U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street
Suite 1250
Philadelphia, Pennsylvania 19106-4476
(215) 861-8200

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SIX INDICTED IN CONNECTION WITH TAX FRAUD SCHEME

Owners Of Philadelphia Strip Club Among Those Charged

PHILADELPHIA – United States Attorney Pat Meehan today announced the filing of a 40-count indictment[1] charging accountant/tax preparer Enrico Nardini and five others in connection with a scheme to prepare false tax returns for submission to the IRS and other financial institutions. Also charged are businessmen Kevin Rankin, Bishop Krabsz, James Sanford, William Lavan, Sr., and William Lavan, Jr. Nardini, Rankin, and Krabsz are charged with conspiracy to make false statements to federally insured financial institutions, to commit wire fraud, and to defraud the United States and substantive counts of making false statements to federally insured financial institutions, wire fraud, and filing false tax returns.

According to the indictment, from 2001 to 2005, Nardini prepared false tax returns for Rankin and Krabsz in support of loan applications seeking to borrow more than $2,081,500. Rankin and Krabsz are the owners of Dangerous Curves, an adult entertainment club located in Philadelphia. Nardini also prepared false tax returns for Rankin and Krabsz to file with the IRS in which their income was understated by at least $800,000 for tax years 2000 through 2004, resulting in tax losses of approximately $200,000.

Nardini, Rankin, and 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. Many of the employees were paid substantial, unreported cash salaries of at least $1.4 million 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. The indictment charges that Nardini prepared false tax returns for Sanford and the Lavans to submit to various financial institutions.

"This was a deliberate deception by an accountant and his clients who were well aware of the rules," said Meehan. "They deceived the financial institutions from which they were trying to borrow money, the IRS, and ultimately a tax system which depends on the honest reporting of income."

Nardini faces a maximum sentence of 608 years imprisonment, a five-year period of supervised release, $7,750,000 fine and a $3,100 special assessment. Rankin faces a maximum sentence of 108 years imprisonment, a five- year period of supervised release, $2,100,000 fine and

[1]An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.

a $825 special assessment. Krabsz faces a maximum sentence of 227 years imprisonment, a five-year period of supervised release, $3,000,000 fine and a $1,200 special assessment. Sanford faces a maximum sentence of 30 years imprisonment, a five-year period of supervised release, a $250,000 fine, and a $100 special assessment. The Lavans face maximum sentences of 60 years imprisonment, a five-year period of supervised release, $500,000 fine and a $200 special assessment.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE
ENRICO NARDINI	Boothwyn, PA	67
KEVIN RANKIN	Philadelphia, PA	60
BISHOP KRABSZ	Cherry Hill, NJ	59
JAMES SANFORD	Berlin, NJ	68
WILLIAM LAVAN, SR.	Ventnor, NJ	73
WILLIAM LAVAN, JR.	Egg Harbor, NJ	28

The case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation, and has been assigned to Assistant United States Attorneys Michael A. Schwartz and Kenya Mann.

COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT HTTP://WWW.USDOJ.GOV/USAO/PAE/

UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106

Contact:
Rich Manieri
Media Contact
215.861.8525