

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 07-_____
v.	:	DATE FILED: January 16, 2007
ENRICO NARDINI	:	VIOLATIONS:
KEVIN RANKIN	:	18 U.S.C. § 371 (conspiracy to make false
BISHOP KRABSZ,	:	statements to federally insured financial
a/k/a “Stephen Bishop”	:	institutions, to commit wire fraud, and to
JAMES SANFORD	:	defraud the United States - 1 count)
WILLIAM LAVAN, JR.	:	18 U.S.C. § 1014 (false statements to
WILLIAM LAVAN, SR.	:	federally insured financial institutions -
	:	15 counts)
	:	18 U.S.C. §§ 1343 and 1349 (wire fraud -
	:	4 counts)
	:	26 U.S.C. § 7203 (willful failure to file tax
	:	return - 1 count)
	:	26 U.S.C. § 7206(1) (false tax returns -
	:	8 counts)
	:	26 U.S.C. § 7206(2) (aiding the
	:	preparation of false tax returns -
	:	11 counts)
	:	18 U.S.C. § 2 (aiding and abetting)

INDICTMENT

COUNT ONE

**CONSPIRACY TO MAKE FALSE STATEMENTS TO
FEDERALLY INSURED FINANCIAL INSTITUTIONS,
TO COMMIT WIRE FRAUD, AND TO DEFRAUD THE UNITED STATES**

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant ENRICO NARDINI acted as an accountant and tax preparer for individuals and small business clients, preparing tax returns for these clients to be filed with the Internal Revenue Service (“IRS”), and preparing and assisting in the submission of financial statements and tax returns to financial institutions and other lenders in connection with clients’

loan applications. For a number of his clients, including defendants KEVIN RANKIN and BISHOP KRABSZ, a/k/a "Stephen Bishop," defendant NARDINI knowingly submitted to financial institutions and other lenders copies of tax returns that falsely purported to be true copies of the tax returns that some of his clients filed with the IRS, but actually were tax returns that showed significantly higher income than had been reported to the IRS. For some of his clients, including defendants RANKIN and KRABSZ, defendant NARDINI also knowingly and willfully under reported to the IRS the total income that his clients and their businesses received.

2. Defendants KEVIN RANKIN and BISHOP KRABSZ were business partners and owned, controlled, and operated, among other businesses, Dangerous Curves, an adult entertainment club, and the Ashburner Inn, a restaurant/bar, both located in Philadelphia, Pennsylvania. From approximately 2001 through 2005, defendants RANKIN and KRABSZ used the services of defendant ENRICO NARDINI to, among other things, prepare false tax returns to be filed with the IRS and prepare false copies of tax returns to be submitted to financial institutions and other lenders in support of loan applications.

3. Philadelphia Federal Credit Union was a financial institution located in Philadelphia, Pennsylvania, the deposits of which were insured by the National Credit Union Administration Board.

4. Allegiance Bank of North America was a financial institution located in Philadelphia, Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation.

5. Citizens Bank was a financial institution located in, among other places, Philadelphia, Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation.

6. Superior Home Mortgage Corporation was a mortgage company located in New Jersey.

THE CONSPIRACY

7. From in or about 2001 to at least in or about October 2005, in the Eastern District of Pennsylvania, and elsewhere, defendants

ENRICO NARDINI KEVIN RANKIN, and BISHOP KRABSZ

conspired and agreed, together and with others known and unknown to the grand jury, to commit offenses against the United States, that is, (1) to knowingly make false statements and reports to federally insured financial institutions for the purpose of influencing the actions of those financial institutions upon loans, in violation of Title 18, United States Code, Section 1014; (2) to knowingly devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and to knowingly use interstate wire communications to further the scheme to defraud, in violation of Title 18, United States Code, Section 1343; and (3) to knowingly defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment and collection of taxes, in violation of Title 18, United States Code, Section 371.

MANNER AND MEANS

It was part of the conspiracy that:

8. Defendant ENRICO NARDINI held himself out to be an accountant and tax preparer and was willing to prepare and submit for his clients false tax returns to be provided to banks and other financial institutions in support of loan applications and prepare for his clients false tax returns to be filed with the IRS.

9. Defendants KEVIN RANKIN and BISHOP KRABSZ sought to obtain financing for their businesses and hired defendant ENRICO NARDINI to help them with accounting and tax preparation services.

10. Defendant ENRICO NARDINI prepared false tax returns for defendants KEVIN RANKIN and BISHOP KRABSZ to submit to banks and other financial institutions in support of loan applications seeking loans of more than approximately \$2,081,500 from approximately 2002 to 2005. Defendants NARDINI, RANKIN, and KRABSZ knew that these tax returns, which purported to be true and accurate copies of the tax returns filed with the IRS, were false and significantly inflated the income that had been reported to the IRS.

11. Defendant ENRICO NARDINI also prepared false tax returns for defendants KEVIN RANKIN and BISHOP KRABSZ to file with the IRS. Defendants NARDINI, RANKIN, and KRABSZ knew that these returns significantly understated the income of defendants RANKIN and KRABSZ and companies owned and controlled by RANKIN and KRABSZ by at least approximately \$800,000 for tax years 2000 through 2004, resulting in tax losses of approximately \$200,000.

12. Defendants ENRICO NARDINI, KEVIN RANKIN, and BISHOP KRABSZ also defrauded the IRS by failing to report to the IRS and failing to account for and remit the full amount of payroll taxes due for the employees of Dangerous Curves by paying many of the employees substantial unreported cash salaries of at least approximately \$1,400,000 for tax years 2001 through 2004 in addition to the salaries of these employees that were reported to the IRS and for which payroll taxes were remitted, resulting in tax losses of at least approximately \$107,000.

