Inspector Training at the USPIS Career Development Division where I received instruction in different areas of criminal investigations. I have been assigned to the Mail Theft/External Crimes team since October 2012, investigating mail theft and various financial crimes involving the United States mail. During my work experience as a Postal Inspector, I have participated in numerous financial investigations and work as part of the Newark Division Financial Crimes Task Force, partnering with the Internal Revenue Service. I have also received specialized training and education in the areas of financial crimes, including internet-based financial crimes.

2. The information contained in this affidavit is based upon my personal knowledge and observation, my training and experience, conversations with other law enforcement officers and witnesses, and the review of documents and records. As part of this investigation, a Special Agent from the Internal Revenue Service – Criminal Investigation has been assigned to this investigation. Based upon my conversations with him and other law enforcement personnel involved in this investigation, I have become familiar with the provisions of the Internal Revenue Code that apply to this affidavit and the various obligations, requirements, and procedures that apply to entities and individuals under the Internal Revenue Code. Because this affidavit is being submitted for the limited purpose of establishing probable cause for a criminal complaint, I have not included every detail of every aspect of the investigation. Rather, I have set forth only those facts that I believe are necessary to establish probable cause for a criminal complaint. Unless specifically indicated, all conversations and statements described in this affidavit are related in substance and in part. Dates of events in this affidavit are asserted as having occurred on or about the asserted date.

3. In 2013, a Detective with the Essex County Prosecutor's Office ("the Detective") was on assignment at the Essex County Correctional Facility ("Essex County Jail"). Part of the Detective's duties was to monitor suspicious financial activity by inmates. In the course of exercising his duties, the Detective noticed in approximately October 2013 that defendant REGINALD EAFORD ("EAFORD"), a then-inmate at the Essex County Jail, was depositing unusually large amounts of money into his inmate account. As a result of this discovery, law enforcement officers began an investigation into possible fraud by EAFORD.

4. A review of Essex County Jail records revealed that EAFORD was an inmate in the Essex County Jail from approximately May 20, 2013 through February 12, 2014. During this period of incarceration, EAFORD was housed in the same unit as Co-Conspirator 1, who remains an inmate at the present

time. A review of the content of EAFORD's and Co-Conspirator 1's telephone calls during their respective periods of incarceration showed that EAFORD, Co-Conspirator 1, Co-Conspirator 2, and Defendant WINFRED MOSES ("MOSES") communicated with each other to submit false federal income tax returns in order to fraudulently obtain income tax refunds.<sup>1</sup> Furthermore, these communications revealed that they conspired with each other.

5. Through a review of the recorded telephone calls and records maintained by the Essex County Jail, law enforcement officers learned that EAFORD and Co-Conspirator 1 obtained social security numbers, dates of birth, and other information from inmates at the Essex County Jail. EAFORD and MOSES would then generate false Form W-2s indicating that the inmates had earned income during the relevant tax year and that federal income tax had been withheld from their paychecks. EAFORD, MOSES, and others would then file false federal income tax returns on behalf of the inmates and refund checks would be sent to the Essex County Jail or to MOSES' residence in East Orange, New Jersey (the "East Orange Residence"). For tax refunds sent to the Essex County Jail, Co-Conspirator 2 would travel to the Essex County Jail and make withdrawals from the relevant inmate account. For refund checks sent to the East Orange Residence, in some instances, the proceeds from the checks were directed to a bank account maintained by EAFORD at RSI Bank. In either event, the proceeds were split among the participants in the fraud.

6. According to Internal Revenue Service ("IRS") records, the above-described scheme was repeated dozens of times resulting in hundreds of thousands of dollars in fraudulently obtained income tax returns.

