

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 20- 728 (FLW)  
: :  
v. : :  
: :  
LUIS CRESPO : 18 U.S.C. §§ 286, 287 and 2

**INDICTMENT**

The Grand Jury in and for the District of New Jersey, sitting in ~~Camden~~ <sup>Trenton</sup>, charges:



**Count 1**

**(18 U.S.C. 286 - Conspiracy to Defraud the Government With Respect to Claims)**

**Background**

1. At all times relevant to this Indictment, unless otherwise noted:
  - a. Defendant LUIS CRESPO was a resident of Sayreville, New Jersey.
  - b. Michael Watsey, who was a co-conspirator but not named as a defendant herein, was a resident of South River, New Jersey.
  - c. The Internal Revenue Service ("IRS") was a constituent agency of the United States Department of the Treasury, 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 payable by the United States Treasury.
  - d. The tax laws of the United States required every citizen and resident of the United States who received gross income, including gambling winnings, in excess of the minimum filing amount established by law for a particular tax year to annually make a federal individual income tax return for that tax year, and to file such a tax return with the IRS. To

**R E C E I V E D**

AUG 27 2020  
AT 8:30 3:45 PM  
WILLIAM T. WALSH  
CLERK

report gambling winnings, entities such as casinos issue IRS Form W-2G to report gambling winnings and any federal income tax withheld from those winnings.

**Charge**

2. From in or about April 2015 through in or about April 2018, in the District of New Jersey and elsewhere, defendant

LUIS CRESPO

did knowingly and intentionally conspire and agree with Michael Watsey and with others, known and unknown, to defraud the United States and a department and agency thereof, specifically the Internal Revenue Service, by obtaining and aiding each other and others to obtain the payment and allowance of false, fictitious, and fraudulent claims against the United States, by presenting and causing to be presented, false, fictitious, and fraudulent U.S. Individual Income Tax Returns based upon the submission of materially false federal income tax returns claiming fraudulent income tax refunds.

**Object of the Conspiracy**

3. It was the object of the conspiracy to obtain, and to assist others in obtaining, payment of false claims for individual federal income tax refunds from the IRS, by filing and causing to be filed false and fraudulent individual federal income tax returns for the tax years 2014 through 2017.

**Manner and Means of the Conspiracy**

4. It was part of the conspiracy that defendant LUIS CRESPO, Michael Watsey, and others engaged in a scheme to obtain payments of false, fictitious, and fraudulent claims through the preparation and filing of false U.S. Individual Income Tax Returns.

5. It was further part of the conspiracy that Michael Watsey created false and fraudulent Form W-2Gs in the names and social security numbers of himself, defendant LUIS CRESPO, his friends, family members and associates. These false and fraudulent Form W-2Gs bore the names of real casinos in Atlantic City, New Jersey, but were false because the casinos did not prepare them and the person named on the Form W-2G did not earn the large gambling winnings claimed. In addition, the Form W-2Gs falsely represented that the casino had withheld taxes for defendant CRESPO, Watsey, Watsey's friends, family members and associates.

6. It was further part of the conspiracy and the scheme and artifice to defraud that defendant LUIS CRESPO, Michael Watsey and his co-conspirators prepared, and caused to be prepared, false and fraudulent individual federal income tax returns for the tax years of 2014 through 2017 using the false and fraudulent Form W-2Gs and requesting large refunds.

7. It was further part of the conspiracy and the scheme and artifice to defraud that defendant LUIS CRESPO, Michael Watsey and his co-conspirators filed and caused to be filed more than 16 false and fraudulent individual federal income tax returns with the IRS, which falsely claimed approximately \$3,936,000 in refunds.

8. It was further part of the conspiracy and the scheme and artifice to defraud that defendant LUIS CRESPO, Michael Watsey and his co-conspirators received the proceeds of refunds generated by the filing of the false and fraudulent individual federal income tax returns that totaled approximately \$1,292,729.

In violation of Title 18, United States Code, Section 286.

**Counts 2 and 3**  
**(18 U.S.C. 287 - False, Fictitious, or Fraudulent Claims)**

1. Paragraphs 1 and 3 through 8 of Count 1 of the Indictment are incorporated as if set forth in full herein.

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

LUIS CRESPO

knowingly made and presented, and caused to be presented, to the United States, namely the Internal Revenue Service, claims for payment of fraudulent income tax refunds that falsely and fraudulently claimed withholding of gambling winnings, in the amounts listed below, with knowledge that such claims were false, fictitious, and fraudulent:

Count	Claimant	Tax Year	Approximate Date of Filing	Approximate Refund Amount Claimed	Approximate Amount of Refund Received
2	LUIS CRESPO	2016	January 24, 2017	\$309,282	\$311,163
3	LUIS CRESPO	2017	February 12, 2018	\$199,505	\$199,505

In violation of Title 18, United States Code, Section 287 and Title 18, United States Code, Section 2.

A TRUE BILL

\_\_\_\_\_  
FOREPERSON

  
CRAIG CARPENITO  
United States Attorney

CASE NUMBER: 20-728 (FLW)

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**United States District Court  
District of New Jersey**

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**UNITED STATES OF AMERICA**

**v.**

**LUIS CRESPO**

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**INDICTMENT FOR**

**18 U.S.C. § 286  
18 U.S.C. § 287  
18 U.S.C. § 2**

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A True Bill,

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Foreperson

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**CRAIG CARPENITO**  
*U.S. ATTORNEY, NEWARK, NEW JERSEY*

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**JASON M. RICHARDSON**  
*Assistant U.S. Attorney  
Camden, New Jersey  
(856) 757-5026*

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