OVERT ACTS

In furtherance of the conspiracy, defendants ENRICO NARDINI, KEVIN RANKIN, and BISHOP KRABSZ, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere.

A. THE PHILADELPHIA FEDERAL CREDIT UNION LOANS

i. The August 29, 2003 Loan to Ashburner Associates, LLC for \$344,500

1. In or about October 2002, defendants KEVIN RANKIN and BISHOP KRABSZ and the other partners of Ashburner Associates, LLC sought a loan from the Philadelphia Federal Credit Union to renovate and build an addition to the Ashburner Inn.

2. On or about October 15, 2002, as part of the application process for a loan to Ashburner Associates, LLC, defendants KEVIN RANKIN and BISHOP KRABSZ caused to be submitted personal financial statements to the Philadelphia Federal Credit Union. In these statements, defendant RANKIN stated that his annual income for 2001 was \$209,590, and defendant KRABSZ stated that his annual income was \$215,642. Defendant KRABSZ listed his accountant as defendant ENRICO NARDINI.

3. In or about March/April 2003, defendants KEVIN RANKIN and BISHOP KRABSZ caused to be submitted signed false copies of their 2000 and 2001 tax returns, that had been prepared by defendant ENRICO NARDINI, to the Philadelphia Federal Credit Union in support of an application seeking a \$344,500 loan to Ashburner Associates, LLC. For tax year 2000, defendants RANKIN and KRABSZ reported that the adjusted gross income on their federal tax returns was \$167,083 and \$206,303, respectively. For tax year 2001, defendants RANKIN and KRABSZ reported that the adjusted gross income on their federal tax returns was \$209,590 and \$213,642, respectively. Defendants NARDINI, RANKIN, and KRABSZ knew that the copies of the tax returns prepared by defendant NARDINI to be submitted to Philadelphia Federal Credit Union were not true and correct copies of the tax returns actually filed with the IRS. In the tax returns actually filed with the IRS, defendants NARDINI, RANKIN, and KRABSZ reported significantly less income, that is, for 2000, defendant RANKIN stated that his adjusted gross income was \$47,235, and defendant KRABSZ stated that his adjusted gross income was \$30,115; for 2001, defendant RANKIN did not file a tax return with the IRS, and defendant KRABSZ stated that his adjusted gross income was \$14,911.

4. On or about August 29, 2003, defendants KEVIN RANKIN and BISHOP KRABSZ signed a construction loan agreement and promissory note, as guarantors, through which Philadelphia Federal Credit Union agreed to lend \$344,500 to Ashburner Associates, LLC. **ii. The December 10, 2004 Loan to Ashburner Associates, LLC for \$930,000**

5. In or about mid to late 2004, defendants KEVIN RANKIN and BISHOP KRABSZ and the other partners of Ashburner Associates sought a \$930,000 loan for Ashburner

Associates, LLC from the Philadelphia Federal Credit Union to consolidate the prior financing that was used to renovate and build an addition to the Ashburner Inn.

6. In or about December 2004, defendants KEVIN RANKIN and BISHOP KRABSZ caused to be submitted signed false copies of their 2002 and 2003 tax returns, that had been prepared by defendant ENRICO NARDINI, and had been submitted to the Philadelphia Federal Credit Union in support of the application seeking the \$930,000 loan to Ashburner Associates, LLC. For tax year 2002, defendants RANKIN and KRABSZ reported that the adjusted gross income on their federal tax returns was \$216,887 and \$231,513, respectively. For tax year 2003, defendants RANKIN and KRABSZ reported that the adjusted gross income on their federal tax returns was \$252,530 and \$263,101, respectively. Defendants NARDINI, RANKIN, and KRABSZ knew that the copies of the tax returns prepared by defendant NARDINI to be submitted to Philadelphia Federal Credit Union were not true and correct copies of the tax returns actually filed with the IRS. In the tax returns actually filed with the IRS, defendants NARDINI, RANKIN, and KRABSZ reported significantly less income, that is, for 2002, defendant RANKIN stated that his adjusted gross income was \$24,341, and defendant KRABSZ stated that his adjusted gross income was \$19,413; for 2003, defendant RANKIN stated that his adjusted gross income was \$38,176, and defendant KRABSZ stated that his adjusted gross income was \$47,169.

7. On or about December 10, 2004, defendants KEVIN RANKIN and BISHOP KRABSZ signed a loan agreement and promissory note, as guarantors, through which Philadelphia Federal Credit Union agreed to lend \$930,000 to Ashburner Associates, LLC.

iii. The December 1, 2005 Loan to Bishop Krabsz for \$225,000

8. In or about October 2005, defendant BISHOP KRABSZ sought a personal loan in the amount of \$225,000 from the Philadelphia Federal Credit Union to, among other things, pay off an approximately \$100,000 loan with Citizen's Bank and an approximately \$25,000 boat loan with the Philadelphia Federal Credit Union.

9. In or about October 2005, defendant BISHOP KRABSZ caused to be submitted a false copy of his 2003 tax return, that had been prepared by defendant ENRICO NARDINI, to the Philadelphia Federal Credit Union in support of an application seeking a \$225,000 loan. For tax year 2003, defendant KRABSZ reported that the adjusted gross income on his federal tax return was \$263,101. Defendants NARDINI and KRABSZ knew that the copy of the tax return prepared by defendant NARDINI to be submitted to Philadelphia Federal Credit Union was not a true and correct copy of the tax return actually filed with the IRS. In the tax return actually filed with the IRS, defendants NARDINI and KRABSZ reported significantly less income, that is, for 2003, defendant KRABSZ stated that his adjusted gross income was \$47,169.

