

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon. Christine P. O’Hearn
	:	
v.	:	Crim. No.
	:	
MARTINS INALEGWU	:	18 U.S.C. § 1960
	:	26 U.S.C. § 7201
	:	18 U.S.C. § 2

SUPERSEDING INFORMATION

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

COUNT 1
(Unlicensed Money Transmitting Business)

1. At all times relevant to this Superseding Information:
 - a. Internet fraud is the use of Internet services or software with internet access to defraud victims or to otherwise take advantage of them. Perpetrators of Internet crime schemes steal millions of dollars each year from victims. Criminal organizations that perpetrate internet fraud schemes require networks of individuals to launder the fraud proceeds through the financial system in a manner that conceals and disguises the nature, location, source, ownership, and control of those proceeds.
 - b. A “romance fraud” is a specific type of fraudulent conduct in which a perpetrator feigns romantic intentions towards a victim. The perpetrator frequently meets the victim through an online dating website or application and adopts a fraudulent or stolen identity in aid of the perpetrator’s scheme. Over time, weeks or months, the perpetrator cultivates a romantic

relationship with the targeted victim through online messaging, emails, text messaging, or voice calls, to gain his or her affection and trust. Once the perpetrator gains the victim's affection, the perpetrator uses that goodwill to commit fraud against that victim, or uses that victim as an unwitting accomplice in other fraudulent schemes. The perpetrator routinely requests money from the victim, claiming various emergent reasons for needing such funds, and then directs the victim to deposit that money in a specific account. Though the victim believes their money will be transferred to their romantic partner, in actuality the perpetrator ensures the money is deposited into the account of co-conspirator.

c. Apartment rental scams are fraudulent scams involving the rental of a property, not owned or controlled by the perpetrators, for the purpose of collecting money from the victims in the form of application fees and security deposits. The perpetrators list advertisements on-line, entice victims with information about the properties, pretend they are authorized to rent the properties, and then direct that the victims complete applications and send money to either the perpetrator or co-conspirators, in the form of down payments to reserve the properties. The perpetrators communicate with the victims by email, and the scam email accounts used to communicate with victims are operated by the perpetrators or co-conspirators of the perpetrators.

2. At all times relevant to Count 1 of this Superseding Information:

a. Money transmitting businesses are required by federal law to register with the Secretary of the Treasury of the United States, to file reports

of suspicious activity by customers and to report cash transactions in amounts greater than \$10,000, unless specifically exempted by law.

b. The term “money transmitting” includes, among other things, transferring funds through an electronic funds transfer network involving a financial institution in the Federal Reserve system of the United States.

c. As used, an “unlicensed money transmitting business” means a money transmitting business that affects interstate commerce and foreign commerce in any manner and degree and fails to comply with the money transmitting business registration requirements under Section 5330 of Title 31, United States Code, or regulations prescribed under that section.

d. The term “unlicensed money transmitting business” was defined in Title 18, United States Code, Section 1960(b)(1)(A) to include any money transmitting business that affected interstate or foreign commerce in any manner or degree and that was operated without an appropriate money transmitting license in a State where such operation was punishable as a misdemeanor or a felony under State law, regardless of whether the operator knew that the operation was required to be licensed or that the operation was so punishable.

e. Under the New Jersey Code of Criminal Justice, a business which, for a fee, received money for the purpose of transmitting it within the United States or to locations abroad, by any means, was required to obtain a license authorizing the operation of a money transmitting business from the State of New Jersey. Specifically, the operation of an unlicensed money

transmitting business was punishable as a felony in the State of New Jersey, pursuant to N.J.S.A. 17:15C-4 and 17:15C-24.

3. Defendant Martins INALEGWU engaged in the business of receiving funds and then transmitting those funds from the United States to Nigeria, Turkey, and elsewhere on behalf of the public within the meaning of Title 18, United States Code, Section 1960(b)(2). Defendant Martins INALEGWU retained a small portion of each money transfer as a fee for his money transmitting service.

4. Defendant Martins INALEGWU accepted money from victims of romance and apartment rental fraud scams, with the intent of transferring that money to others. While the victims often believed that defendant Martins INALEGWU would transfer the money to a person they believed was their romantic partner, defendant Martins INALEGWU would actually transfer the money to other co-conspirators, in Nigeria, Turkey and elsewhere.

