

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 18-
 :
 v. :
 :
 DAVID PATTERSON : 26 U.S.C. § 7206(2)
 :

INDICTMENT

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

COUNTS 1-16
(Aiding and Assisting in the Preparation of False Income Tax Returns)

The Defendant and Other Entities

1. At all times relevant to this Indictment:
 - a. Defendant DAVID PATTERSON (“PATTERSON”) was a resident of Keasby, New Jersey and a former resident of Jersey City, New Jersey. Defendant PATTERSON owned and operated D&D Tax Service, LLC (hereinafter “D&D Tax Service”), a tax preparation business located in Keasby, New Jersey and formerly located in Jersey City, New Jersey. D&D Tax Service maintained and/or controlled bank accounts at JPMorgan Chase Bank, PNC Bank, Citibank, Bank of America, Valley National Bank, HSBC Bank and Hudson City Savings Bank (collectively the “Bank Accounts”).

b. Defendant PATTERSON deposited certain clients' tax refunds into the Bank Accounts he controlled, without the client's knowledge or consent.

c. Defendant PATTERSON advised his clients that by using D&D Tax Service, they would, among other things, receive a good tax refund or the maximum tax refund and, in some instances, defendant PATTERSON advised them that their tax preparation fees would be deducted from their tax refunds.

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

2. For the tax years 2010 through 2015, defendant PATTERSON:

a. met with individual taxpayers (collectively the "clients") at D&D Tax Service and elsewhere, and obtained information and documents from the clients to prepare their U.S. individual income tax returns, Forms 1040 and Forms 1040A, in exchange for a fee that ranged from approximately \$100 to \$3,000 per return;

b. prepared false and fraudulent U.S. individual income tax returns by: (1) inflating and falsifying the clients' wages and earned income in order to maximize the clients' earned income credits; (2) inflating and falsifying the clients' charitable contributions and employee business expenses; and

(3) fabricating the clients' education expenses on Forms 8863 of their returns in order to obtain education credits to which the clients were not otherwise entitled, all in order to obtain refunds for his clients in amounts greater than that to which they were entitled; and

c. filed the false and fraudulent individual U.S. income tax returns with the IRS electronically and by U.S. Mail.

3. Defendant PATTERSON prepared approximately fifty-three U.S. individual income tax returns on behalf of approximately nineteen clients for tax years 2010 through 2015, which were filed with the IRS between 2011 and 2016. Those returns contained falsely claimed fraudulent items and credits, causing a loss to the United States Treasury in excess of approximately \$290,321.

4. From in or about 2010 to 2015, in Hudson County and Middlesex County, in the District of New Jersey, and elsewhere, defendant

DAVID PATTERSON

did knowingly and willfully aid and assist in, and procure, counsel, and advise the preparation and presentation to the IRS of U.S. Individual Income Tax Returns, Forms 1040 and 1040A, for the individuals and tax years identified below, which were false and fraudulent as to material matters, as described in Paragraph 2(b) above and in the last column of the chart below, knowing that the returns were false and fraudulent:

COUNT	DATE RETURN PROCESSED (ON OR ABOUT)	TAXPAYER	TAX YEAR	FALSELY CLAIMED ITEM(S)
1	03/12/2012	S.B.	2011	<ul style="list-style-type: none"> • Earned Income Credit ("EIC") • Charitable Contributions • Employee Business Expenses • Education Credit
2	03/25/2013	S.B.	2012	<ul style="list-style-type: none"> • Employee Business Expenses • EIC
3	03/03/2014	S.B.	2013	<ul style="list-style-type: none"> • Charitable Contributions • Employee Business Expenses
4	04/06/2015	S.B.	2014	<ul style="list-style-type: none"> • Charitable Contributions • Employee Business Expenses
5	03/05/2012	L.J.	2011	<ul style="list-style-type: none"> • Additional Wages • Education Credits • EIC
6	03/18/2013	L.J.	2012	<ul style="list-style-type: none"> • Additional Wages • Education Credit • EIC
7	02/14/2011	A.L.	2010	<ul style="list-style-type: none"> • Additional Wages • Employee Business Expenses • EIC
8	03/05/2012	A.L.	2011	<ul style="list-style-type: none"> • Additional Wages • Education Credits • EIC
9	03/18/2013	A.L.	2012	<ul style="list-style-type: none"> • Additional Wages • Education Credits • EIC
10	03/10/2014	A.L.	2013	<ul style="list-style-type: none"> • Additional Wages • Net Profit From Business • EIC
11	03/30/2015	A.L.	2014	<ul style="list-style-type: none"> • EIC
12	03/14/2016	A.L.	2015	<ul style="list-style-type: none"> • Net Profit From Business • EIC
13	04/02/2012	F.L.	2011	<ul style="list-style-type: none"> • Education Credits • Charitable Contributions • Employee Business Expenses
14	03/25/2013	F.L.	2012	<ul style="list-style-type: none"> • Charitable Contributions • Employee Business Expenses

COUNT	DATE RETURN PROCESSED (ON OR ABOUT)	TAXPAYER	TAX YEAR	FALSELY CLAIMED ITEM(S)
15	03/17/2014	K.T.	2013	<ul style="list-style-type: none"> • Charitable Contributions • Employee Business Expenses
16	04/06/2015	K.T.	2014	<ul style="list-style-type: none"> • Charitable Contributions • Employee Business Expenses

In violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL

FOREPERSON


CRAIG CARPENITO
United States Attorney

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UNITED STATES OF AMERICA

v.

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INDICTMENT FOR

26 U.S.C. § 7206(2)

A True Bill,

Foreperson

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