10. On or about December 1, 2005, defendant BISHOP KRABSZ signed a credit agreement through which Philadelphia Federal Credit Union agreed to lend him \$225,000.

B. THE ALLEGIANCE BANK LOAN FOR \$292,000

11. In or about December 2003, defendant ENRICO NARDINO referred defendants KEVIN RANKIN and BISHOP KRABSZ to Allegiance Bank of North America to seek a loan for KRR Properties, LLC, a business that owned residential properties and the property on which Dangerous Curves was located and which was owned and controlled by defendants RANKIN and KRABSZ.

12. In or about December 2003, as part of the application process for a loan to KRR Properties, LLC, defendants KEVIN RANKIN and BISHOP KRABSZ caused to be submitted statements of financial condition, which had been prepared by defendant ENRICO NARDINI, to Allegiance Bank of North America. In these statements, defendant RANKIN stated that his net worth as of August 31, 2003 was \$756,331, and defendant KRABSZ stated that his net worth as of August 31, 2003 was \$1,248,661.

13. In or about December 2003, defendants KEVIN RANKIN and BISHOP KRABSZ caused to be submitted false copies of their 2001 and 2002 tax returns, that had been prepared by defendant ENRICO NARDINI, to Allegiance Bank of North America in support of an application seeking a \$240,000 loan to KRR Properties, LLC. For tax year 2001, defendants RANKIN and KRABSZ reported that the adjusted gross income on their federal tax returns was \$209,590 and \$213,642, respectively. For tax year 2002, defendants RANKIN and KRABSZ reported that the adjusted gross income on their federal tax returns was \$224,724 and \$239,350, respectively. Defendants NARDINI, RANKIN, and KRABSZ knew that the copies of the tax returns prepared by defendant NARDINI to be submitted to Allegiance Bank of North America were not true and correct copies of the tax returns actually filed with the IRS. For 2001, defendant RANKIN did not file a tax return with the IRS. In the tax returns actually filed with the IRS, defendants NARDINI, RANKIN, and KRABSZ reported significantly less income, that is, for 2001, defendant KRABSZ stated that his adjusted gross income was \$14,911. For 2002, defendant RANKIN stated that his adjusted gross income was \$24,341, and defendant KRABSZ stated that his adjusted gross income was \$19,413.

14. In or about February 2004, defendants KEVIN RANKIN and BISHOP KRABSZ sought to increase the amount of the loan for KRR Properties, LLC from \$240,000 to \$292,000.

15. On or about April 22, 2004, defendants KEVIN RANKIN and BISHOP KRABSZ signed loan agreements and promissory notes through which Allegiance Bank of North America agreed to lend \$292,000 to KRR Properties, LLC.

C. THE CITIZENS BANK LOAN FOR \$240,000

16. On or about January 14, 2003, defendant BISHOP KRABSZ sought a personal loan in the amount of \$240,000 from Citizens Bank.

17. On or about January 16, 2003, defendant BISHOP KRABSZ caused to be submitted false copies of his 2000 and 2001 tax returns, that had been prepared by defendant ENRICO NARDINI, to Citizens Bank in support of his application seeking a \$240,000 loan. For tax year 2000, defendant KRABSZ reported that the adjusted gross income on his federal tax returns was \$165,366. For tax year 2001, defendant KRABSZ reported that the adjusted gross income on his federal tax return was \$213,642. In fact, as defendants KRABSZ and NARDINI well knew, in the tax returns filed with the IRS, for 2000, defendant KRABSZ stated that his adjusted gross income was \$30,115; and for 2001, defendant KRABSZ stated that his adjusted gross income was \$14,911.

18. On or about February 6, 2003, defendant BISHOP KRABSZ signed a promissory note through which Citizens Bank agreed to lend him \$240,000.

D. THE SUPERIOR HOME MORTGAGE CORPORATION LOAN FOR \$50,000

19. In or about September 2002, defendant BISHOP KRABSZ sought a personal loan in the amount of \$50,000 from Superior Home Mortgage Corporation.

20. On or about September 10, 2002, defendant BISHOP KRABSZ caused to be submitted by interstate fax from the business of Reinaldo Pastrana located in Philadelphia to Superior Home Mortgage Corporation located in New Jersey, a false copy of his 2001 tax return, that had been prepared by defendant ENRICO NARDINI, in support of his application seeking a \$50,000 loan. For tax year 2001, defendant KRABSZ reported that the adjusted gross income on his federal tax return was \$213,642. In fact, as defendants KRABSZ and NARDINI well knew, in the tax return filed with the IRS, defendant KRABSZ stated that his adjusted gross income was \$14,911 for 2001.

21. On or about September 12, 2002, defendant BISHOP KRABSZ caused to be submitted by interstate fax from his business, Dangerous Curves, located in Philadelphia to Superior Home Mortgage Corporation located in New Jersey, a false copy of his 2000 tax return, that had been prepared by defendant ENRICO NARDINI, in support of his application seeking a \$50,000 loan. For tax year 2000, defendant KRABSZ reported that the adjusted gross income on his federal tax return was \$206,303. In fact, as defendants KRABSZ and NARDINI well knew, in the tax return filed with the IRS, defendant KRABSZ stated that his adjusted gross income was \$30,115 for 2000.

22. On or about February 4, 2003, defendant BISHOP KRABSZ signed a promissory note through which Superior Home Mortgage Corporation agreed to lend him \$50,000.

E. THE TAX RETURNS FILED BY RANKIN AND KRABSZ WITH THE IRS

23. On or about April 5, 2002, defendant KEVIN RANKIN caused to be filed with the IRS his tax return for tax year 2000, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants RANKIN and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported RANKIN's income, when in fact, as defendants RANKIN and NARDINI well knew, RANKIN's adjusted gross income was substantially more than the \$47,235 that he reported, in that he had received more than approximately \$101,184 in unreported cash from his businesses, including from Dangerous Curves.

