

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

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 24-
	:	
WALID KHATER	:	18 U.S.C. § 1349
	:	18 U.S.C. § 371

**INFORMATION**

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

**COUNT ONE**  
**(Conspiracy to Commit Wire Fraud)**

1. At all times relevant to this Information:
  - a. Defendant WALID KHATER was a resident of Paterson, New Jersey and Mesa, Arizona.
  - b. Omar Khater resided in Paterson, New Jersey and Fairfield, New Jersey and is a co-conspirator not charged in this Information. Omar Khater provided tax preparer services to individuals.
  - c. Individual-1 was an individual who resided in New Jersey and was incarcerated under the custody of the New Jersey Department of Corrections from on or about May 27, 2016 through on or about May 20, 2019. Thereafter, Individual-1 was detained in the custody of United States Immigrations and Customs Enforcement (“ICE”) until in or around February 2022.
  - d. Payment Application-1 and Payment Application-2 each provided mobile payment and banking services.

- e. Bank-1 was a financial institution headquartered in San Francisco, California.
- f. The Internal Revenue Service (“IRS”) was the federal agency tasked with tax collection and administration of the Internal Revenue Code.
- g. “Form 1040” was a U.S. Individual Income Tax Return form.
- h. “Form W-2” was a U.S. tax form for the reporting of wages received from an employer. A taxpayer was required to attach Form W-2 to Form 1040 when filing a tax return reflecting income earned.
- i. “Form W-2G” was a U.S. tax form that gambling providers, such as casinos or online gambling websites, often provided to individuals to report gambling winnings. A taxpayer was required to attach Form W-2G to Form 1040 when filing a tax return reflecting income won through certain gambling winnings.
- j. Individual taxpayers were permitted to electronically file (“e-file”) their tax returns with the IRS. To electronically file a tax return, the taxpayer utilized a self-selected personal identification number (“PIN”). The taxpayer’s identity was authenticated using the taxpayer’s date of birth and either the prior year’s PIN or information from the prior year’s tax return.

### **The Conspiracy to Defraud**

2. From in or around May 2018 through in or around August 2022, in the District of New Jersey and elsewhere, the defendant,

**WALID KHATER,**

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially

false and fraudulent pretenses, representations, and promises, and for the purpose of executing such a scheme and artifice to defraud, to knowingly transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain signs, signals, and sounds, for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343.

### **Goal of the Conspiracy**

3. The goal of the conspiracy was for WALID KHATER and his co-conspirators, including Omar Khater and others, to enrich themselves by filing false and fraudulent tax returns using the personal identifying information (“PII”) of various individuals to generate millions of dollars in tax refunds that the conspirators directed to accounts they controlled.

### **Manner and Means of the Conspiracy to Defraud**

4. It was part of the conspiracy that:
- a. WALID KHATER and his co-conspirators fraudulently generated falsified tax documents through an online tax preparation website using the PII of individuals without their knowledge or permission. Such PII included names, dates of birth, social security numbers, and other information.
  - b. For example, Omar Khater had previously provided tax preparation services to Individual-1 and had access to Individual-1’s PII. However, Individual-1 was continuously imprisoned or detained from at least in or around May 2016 to in or around February 2022. During this time period, Individual-1 did not earn income from any private employer or win gambling winnings.

Nonetheless, during this period, the co-conspirators used Individual-1's name and PII to generate false Forms W-2 and W-2G using an online tax preparation website.

c. WALID KHATER and Omar Khater agreed to electronically file false tax returns bearing Individual-1's name and personal information (the "Individual-1 Returns") with the IRS for tax years 2018, 2019, and 2020. WALID KHATER electronically filed the Individual-1 Returns for tax years 2019 and 2020 from his residence in Mesa, Arizona.

d. As a result of the false tax returns, WALID KHATER and Omar Khater fraudulently collected refund checks from the IRS for tax years 2018, 2019, and 2020, as reflected in the below chart:

Tax Year	Approx. Claimed Earnings	False Form W-2 or W-2G Included in the Tax Returns	Approx. Refund Falsely Claimed from the IRS
2018	\$67,557	Form W-2; purported to reflect employment income from an employer in Lincoln Park, New Jersey	\$16,064.00
2019	\$1,376,000	Form W-2G; purported to reflect gambling winnings from a casino in New York state	\$194,985.18
2020	\$1,500,000	Form W-2G; purported to reflect lottery winnings from the New Jersey Lottery	\$118,208.94

e. Omar Khater added Individual-1's name to a mailbox at a UPS store in West Orange, New Jersey, and used that mailbox in furtherance of the scheme to receive checks and other paperwork addressed to Individual-1. The co-conspirators, including Omar Khater, also electronically opened at least three bank accounts in Individual-1's name (the "Individual-1 Fraud Accounts") and used those accounts to deposit fraudulently obtained tax refunds and to withdraw the proceeds.

f. WALID KHATER, Omar Khater, and other co-conspirators withdrew thousands of dollars in cash from the Individual-1 Fraud Accounts using ATMs in New Jersey and Arizona, and electronically transferred thousands of dollars from the Individual-1 Fraud Accounts between and among the co-conspirators via wire transmissions in interstate commerce, including using Payment Application-1 and Payment Application-2.

g. In addition to the false tax returns filed using the PII of Individual-1, WALID KHATER and his co-conspirators used the PII of numerous other individuals to electronically file false tax returns generating large refunds. As a result of the conspiracy, the IRS distributed at least approximately \$4,489,875.46 in refunds falsely claimed by fraudulent tax returns.

In violation of Title 18, United States Code, Section 1349.

**COUNT TWO**  
**(Conspiracy to Defraud the IRS)**

5. The allegations in paragraphs 1, 3, and 4 of this Information are realleged here.

6. From in or around May 2018 through in or around August 2022, in the District of New Jersey and elsewhere, the defendant,

**WALID KHATER,**

knowingly and willfully conspired and agreed with others to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of the IRS to ascertain, compute, assess, and collect income taxes.

**Goal of the Conspiracy**

7. The goal of the conspiracy was for WALID KHATER and his co-conspirators, including Omar Khater and others, to enrich themselves by filing false and fraudulent tax returns with the IRS using the PII of various individuals to generate millions of dollars in tax refunds to which they were not entitled.

**Overt Acts**

8. In furtherance of the conspiracy and to achieve its illegal objectives, WALID KHATER and others committed, and caused to be committed, the following overt acts in the District of New Jersey and elsewhere:

a. On or about April 18, 2019, Omar Khater added Individual-1's name to a mailbox at a UPS store in West Orange, New Jersey.

b. On or about July 7, 2020, WALID KHATER electronically filed a false tax return bearing Individual-1's name and personal information for tax year 2019, from his residence in Mesa, Arizona.

c. On or about September 26, 2020, WALID KHATER opened a bank account in Individual-1's name at Bank-1 with a fraudulent application stating that Individual-1 resided in Mesa, Arizona (the "Bank-1 Fraud Account").

d. On or about October 5, 2020, a co-conspirator deposited a fraudulent refund check into the Bank-1 Fraud Account at an ATM in West Caldwell, New Jersey.

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

## **FORFEITURE ALLEGATION**

1. Upon conviction of the offense in violation of Title 18, United States Code, Section 1349, as charged in Count One of this Information, defendant WALID KHATER shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), all property, real and personal, the defendant obtained that constitutes or is derived from proceeds traceable to the commission of such offense, and all property traceable to such property, including, but not limited to, a sum of money equal to \$4,489,875.46, representing the proceeds of the offense charged in Count One of this Information, and all property traceable to such property.

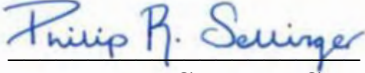
### **Substitute Assets Provision**

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (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,



it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

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**PHILIP R. SELLINGER**  
United States Attorney

CASE NUMBER: 24-\_\_\_\_\_

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

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**UNITED STATES OF AMERICA**

v.

**WALID KHATER**

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**INFORMATION FOR**

**18 U.S.C. § 1349**

**18 U.S.C. § 371**

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**PHILIP R. SELLINGER**  
UNITED STATES ATTORNEY  
FOR THE DISTRICT OF NEW JERSEY

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