

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 19-
 :
 v. :
 : 18 U.S.C. § 641
 NICHOLAS PAO : 18 U.S.C. § 1028A
 :

INFORMATION

COUNT ONE
(Theft of Government Funds)

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

At all times relevant to this Information, unless otherwise noted:

1. The Social Security Administration (“SSA”), among other things, maintained the Supplemental Security Income (“SSI”) program under Title XVI of the Social Security Act, Title 42, United States Code, Section 401 et seq., for eligible individuals. Generally, to be eligible for the Title XVI SSI program, an individual must have met the following definition of disability: he/she was unable to perform past relevant work and could not perform any other type of work because of a physical or mental impairment which had lasted, or was expected to last, for at least 12 months, or which could be expected to result in death.

2. The object of the SSI program was to make monthly payments to people who had limited income and resources if they have a disability. Since

SSI was a needs based program, an individual must have limited income and resources to qualify once they met the disability requirements. All income from all sources, including from parents or spouses, were considered and could affect the amount of SSI benefits paid to an eligible person. Even though the SSA managed the SSI program, SSI was not funded by Social Security Taxes but rather, was funded by the U.S. Treasury's general fund.

3. If an SSI recipient's income and/or resources increased to a certain amount in any given month, they would be temporarily ineligible for SSI payments that month and their benefits suspended.

4. In 2008, the SSA introduced Direct Express as a means of paying benefits to social security recipients as an alternative to U.S. Treasury checks. Direct Express was a pre-paid debit card issued by Comerica Bank but funded by the U.S. Treasury. The Direct Express debit card was sent by Comerica directly to social security recipients, but was funded by the U.S. Treasury on a monthly basis.

5. Defendant NICHOLAS PAO ("PAO"), was a resident of Egg Harbor Township, New Jersey, in Atlantic County.

6. Starting on or about July 6, 2008, PAO was employed as a Technical Expert ("TE") at SSA's office in Egg Harbor Township, New Jersey. As a TE, PAO had the ability to access the confidential social security records of all SSA recipients.

7. Commencing on or about December 2, 2014 through in or about

July 2018, PAO used his credentials as a TE to access the confidential social security records of former SSI recipients, without their knowledge or consent, in order to alter the SSI recipients records so as to fraudulently reinstate their benefits and change their address to an address known to PAO or near PAO's residence in Egg Harbor Township, New Jersey.

8. As a result, Comerica Bank issued Direct Express cards to the SSA recipients whose accounts PAO had unlawfully accessed and altered. The SSA then transferred social security funds onto the Direct Express cards from the U.S. Treasury. PAO subsequently intercepted the Direct Express cards that he caused to be issued and accessed the social security funds on the cards for his own use and benefit.

9. From at least in or about December 2014 through in or about July 2018, in Atlantic County, in the District of New Jersey, and elsewhere, defendant

NICHOLAS PAO

did embezzle, steal, purloin, and knowingly convert to his use and the use of others, without authority, money and things of value of the United States, that is, approximately \$99,996.97 in Social Security benefits to which he was not entitled.

In violation of Title 18, United States Code, Section 641.

COUNTS TWO AND THREE
(Aggravated Identity Theft)

10. The allegations set forth in Paragraphs 1 through 9 of Count One above are hereby repeated, realleged and incorporated as if fully set forth herein.

11. While employed as a TE at the SSA, PAO accessed the confidential social security records of S.R., a minor, on or about July 3, 2017. PAO used S.R.'s social number, name, and date of birth to access her social security records and authorize a benefit payment on her behalf. PAO also changed the representative payee from S.R.'s mother to her father, F.G.; changed the address on S.R.'s social security record to an address on Dunlin Lane in Pleasantville, New Jersey (near PAO's residence); enrolled S.R. in Direct Express; and forged S.R.'s father's authorization to the changes made on S.R.'s social security account.

12. These fraudulent changes made by PAO using S.R.'s identifying information caused the SSA to issue a Direct Express debit card with \$8,346.00 in SSI funds intended for S.R. that PAO then intercepted and used the funds for his own benefit.

13. Beginning in or about December 2014, PAO also accessed the confidential social security records of M.W. M.W. had been receiving SSI payments for approximately six months in 2013. M.W.'s benefits ceased and when she inquired as to why, she was advised by PAO that she no longer qualified for SSI. This information was not entirely truthful, and on or about

November 6, 2014, PAO accessed M.W.'s social security record and made changes that, unbeknownst to M.W., reinstated her SSI benefit payments. PAO accessed M.W.'s confidential social security records by using M.W.'s social number, name, and date of birth without her knowledge or consent. PAO also changed the representative payee on M.W.'s social security account; enrolled her in Direct Express; changed her address; and forged documentation from M.W. approving the changes.

14. These fraudulent changes made by PAO using M.W.'s identifying information caused the SSA to issue Direct Express debit cards to M.W. that PAO then intercepted. The SSA made 49 SSI deposits onto the Direct Express debit card intended for M.W. from in or about November 2014 to in or about July 2018 which PAO then accessed for his own use and benefit.

15. PAO used M.W.'s personal identifying information to access her social security records on numerous occasions between in or about November 2014 to in or about July 2018.

16. In or about November 2014 through in or about July 2018, in Atlantic County, in the District of New Jersey, and elsewhere, defendant

NICHOLAS PAO

did knowingly possess and use, without lawful authority, a means of identification of another person, namely, the name, date of birth, and social security numbers of S.R. and M.W., as detailed in the chart below, during and in relation to the offense of theft of government funds, in violation of Title 18,

United States Code, Section 641, as described in Count One of this

Information:

Count	Approximate Date	Description
2	July 3, 2017	PAO used the social security number, name, and date of birth to access and alter the social security records of S.R., a minor.
3	November 3 2014 – July 2018	PAO used the social security number, name, and date of birth to access and alter the social security records of M.W. on multiple occasions

In violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c)

2. The United States hereby gives notice to the defendant that, upon conviction of the offenses charged in this Information, the government will seek forfeiture, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violations of Title 18, United States Code, Section 641, alleged in this Information, including but not limited to a sum of money equal to at least \$99,996.97 in United States currency.

3. If by any act or omission of the defendant, any of the property subject to forfeiture described in paragraph 2 herein:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty, the United States of America will be entitled to forfeiture of substitute property up to the value of the property described above in paragraph 2, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

Craig Carpenito

CRAIG CARPENITO
United States Attorney

CASE NUMBER: 18-

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UNITED STATES OF AMERICA

v.

NICHOLAS PAO

INFORMATION FOR

**18 U.S.C. § 641
18 U.S.C. § 1028A**

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