24. On or about April 5, 2002, defendant BISHOP KRABSZ caused to be filed with the IRS his tax return for tax year 2001, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants KRABSZ and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported KRABSZ's income, when in fact, as defendants KRABSZ and NARDINI well knew, KRABSZ's adjusted gross income was substantially more than the \$14,911 that he reported, in that he had received more than approximately \$77,316 in unreported cash from his businesses, including from Dangerous Curves.

25. On or about April 12, 2003, defendant BISHOP KRABSZ caused to be filed with the IRS his tax return for tax year 2002, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the

penalty of perjury, and which defendants KRABSZ and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported KRABSZ's income, when in fact, as defendants KRABSZ and NARDINI well knew, KRABSZ's adjusted gross income was substantially more than the \$19,413 that he reported, in that he had received more than approximately \$84,703 in unreported cash from his businesses, including from Dangerous Curves.

26. On or about April 15, 2003, defendant KEVIN RANKIN caused to be filed with the IRS his tax return for tax year 2002, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants RANKIN and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported RANKIN's income, when in fact, as defendants RANKIN and NARDINI well knew, RANKIN's adjusted gross income was substantially more than the \$24,341 that he reported, in that he had received more than approximately \$110,796 in unreported cash from his businesses, including from Dangerous Curves.

27. On or about April 10, 2004, defendant BISHOP KRABSZ caused to be filed with the IRS his tax return for tax year 2003, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants KRABSZ and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported KRABSZ's income, when in fact, as defendants KRABSZ and NARDINI well knew, KRABSZ's adjusted gross income was substantially more than the \$47,169 that he reported, in that he had received

more than approximately \$99,660 in unreported cash from his businesses, including from Dangerous Curves.

28. On or about April 12, 2004, defendant KEVIN RANKIN caused to be filed with the IRS his tax return for tax year 2003, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants RANKIN and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported RANKIN's income, when in fact, as defendants RANKIN and NARDINI well knew, RANKIN's adjusted gross income was substantially more than the \$38,176 that he reported, in that he had received more than approximately \$92,736 in unreported cash from his businesses, including from Dangerous Curves.

29. On or about May 4, 2005, defendant BISHOP KRABSZ caused to be filed with the IRS his tax return for tax year 2004, which had been prepared by defendant ENRICO NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants KRABSZ and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported KRABSZ's income, when in fact, as defendants KRABSZ and NARDINI well knew, KRABSZ's adjusted gross income was substantially more than the \$36,495 that he reported, in that he had received more than approximately \$113,600 in unreported cash from his businesses, including from Dangerous Curves.

30. On or about June 28, 2005, defendant KEVIN RANKIN caused to be filed with the IRS his tax return for tax year 2004, which had been prepared by defendant ENRICO

NARDINI, which was verified by a written declaration that it was made under the penalty of perjury, and which defendants RANKIN and NARDINI did not believe to be true and correct as to every material matter, in that the return substantially under reported RANKIN's income, when in fact, as defendants RANKIN and NARDINI well knew, RANKIN's adjusted gross income was substantially more than the \$35,985 that he reported, in that he had received more than approximately \$153,753 in unreported cash from his businesses, including from Dangerous Curves.

E. THE ILLEGAL CASH PAYROLL AT DANGEROUS CURVES

31. In or about 2001, defendants KEVIN RANKIN and BISHOP KRABSZ made P.S., a person known to the grand jury, the manager of Dangerous Curves. Defendants RANKIN and KRABSZ offered to pay P.S. a salary of approximately \$7,800 per year (from which appropriate federal, state and local taxes would be withheld) and an additional cash salary of \$200 per day from which there would be no withholding for payroll taxes.

32. In or about 2001, when P.S. became the manager of Dangerous Curves, defendants KEVIN RANKIN and BISHOP KRABSZ explained to P.S. that part of her responsibilities included completing daily sheets on which P.S. reported additional cash payroll payments of approximately at least \$400 for the day shift day for employees filling the positions of, among other, bartender, disk jockey, bar back, kitchen worker, couch room attendant, and house mom. For the night shift, defendants RANKIN and KRABSZ made cash payroll payments of approximately at least \$575 for employees filling these same positions.

33. In or about January 2002, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI caused an IRS Form W-2 to be issued to P.S. reporting that

P.S. earned \$7,800 in 2001 and had federal taxes of \$571 withheld. Defendants RANKIN, KRABSZ, and NARDINI knew that the Form W-2 for P.S. did not report at least approximately \$50,000 in cash income for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

34. In or about January 2002, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI failed to report on IRS Forms W-2 that employees filling the positions of, among other, bartender, disk jockey, bar back, kitchen worker, couch room attendant, and house mom earned at least approximately \$300,000 in cash income in 2001 for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

35. In or about January 2003, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI caused an IRS Form W-2 to be issued to P.S. reporting that P.S. earned \$7,800 in 2002 and had federal taxes of \$134 withheld. Defendants RANKIN, KRABSZ, and NARDINI knew that the Form W-2 for P.S. did not report at least approximately \$50,000 in cash income for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

36. In or about January 2003, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI failed to report on IRS Forms W-2 that employees filling the positions of, among other, bartender, disk jockey, bar back, kitchen worker, couch room attendant, and house mom earned at least approximately \$300,000 in cash income in 2002 for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

37. In or about January 2004, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI caused an IRS Form W-2 to be issued to P.S. reporting that P.S. earned \$7,800 in 2003 and had federal taxes of \$287 withheld. Defendants RANKIN, KRABSZ, and NARDINI knew that the Form W-2 for P.S. did not report at least approximately \$50,000 in cash income for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

