

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

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO. 09-</b> _____
<b>v.</b>	<b>:</b>	<b>DATE FILED:</b> _____
<b>CHESTER A. FULTON III</b>	<b>:</b>	<b>VIOLATION:</b>
	<b>:</b>	<b>26 U.S.C. § 7206(1) (filing a false tax return - 1 count)</b>

**I N F O R M A T I O N**

**COUNT ONE**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times relevant to this information:

1. Since approximately the 1990s, defendant CHESTER A. FULTON III has been employed as a political consultant in Philadelphia and the surrounding area, operating his business under his own name. Defendant FULTON had been involved in politics in the Philadelphia area for more than 25 years.

2. As part of his consulting business, defendant CHESTER A. FULTON III promoted himself by announcing that he was able to assist candidates for elective office in Philadelphia navigate the process of being elected. Among other things, defendant FULTON served as a campaign manager or organized “field operations” for candidates in which he hired people to drive voters to the polls on election day. In exchange for assisting these candidates, defendant FULTON charged fees of up to \$50,000.

3. Trading on his influence as a political consultant, defendant CHESTER A. FULTON III was able to obtain hundreds of thousands of dollars in fees from candidates for

elective office in the Philadelphia area. These candidates paid defendant FULTON because they believed he would assist them in getting elected to office in the Philadelphia area. Between 2001 and 2007, defendant FULTON obtained more than \$500,000 in fees from candidates.

4. Despite obtaining these large fees, defendant CHESTER A. FULTON III reported just a small portion of his income on his federal income tax returns. For example, during the years 2001 through 2005, defendant FULTON falsely reported, on average, less than \$10,000 per year in net income from his business. In some of those years, defendant FULTON reported no net income from his political consulting business despite having earned hundreds of thousands of dollars in fees.

5. To conceal his income from the Internal Revenue Service, defendant CHESTER A. FULTON III made false statements to the accountant who prepared his tax returns. Defendant FULTON did not tell his accountant about all of the income he received as a political consultant and failed to provide him with his bank records showing the hundreds of thousands of dollars in deposits in his bank accounts of fees from his political consulting business.

6. Defendant CHESTER A. FULTON III also obtained a contract with the City of Philadelphia to operate a homeless shelter that catered to men who had recently been released from prison. As part of this business, on July 21, 2003, defendant FULTON incorporated ADCM, LLC, of which he was a 49-percent owner. Four other partners had various ownership interests. In 2005, ADCM, LLC, received the contract with the City of Philadelphia to operate the shelter; it was renewed in subsequent years. During the life of the contract, defendant FULTON's company received approximately \$2.5 million in payments from the City of Philadelphia.

7. While defendant CHESTER A. FULTON III and his partners operated the shelter, defendant FULTON embezzled approximately \$145,000 from the business. Defendant FULTON caused three checks to be made out to a person whom his partners believed had been retained to perform construction and other similar work on the shelter's building. Instead of using this money for that purpose, defendant FULTON had these checks deposited into his own bank account and used the funds to pay his personal expenses.

8. Despite reporting virtually no net income from the operation of his political consulting business, defendant CHESTER A. FULTON III maintained an expensive lifestyle, sending his child to an exclusive private school in the Philadelphia area, leasing high-end automobiles for himself and his wife, and purchasing a house for more than \$500,000 in the part of the Philadelphia suburbs known as the Main Line.

9. As a result his tax fraud scheme, defendant CHESTER A. FULTON III caused a tax loss to the United States Treasury of nearly \$70,000.

10. On or about April 15, 2006, in the Eastern District of Pennsylvania, defendant

**CHESTER A. FULTON III**

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2005, which was filed individually and verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant FULTON did not believe to be true and correct as to every material matter, in that the return did not report any gross receipts from his political

consulting business, when, as defendant FULTON knew, he had approximately \$50,000 of gross receipts from his political consulting business.

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

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**MICHAEL L. LEVY**  
**United States Attorney**