5. Defendant Martins INALEGWU has not obtained a license from the State of New Jersey for the receipt of money from others for the purpose of transmitting money, or for the actual transmission of the money within the United States or to locations abroad, for a fee.

6. Between on or about April 2016 and on or about May 2020, defendant Martins INALEGWU received money transfers from more than 100 different individuals across the United States. Defendant Martins INALEGWU accepted cash deposits, wire transfers, and deposited checks directly into his own bank accounts, his wife Steincy Mathieu's bank account, and business bank accounts that he controlled.

7. After receiving incoming money transfers, Defendant Martins INALEGWU then facilitated the transfer of a majority of that money into foreign bank accounts belonging to co-conspirators and others, and kept a small portion as payment for completing the transactions.

8. From at least in and around April 2016 and continuing thereafter to at least in and around May 2020, in the District of New Jersey, and elsewhere, the defendant,

MARTINS INALEGWU,

and others known and unknown, knowingly conducted, controlled, managed, supervised, directed, and owned an unlicensed money transmitting business, which affected interstate and foreign commerce and which was operated without the appropriate money transmitting license in a State, namely the State of New Jersey, where such operation was punishable as a felony under New Jersey law.

In violation of Title 18, United States Code, Section 1960 and 2.

COUNT 2
(Income Tax Evasion)

1. Paragraph 1 of Count 1 of this Superseding Information is realleged as if set forth in full herein.

2. The Internal Revenue Service (“IRS”) was a constituent agency of the Treasury Department and part of the Executive Branch of the Government. The IRS was responsible for administering and enforcing the tax laws of the United States, collecting taxes owed by its citizens and businesses to the Treasury of the United States, and providing refunds of overpaid taxes.

3. Generally, individuals were required by law to prepare and file income tax returns with the IRS by April 15 of the year following the year when the income was earned unless an extension was granted. If those income tax returns show that income taxes were due and owing, then the taxpayer was obligated by law to pay that sum of money to the IRS.

4. During tax year 2017, the Internal Revenue Code required taxpayers, including defendant Martins INALEGWU and his wife, Steincy Mathieu, to file an individual income tax return with the Internal Revenue Service (“IRS”), which is charged with collecting payments of taxes due and owing to the United States. During that period, the Internal Revenue Code required defendant INALEGWU and Mathieu to report accurately all resulting income on their individual income tax returns.

5. During the tax year 2017, defendant Martins INALEGWU and Steincy Mathieu obtained funds from victims of both the romance scam and apartment rental scam of approximately \$1,165,001.12.

6. Upon that income, there was owing to the United States an income tax of approximately \$446,647 by defendant Martins INALEGWU and Steincy Mathieu.

7. Neither defendant Martins INALEGWU nor Steincy Mathieu filed a tax return for tax year 2017, and therefore failed entirely to report this money to the IRS.

8. Instead, both defendant Martins INALEGWU and Steincy Mathieu used various bank accounts in the United States to obtain the victim money, transfer the victim money between accounts, transfer the money to accounts in Nigeria, and launder the victim monies to other co-conspirators in Turkey and Nigeria and used victim monies to pay personal expenses.

9. Both defendant Martins INALEGWU and Steincy Mathieu used money transmitting businesses, including both Western Union and MoneyGram, to both accept victim money and transfer victim money out of the country.

10. Both defendant Martins INALEGWU and Steincy Mathieu withdrew money in cash from the various bank accounts, in their own names and that of their fictitious businesses, that they owned, controlled and used to receive proceeds from victims, and used such cash to pay personal expenses, including but not limited to rent, automobiles, food and alcohol, entertainment, travel, and shopping.

11. By not filing a return for tax year 2017, and being involved in laundering victim money, defendant Martins INALEGWU and Steincy Mathieu willfully evaded the payment of income taxes due and owing on the money that they unlawfully obtained.

12. As a result of defendant Martins INALEGWU and Steincy Mathieu's willful attempts to evade and defeat the payment of income taxes due and owing,

defendant Martins INALEGWU and Steincy Mathieu failed to report their taxable income for tax year 2017, causing an aggregate tax due and owing to the United States of approximately \$446,647.