38. In or about January 2004, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI failed to report on IRS Forms W-2 that employees filling the positions of, among other, bartender, disk jockey, bar back, kitchen worker, couch room attendant, and house mom earned at least approximately \$300,000 in cash income in 2003 for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

39. In or about January 2005, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI caused an IRS Form W-2 to be issued to P.S. reporting that P.S. earned \$7,800 in 2004 and had federal taxes of \$1,170 withheld. Defendants RANKIN, KRABSZ, and NARDINI knew that the Form W-2 for P.S. did not report at least approximately \$50,000 in cash income for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

40. In or about January 2005, defendants KEVIN RANKIN, BISHOP KRABSZ, and ENRICO NARDINI failed to report on IRS Forms W-2 that employees filling the positions of, among other, bartender, disk jockey, bar back, kitchen worker, couch room attendant, and house mom earned at least approximately \$300,000 in cash income in 2004 for which defendants RANKIN and KRABSZ willfully failed to withhold the appropriate payroll taxes.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO TO SIX

FALSE STATEMENTS TO BANK
THE RANKIN AND KRABSZ LOANS

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 6 and 8 to 10 and Overt Acts 1 to 30 of Count One are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania, the following defendants knowingly made, and aided, abetted, and willfully caused the making of, the following false statements and reports to the financial institution listed below for the purpose of influencing the actions of the financial institution upon loans, that is, the following defendants caused to be submitted to the financial institution in support of loan applications what purported to be true and correct copies of tax returns filed with the IRS, when, in truth and fact, the defendants then well knew that the tax returns submitted to the financial institutions were not true and correct copies of the tax returns filed with the IRS but instead listed substantially more income than had been reported on the actual tax returns filed with the IRS:

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANTS</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
2	March/ April 2003	ENRICO NARDINI KEVIN RANKIN BISHOP KRABSZ	Philadelphia Federal Credit Union \$344,500 Loan	False copies of the 2000 and 2001 tax returns prepared by ENRICO NARDINI for KEVIN RANKIN and BISHOP KRABSZ reporting RANKIN's adjusted gross income for 2000 as \$167,083 and for 2001 as \$209,590, and KRABSZ's adjusted gross income for 2000 as \$206,303 and for 2001 as \$213,642, when, in fact, RANKIN did not file a tax return with the IRS for 2001, and for 2000 filed a return with the IRS stating that his adjusted gross income was \$47,235, and KRABSZ filed tax returns with the IRS stating that his adjusted gross income for 2000 was \$30,115 and for 2001 was \$14,911.

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANTS</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
3	December 2004	ENRICO NARDINI KEVIN RANKIN BISHOP KRABSZ	Philadelphia Federal Credit Union \$930,000 Loan	False copies of the 2002 and 2003 tax returns prepared by ENRICO NARDINI for KEVIN RANKIN and BISHOP KRABSZ reporting RANKIN's adjusted gross income for 2002 as \$216,887 and for 2003 as \$252,530 and KRABSZ's adjusted gross income for 2002 as \$231,513 and for 2003 as \$263,101, when, in fact, RANKIN filed tax returns with the IRS stating that his adjusted gross income for 2002 was \$24,341 and for 2003 was \$38,176, and KRABSZ filed tax returns with the IRS stating that his adjusted gross income for 2002 was \$19,413 and for 2003 was \$47,169.

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANTS</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
4	October 2005	ENRICO NARDINI BISHOP KRABSZ	Philadelphia Federal Credit Union \$225,000 Loan	A false copy of the 2003 tax return prepared by ENRICO NARDINI for BISHOP KRABSZ reporting KRABSZ's adjusted gross income for 2003 as \$263,101, when, in fact, KRABSZ filed a tax return with the IRS stating that his adjusted gross income for 2003 was \$47,169.
5	December 2003	ENRICO NARDINI KEVIN RANKIN BISHOP KRABSZ	Allegiance Bank of North America \$292,000 Loan	False copies of the 2001 and 2002 tax returns prepared by ENRICO NARDINI for KEVIN RANKIN and BISHOP KRABSZ reporting RANKIN's adjusted gross income for 2001 as \$209,590 and for 2002 as \$224,724 and KRABSZ's adjusted gross income for 2001 as \$213,642 and for 2002 as \$239,350, when, in fact, RANKIN did not file a tax return with the IRS for 2001, and for 2002 filed a return with the IRS stating that his adjusted gross income was \$24,341, and KRABSZ filed tax returns with the IRS stating that his adjusted gross income for 2001 was \$14,911 and for 2002 was \$19,413.

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANTS</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
6	January 2003	ENRICO NARDINI BISHOP KRABSZ	Citizens Bank \$240,000 Loan	False copies of the 2000 and 2001 tax returns prepared by ENRICO NARDINI for BISHOP KRABSZ reporting KRABSZ's adjusted gross income for 2000 as \$165,366 and for 2001 as \$213,642, when, in fact, KRABSZ filed tax returns with the IRS stating that his adjusted gross income for 2000 was \$30,115 and for 2001 was \$14,911.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNTS SEVEN AND EIGHT

WIRE FRAUD -- KRABSZ'S SUPERIOR HOME MORTGAGE CORPORATION LOAN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 6, and 8 to 10 of Count One are incorporated here.
2. From in or about September 2002 to on or about February 4, 2003,

defendants

**ENRICO NARDINI and
BISHOP KRABSZ**

devised and intended to devise a scheme to defraud Superior Home Mortgage Corporation and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. In or about September 2002, defendant BISHOP KRABSZ sought a loan in the amount of \$50,000 from Superior Home Mortgage Corporation.