7. For example, on November 2, 2013, EAFORD placed a telephone call from the Essex County Jail to a male identified as MOSES at a cellular phone number that is registered at the East Orange Residence. The call was recorded by the Essex County Jail. During the call, EAFORD and MOSES discussed the refund status for a tax return filed using a social security number ending in 1404. IRS records indicate that the social security number belongs to Co-Conspirator 3, who has been an inmate at the Essex County Jail since September 11, 2013. IRS records further indicate that Co-Conspirator 3's 2013 tax return was electronically filed on March 18, 2014 with the IRS service center located in Andover, Massachusetts, by an individual using an IP address registered at the East Orange Residence. An analysis of the Form W-2 information attached to Co-Conspirator 3's 2013 tax return revealed that the return and the Form W-2 claimed that Co-Conspirator 3 earned \$70,021 in wages. In truth, Co-Conspirator 3 did not receive a Form W-2 from any employer for the 2013 tax year.

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<sup>1</sup> The monitored telephone calls were placed through the Essex County Jail telephone system, which records all telephone calls. All inmates are notified beforehand that telephone calls placed through that system are recorded and that there is no expectation of privacy on those calls.

8. On December 4, 2013, EAFORD placed a phone call from the Essex County Jail to a male identified as MOSES at the same cellular phone number described in paragraph 7 above. The call was recorded by the Essex County Jail. During the call, EAFORD and MOSES discussed the refund status for a tax return filed using a social security number ending in 8648. IRS records indicate that the social security number belongs to Co-Conspirator 4, who was an inmate at the Essex County Jail from March 25, 2013 to May 17, 2013. IRS records further indicate that Co-Conspirator 4's 2013 tax return was electronically filed on May 20, 2014 with the IRS service center located in Andover, Massachusetts, by an individual using an IP address registered at the East Orange Residence. An analysis of the Form W-2 information attached to Co-Conspirator 4's 2013 tax return revealed that the return and the Form W-2 claimed that Co-Conspirator 4 earned \$70,021 in wages, which is the exact same amount of Form W-2 wages claimed on Co-Conspirator 3's 2013 tax return.<sup>2</sup> In truth, Co-Conspirator 4 did not receive a Form W-2 from any employer for the 2013 tax year.

9. From January 28, 2014 to April 22, 2014, IRS records indicate that 60 tax returns were filed from an IP address registered at the East Orange Residence, for a total of \$368,557 in fraudulently-obtained tax refunds. The majority of the tax returns filed using that IP address were for current or former inmates of the Essex County Jail. Of the 60 tax returns, 24 listed the East Orange Residence as the taxpayer's address. Additionally, 59 of the 60 tax returns contained Form W-2 information that did not match records maintained by the IRS.

10. Similarly, from April 24, 2014 to May 23, 2014, IRS records indicate that 6 tax returns were filed from another IP address registered at the East Orange Residence, claiming \$24,261 in refunds. An analysis of the Form W-2 information attached to the 6 tax returns revealed that the information in the tax returns did not match records maintained by the IRS.

11. Since his release from the Essex County Jail in February 2014, EAFORD has been living at the East Orange Residence with MOSES and others.

12. On August 5, 2014, federal law enforcement officers executed search warrants at the East Orange residence. During the searches, law enforcement agents found tax-related documents associated with fraudulent filings on behalf of Essex County Jail inmates, among others, in the residence, including in EAFORD's and MOSES' respective bedrooms.

13. On August 5, 2014, EAFORD admitted to law enforcement officers that he had prepared and filed tax returns containing false Form W-2 information for inmates of the Essex County Jail. EAFORD stated that in most instances he would sit with the fellow inmate at the Essex County Jail and prepare the false return in the jail. EAFORD admitted that he continued to prepare and file

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<sup>2</sup> Both returns also claimed identical amounts of federal income tax withholding.

fraudulent returns on behalf of inmates after he was released from the Essex County Jail in February 2014. EAFORD admitted that he fabricated Form W-2s to obtain bigger refunds and that he knew doing so was illegal. MOSES admitted he had assisted EAFORD with checking the status of tax returns filed by EAFORD while EAFORD was in jail.

14. During the same interview, EAFORD also admitted that he usually split the tax refunds with the inmates for whom he had filed the returns. According to interviews conducted by law enforcement of current and/or former inmates at the Essex County Jail, the fraudulent tax proceeds that were obtained through the fraud were used by inmates to pay for bail, lawyers, or other needs.