



# Department of Justice

**United States Attorney Richard S. Hartunian  
Northern District of New York**

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July 22, 2011

Syracuse, New York

<http://www.usdoj.gov/usao/nyn>

## **SKANEATELES RESIDENT PLEADS GUILTY TO MONEY LAUNDERING AND TAX FRAUD CHARGES**

RICHARD S. HARTUNIAN, United States Attorney, Northern District of New York announced that CHARLES L. BLOMQUIST, 52, of Foxfield Drive, Skaneateles, New York, entered guilty pleas to a three count Information charging him with (1) conspiracy to commit money-laundering, in violation of 18 U.S.C. § 1956(h); (2) failure to report foreign bank accounts, in violation of 31 U.S.C. §§ 5314 and 5322(b) and 31 CFR §§ 103.24 and 103.27 and (3) tax fraud, in violation of 26 U.S.C. § 7206(1).

Under the terms of a plea agreement, the government and BLOMQUIST have agreed that he receive a sentence of 87 months imprisonment to be followed by a three year term of supervised release<sup>1</sup>. Blomquist also consented to the entry of an order directing him to forfeit certain assets to the United States. He is also required to pay all taxes, interest and penalties owed to the Internal Revenue Service and the State of New York. BLOMQUIST is required to surrender to the United States Marshals Service within 30 days from today. Sentencing has been scheduled in U.S. District Court in Syracuse for November 22, 2011 at 10 am.

As part of the plea agreement, BLOMQUIST has agreed to forfeit monies in an account in the Bank of Tampa, in Florida and funds in an account at the Kreissparkasse Goppingen Bank in Germany. BLOMQUIST also agreed to relinquish his legal rights in a lakefront mansion located at 1808 West Lake Road, Skaneateles, New York. He further admitted that beginning in the 80's and continuing up to 2009, he acquired a significant amount of revenue from 'specified unlawful activity' and used some of these monies to fund an overseas financial account with Union Bank of Switzerland (UBS) in Switzerland. The government has maintained that the proceeds of BLOMQUIST's 'specified unlawful activity' came from illegal drug trafficking. BLOMQUIST has two prior felony convictions in the State of Florida for drug trafficking.

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<sup>1</sup>The court is not bound by the terms of the plea agreement and the defendant will be afforded an opportunity to withdraw his guilty plea in the event the court is unwilling to impose the agreed sentence.

BLOMQUIST admitted that he had moved these illegal proceeds to an overseas bank account in Switzerland where it would be more difficult for the Internal Revenue Service and other federal law enforcement agencies to locate them. To further conceal his overseas bank accounts and avoid detection, BLOMQUIST also admitted that he willfully failed to report his ownership of interest income earned from that Swiss Bank account despite a legal obligation to make such reports. He admitted that from 2004 through 2007 he willfully failed to report interest income from the UBS account which was held in the name of a nominee owner, Buff Wang Limited, a sham Hong Kong corporation. During that time period the UBS account contained in excess of \$1,000,000 in proceeds from his illegal activity. BLOMQUIST also admitted from 2004 through 2008 he made false statements on his federal income tax returns as part of his effort to disguise and conceal the proceeds from his unlawful activities.

BLOMQUIST further admitted that from October, 1994 until December 26, 2007, the Skaneateles Lake property was held in the name of his ex-wife in an effort to disguise and conceal the true ownership of the property. Beginning around December of 2003, BLOMQUIST admitted he began to pay for the construction of the lake mansion with the proceeds of his unlawful activities. In December of 2007, his ex-wife conveyed her interest in the lakefront property for no consideration to their daughter to again disguise and conceal the true ownership of the property. From about 2003 through 2008 during the construction of the mansion, BLOMQUIST admitted that he would pay contractors and vendors in cash in amounts less than \$10,000 for work performed and materials supplied for the project. These payments totaled approximately \$1.7 million dollars. The property is currently assessed for \$1,424,600.00.

This case was investigated by the Internal Revenue Service, Criminal Investigation, Syracuse office and the United States Drug Enforcement Administration. The case was prosecuted by Assistant U.S. Attorney Steven D. Clymer. For further information please contact Assistant U.S. Attorney Steven D. Clymer at 315-448-0672.