4. Defendant ENRICO NARDINI prepared false tax returns for defendant BISHOP KRABSZ to submit to Superior Home Mortgage Corporation in support of this loan application. Defendants NARDINI and KRABSZ knew that these tax returns, which purported to be true and accurate copies of the tax returns filed with the IRS, were false and significantly inflated the income that had been reported to the IRS.

5. On or about each of the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

**ENRICO NARDINI and
BISHOP KRABSZ,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
7	9-10-02	An interstate fax from BISHOP KRABSZ in Philadelphia to Superior Home Mortgage Corporation in New Jersey of a false copy of the 2001 tax return prepared by ENRICO NARDINI for BISHOP KRABSZ reporting KRABSZ's adjusted gross income for 2001 as \$213,642, when, in fact, KRABSZ filed a tax return with the IRS stating that his adjusted gross income for 2001 was \$14,911.
8	9-12-02	An interstate fax from BISHOP KRABSZ in Philadelphia to Superior Home Mortgage Corporation in New Jersey of a false copy of the 2000 tax return prepared by ENRICO NARDINI for BISHOP KRABSZ reporting KRABSZ's adjusted gross income for 2000 as \$206,303, when, in fact, KRABSZ filed a tax return with the IRS stating that his adjusted gross income for 2000 was \$30,115.

All in violation of Title 18, United States Code, Sections 1343, 1349, and 2.

COUNT NINE

**WIRE FRAUD –
SANFORD’S SUPERIOR HOME MORTGAGE CORPORATION LOAN**

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 6, and 8 of Count One are incorporated here.

2. Defendant ENRICO NARDINI provided accounting and tax preparation services to defendant JAMES SANFORD, who was a partner in various real estate investment partnerships that owned property in New Jersey and also owned and operated companies which held contracts to haul waste.

3. From in or about June 2004 to on or about July 28, 2004, defendants

**ENRICO NARDINI and
JAMES SANFORD**

devised and intended to devise a scheme to defraud Superior Home Mortgage Corporation and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. In or about June 2004, defendant JAMES SANFORD and his wife, B.S., sought a loan in the amount of \$81,600 from Superior Home Mortgage Corporation.

4. Defendant ENRICO NARDINI prepared false tax returns for defendant JAMES SANFORD to submit to Superior Home Mortgage Corporation in support of this loan application. Defendants NARDINI and SANFORD knew that these tax returns, which purported

to be true and accurate copies of the tax returns filed with the IRS, were false and significantly inflated the income that had been reported to the IRS.

5. On or about June 17, 2004, in the Eastern District of Pennsylvania and elsewhere, defendants

**ENRICO NARDINI and
JAMES SANFORD,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce the following signals and sounds: an interstate fax from Philadelphia to Superior Home Mortgage Corporation in New Jersey of a false copy of the 2002 and 2003 tax returns prepared by defendant NARDINI for the wife of defendant SANFORD listing her adjusted gross income for 2002 as \$94,739 and for 2003 as \$108,136, when, in fact, the wife of JAMES SANFORD filed tax returns with the IRS stating that her adjusted gross income for 2002 was \$35,260 and for 2003 was \$26,777.

In violation of Title 18, United States Code, Sections 1343, 1349, and 2.

COUNT TEN

WIRE FRAUD -- OPTION ONE MORTGAGE LOAN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 8 of Count One are incorporated here.
2. Defendant ENRICO NARDINI provided accounting and tax preparation services to A.C., a person known to the grand jury who was a construction contractor.
3. Option One Mortgage Corporation was a mortgage company located in California.
4. From in or about August 2002 to on or about October 7, 2002, defendant

ENRICO NARDINI

devised and intended to devise a scheme to defraud Option One Mortgage Corporation and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

5. In or about August 2002, A.C. sought a loan in the amount of \$650,000 from Option One Mortgage Corporation.
6. Defendant ENRICO NARDINI prepared false tax returns for A.C. to submit to Option One Mortgage Corporation in support of this loan application. Defendant NARDINI knew that these tax returns, which purported to be true and accurate copies of the tax returns filed with the IRS, were false and significantly inflated the income that had been reported to the IRS.

7. On or about August 28, 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

ENRICO NARDINI,

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce the following signals and sounds: an interstate fax from Philadelphia to Option One Mortgage Corporation in California of a false copy of the 2001 tax return prepared by defendant NARDINI for A.C. reporting A.C.'s adjusted gross income for 2001 as \$642,241, when, in fact, as defendant NARDINI well knew, A.C. filed a tax return with the IRS stating that his adjusted gross income for 2001 was \$163,673.

In violation of Title 18, United States Code, Sections 1343, 1349, and 2.

COUNTS ELEVEN TO SEVENTEEN

**FALSE STATEMENTS TO BANK
THE LOANS TO J.F., THE PASTRANA FAMILY, A.C., AND S.B.**

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 4, and 8 of Count One are incorporated here.
2. J.F., a person known to the grand jury, was a person with whom defendant ENRICO NARDINI lived.
3. Reinaldo Pastrana (charged elsewhere) was a real estate developer and the owner of a beer distribution business, located in Philadelphia, Pennsylvania. Pastrana owned and operated his companies along with members of his family. Starting in approximately the 1980s, Pastrana retained defendant ENRICO NARDINI to provide him, his businesses, and his family members, including his sister, D.P., with accounting and tax services.
4. A.C., a person known to the grand jury, was the owner of a construction contracting firm and previously had done construction work for KEVIN RANKIN, BISHOP KRABSZ, and Reinaldo Pastrana. A.C. also used defendant ENRICO NARDINI for accounting and tax services.
5. S.B. was a real estate developer who used defendant ENRICO NARDINI for accounting and tax services.