13. On or about April 15, 2018, in Burlington County, in the District of New Jersey and elsewhere, defendant

MARTINS INALEGWU

did willfully attempt to evade and defeat a substantial part of the income tax due and owing to the United States, by committing the affirmative acts of tax evasion set forth in paragraph 8 above, thereby concealing and attempting to conceal from the IRS their true and correct income.

In violation of Title 26, United States Code, Section 7201.

COUNT 3
(Income Tax Evasion)

1. Paragraph 1 of Count 1 and paragraphs 2 and 3 of Count 2 of this Superseding Information is realleged as if set forth in full herein.

2. During tax year 2018, defendant Martins INALEGWU and his wife, Steincy Mathieu, obtained victims funds by way of romance scams and apartment rental scams in the approximate amount of \$2,036,752.80.

3. Upon that income, there was owing to the United States an income tax in the approximate amount of \$766,383.00 by defendant Martins INALEGWU and Steincy Mathieu.

4. On or about February 19, 2019, defendant Martins INALEGWU and Steincy Mathieu jointly filed, and caused to be filed, with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Returns for tax year 2018, which tax returns concealed the income described in paragraph 2 above.

5. During tax year 2018, defendant Martins INALEGWU and Steincy Mathieu engaged in numerous affirmative acts to conceal and attempt to conceal the income described in paragraph 2 above, in order to evade the assessment and payment of a tax, including: (a) using nominee bank accounts at various financial institutions to both accept and launder victim money obtained through the romance and apartment rental scams; and (b) obtaining victim money and performing nominee transactions through various money transmitting business accounts to launder victim money obtained through the romance and apartment rental scams.

6. On or about February 19, 2019, in Burlington County, in the District of New Jersey and elsewhere, defendant

MARTINS INALEGWU

did willfully attempt to evade and defeat a substantial part of the income tax due and owing to the United States for tax year 2018 by only reporting on Form W-2 wages. Defendant Martins INALEGWU and Steincy Mathieu failed to report money that they received from the victims of the romance and apartment rental scams, which they deposited into bank accounts that they controlled and which were used to pay personal expenses and provide to family members, thereby concealing and attempting to conceal from the IRS their true and correct income. As a result of such additional taxable income, there was additional tax due and owing to the United States.

In violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.

COUNTS 4 and 5
(Income Tax Evasion)

1. Paragraph 1 of Count 1 and paragraphs 2 and 3 of Count 2 of this Superseding Information is realleged as if set forth in full herein.

2. During tax year 2019 and 2020, as listed in the table in paragraph 6 below, defendant Martins INALEGWU obtained victims funds by way of the romance scam and apartment rental scam in the approximate amounts listed in the table below.

3. Upon that income, there was owing to the United States an income tax in the approximate amounts listed in the table below by defendant Martins INALEGWU.

4. On or about the dates listed below, defendant Martins INALEGWU filed, and caused to be filed, with the Internal Revenue Service a Form 1040, U.S. Individual Income Tax Returns for tax years listed in the table below, which tax returns concealed the income described in paragraph 2 above and the table below.

5. During tax years listed below, defendant Martins INALEGWU engaged in numerous affirmative acts to conceal and attempt to conceal the income described in paragraph 2 above and the table below, in order to evade the assessment and payment of a tax, including: (a) using nominee bank accounts at various financial institutions to both accept and launder victim money obtained through the romance and apartment rental scams; and (b) obtaining victim money and performing nominee transactions through various money transmitting business accounts to launder victim money obtained through the romance and apartment rental scams.


6. On or about the dates set forth below, in Burlington County, in the District of New Jersey and elsewhere, defendant

MARTINS INALEGWU

did knowingly and willfully attempt to evade and defeat a substantial part of the income tax due and owing to the United States for tax years set forth below, by committing the affirmative acts of tax evasion set forth in paragraph 5 above, among others, with each such return constituting a separate count of this Superseding Information:

Count	Tax Year	Approximate Date Form 1040 Filed	Approximate Undeclared Income	Approximate Tax Due
4	2019	March 6, 2020	\$890,612.85	\$335,418
5	2020	March 21, 2021	\$428,391.15	\$152,263

In violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.


PHILIP R. SELLINGER
United States Attorney