6. On or about the following dates, in the Eastern District of Pennsylvania, defendant

ENRICO NARDINI

knowingly made, and aided, abetted, and willfully caused the making of, the following false statements and reports to the financial institution listed below for the purpose of influencing the actions of the financial institution upon loans, that is, defendant NARDINI caused to be submitted purported true and correct copies of tax returns filed with the IRS, when, in truth and fact, defendant NARDINI then well knew that the tax returns submitted to the financial institutions were not true and correct copies of the tax returns filed with the IRS but instead listed substantially more income than had been reported on the actual tax returns filed with the IRS:

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
11	11-10-04	Allegiance Bank of North America \$195,000 and \$100,000 Loans	A false copy of the 2003 tax return prepared by ENRICO NARDINI for J.F. reporting J.F.'s adjusted gross income for 2003 as \$73,060, when, in fact, J.F. filed a tax return with the IRS stating that her adjusted gross income for 2003 was \$43,060.
12	11-10-04	Allegiance Bank of North America \$175,000 Line of Credit and \$50,000 Overdraft Line of Credit	False copies of the 2002 and 2003 tax returns prepared by ENRICO NARDINI for D.P. reporting D.P.'s adjusted gross income for 2002 as \$175,000 and for 2003 as \$175,880, when, in fact, D.P. filed tax returns with the IRS stating that her adjusted gross income for 2002 was \$14,400 and for 2003 was \$15,600.

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
13	2-7-03	Allegiance Bank of North America \$485,000 Loan	False copies of the 2000 and 2001 tax returns prepared by ENRICO NARDINI for A.C. reporting A.C.'s adjusted gross income for 2000 as \$331,945 and for 2001 as \$642,241, when, in fact, A.C. filed tax returns with the IRS stating that his adjusted gross income for 2000 was \$58,217 and for 2001 was \$163,673.
14	8-6-03	Allegiance Bank of North America \$500,000 Loan	A false copy of the 2002 tax return prepared by ENRICO NARDINI for A.C. reporting A.C.'s adjusted gross income for 2002 as \$601,897, when, in fact, A.C. filed a tax return with the IRS stating that his adjusted gross income for 2002 was \$188,181.
15	10-29-03	Allegiance Bank of North America \$450,000 Line of Credit	A false copy of the 2002 tax return prepared by ENRICO NARDINI for S.B. reporting S.B.'s adjusted gross income for 2002 as \$199,589, when, in fact, S.B. filed a tax return with the IRS stating that his adjusted gross income for 2002 was \$71,095.
16	4-30-04	Allegiance Bank of North America \$600,000 Line of Credit	A false copy of the 2003 tax return prepared by ENRICO NARDINI for S.B. listing S.B.'s adjusted gross income for 2003 as \$215,208, when, in fact, S.B. filed a tax return with the IRS stating that his adjusted gross income for 2003 was \$108,835.

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
17	6-23-05	Allegiance Bank of North America \$850,000 Loan	A false copy of the 2004 tax return prepared by ENRICO NARDINI for S.B. listing S.B.'s adjusted gross income for 2004 as \$154,217, when, in fact, S.B. filed a tax return with the IRS stating that his adjusted gross income for 2004 was \$111,304.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNTS EIGHTEEN TO TWENTY

FALSE STATEMENTS TO BANK
THE LAVAN LOANS

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 4, and 8 of Count One are incorporated here.
2. Defendants WILLIAM LAVAN, JR., and WILLIAM LAVAN, SR. were partners in various real estate investment partnerships that owned property in New Jersey and also owned and operated companies which held contracts to haul waste.
3. On or about the following dates, in the Eastern District of Pennsylvania, the following defendants knowingly made, and aided, abetted, and willfully caused the making of, the following false statements and reports to the financial institution listed below for the purpose of influencing the actions of the financial institution upon loans, that is, the following defendants caused to be submitted to the financial institution in support of a loan application what purported to be true and correct copies of tax returns filed with the IRS, when, in truth and fact, the defendants then well knew that the tax returns submitted to the financial institution were not true and correct copies of the tax returns filed with the IRS but instead listed substantially more income than had been reported on the actual tax returns filed with the IRS:

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANTS</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
18	3-4-04	ENRICO NARDINI WILLIAM LAVAN, JR. WILLIAM LAVAN, SR.	Allegiance Bank of North America \$115,000 Loan	False copies of the 2001 and 2002 tax returns prepared by ENRICO NARDINI for WILLIAM LAVAN, JR. reporting adjusted gross income for 2001 as \$316,090 and for 2002 as \$464,757, when, in fact, LAVAN, JR. failed to file any tax returns with the IRS for 2001 and 2002.
19	8-13-04	ENRICO NARDINI WILLIAM LAVAN, JR. WILLIAM LAVAN, SR.	Allegiance Bank of North America \$250,000 Loan	False copies of the 2001, 2002 and 2003 tax returns of News and Coffee, LLC prepared by ENRICO NARDINI reporting News and Coffee, LLC's income for 2001 as \$141,090, for 2002 as \$208,102, and for 2003 as \$207,262, when, in fact, News and Coffee, LLC failed to file any tax returns with the IRS for 2001, 2002, and 2003.

<u>COUNT</u>	<u>DATE</u>	<u>DEFENDANTS</u>	<u>FINANCIAL INSTITUTION/ LOAN AMOUNT</u>	<u>FALSE STATEMENT</u>
20	2-5-05	ENRICO NARDINI	Allegiance Bank of North America \$455,000 Loan	False copies of the 2001 and 2002 tax returns of Environmental Alliance Group, Inc. prepared by ENRICO NARDINI reporting Environmental Alliance Group, Inc.'s income for 2001 as \$4,090,452, and for 2002 as \$7,054,908, when, in fact, Environmental Alliance Group, Inc. failed to file any tax returns with the IRS for 2001 and 2002.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT TWENTY-ONE

FAILURE TO FILE TAX RETURN – KEVIN RANKIN – 2001

THE GRAND JURY FURTHER CHARGES THAT:

1. From in or about January 1, 2001, through in or about December 31, 2001, defendant KEVIN RANKIN received gross income consisting of at least approximately \$96,196 from his businesses, including cash income from Dangerous Curves.

2. On or about April 15, 2002, in the Eastern District of Pennsylvania, defendant

KEVIN RANKIN,

a resident of Philadelphia, Pennsylvania, had and received gross income substantially in excess of the minimum filing requirement of \$13,400 and that by reason of such gross income he was required by law, following the close of the calendar year and on or before April 15 of the following year, to make an income tax return to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that knowing this, he willfully failed to make an income tax return to the Director of the Internal Revenue Service Center, or to any other proper officer of the United States.

In violation of Title 26, United States Code, Section 7203.

COUNT TWENTY-TWO

FALSE TAX RETURN OF KEVIN RANKIN – 2000

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 5, 2002, in the Eastern District of Pennsylvania, defendant

KEVIN RANKIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2000, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant RANKIN did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$47,235, when in fact, as defendant RANKIN well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$101,184 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-THREE

FALSE TAX RETURN OF KEVIN RANKIN – 2002

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 15, 2003, in the Eastern District of Pennsylvania, defendant

KEVIN RANKIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant RANKIN did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$24,341, when in fact, as defendant RANKIN well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$110,796 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-FOUR

FALSE TAX RETURN OF KEVIN RANKIN – 2003

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 12, 2004, in the Eastern District of Pennsylvania, defendant

KEVIN RANKIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant RANKIN did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$38,176, when in fact, as defendant RANKIN well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$92,736 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-FIVE

FALSE TAX RETURN OF KEVIN RANKIN – 2004

THE GRAND JURY FURTHER CHARGES THAT:

On or about June 28, 2005, in the Eastern District of Pennsylvania, defendant

KEVIN RANKIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2004, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant RANKIN did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$35,985, when in fact, as defendant RANKIN well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$153,753 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SIX

FALSE TAX RETURN OF BISHOP KRABSZ – 2001

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 5, 2002, in the Eastern District of Pennsylvania, defendant

BISHOP KRABSZ

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2001, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant KRABSZ did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$14,911, when in fact, as defendant KRABSZ well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$77,316 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SEVEN

FALSE TAX RETURN OF BISHOP KRABSZ – 2002

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 12, 2003, in the Eastern District of Pennsylvania, defendant

BISHOP KRABSZ

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant KRABSZ did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$19,413, when in fact, as defendant KRABSZ well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$84,703 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-EIGHT

FALSE TAX RETURN OF BISHOP KRABSZ – 2003

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 10, 2004, in the Eastern District of Pennsylvania, defendant

BISHOP KRABSZ

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant KRABSZ did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$47,169, when in fact, as defendant KRABSZ well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$99,660 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-NINE

FALSE TAX RETURN OF BISHOP KRABSZ – 2004

THE GRAND JURY FURTHER CHARGES THAT:

On or about May 4, 2005, in the Eastern District of Pennsylvania, defendant

BISHOP KRABSZ

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2004, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant KRABSZ did not believe to be true and correct as to every material matter, in that the return substantially under reported his adjusted gross income as \$36,495, when in fact, as defendant KRABSZ well knew, his adjusted gross income was substantially more than what he reported, in that he had received more than approximately \$113,600 in unreported cash from his businesses, including cash income from Dangerous Curves.

In violation of Title 26, United States Code, Section 7206(1).

COUNTS THIRTY TO FORTY**PREPARING FALSE TAX RETURNS****THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1, 2, and 8 to 12 of Count One are incorporated here.
2. On or about the following dates, in the Eastern District of Pennsylvania,

and elsewhere, defendant

ENRICO NARDINI

willfully aided and assisted in, and advised the preparation and presentation to the Internal Revenue Service of, the following tax returns, which were false and fraudulent as to material matters, in that, defendant NARDINI falsely reported the following taxpayers' total income, when in fact, as he well knew, defendant NARDINI failed to report more than approximately \$1,250,000 in additional cash income received by the following taxpayers:

<u>COUNT</u>	<u>DATE</u>	<u>TAX YEAR</u>	<u>TAXPAYER</u>	<u>UNREPORTED INCOME</u>
30	4-5-02	2000	Kevin Rankin	\$101,184
31	4-5-02	2001	Bishop Krabsz	\$77,316
32	4-12-03	2002	Bishop Krabsz	\$84,703
33	4-15-03	2002	Kevin Rankin	\$110,796
34	4-15-03	2002	Reinaldo Pastrana	\$150,000
35	4-10-04	2003	Bishop Krabsz	\$99,660
36	4-12-04	2003	Kevin Rankin	\$92,736
37	4-15-04	2003	Reinaldo Pastrana	\$150,000
38	5-4-05	2004	Bishop Krabsz	\$113,600
39	6-28-05	2004	Kevin Rankin	\$153,753

<u>COUNT</u>	<u>DATE</u>	<u>TAX YEAR</u>	<u>TAXPAYER</u>	<u>UNREPORTED INCOME</u>
40	4-15-05	2004	Reinaldo Pastrana	\$150,000

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

A TRUE BILL:

GRAND JURY FOREPERSON

PATRICK L. MEEHAN
UNITED STATES ATTORNEY