

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>10-</u>
v.	:	DATE FILED: <u>September 7, 2010</u>
CHARLES M. NASELSKY	:	VIOLATIONS:
	:	26 U.S.C. § 7201 (tax evasion – 2 counts)
	:	26 U.S.C. § 7206(1) (filing a false tax return – 2 counts)
	:	18 U.S.C. § 1343 (wire fraud – 3 counts)
	:	18 U.S.C. § 1505 (obstruction of justice – 2 counts)
		Notice of forfeiture

INDICTMENT

COUNTS ONE AND TWO

THE GRAND JURY CHARGES THAT:

BACKGROUND

At all times material to this indictment:

1. Defendant CHARLES M. NASELSKY was employed as a business and real estate lawyer at various large law firms in Philadelphia. He had obtained an undergraduate degree from Lafayette College and a law degree from Seton Hall University Law School. Defendant NASELSKY represented real estate developers and other business people, including D.G., R.C., H.C., and D.P., individuals known to the grand jury, in various transactions. Defendant NASELSKY was familiar with the tax laws of the United States and even prepared his own tax returns for several years.

2. Defendant CHARLES M. NASELSKY concealed hundreds of thousands of dollars in taxable income from the Internal Revenue Service (“IRS”). Defendant NASELSKY obtained this income from a scheme to defraud his law firm of approximately \$380,000.

3. Beginning in approximately May 2009, after the IRS learned of defendant CHARLES M. NASELSKY’s tax fraud scheme and began an investigation, and after defendant NASELSKY learned of the IRS investigation, defendant NASELSKY obstructed the investigation by attempting to get witnesses to lie to investigators and by creating false documents.

THE TAX FRAUD SCHEME

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

CHARLES M. NASELSKY,

a resident of Philadelphia, Pennsylvania, willfully attempted to evade and defeat an income tax due and owing by him to the United States of America for the calendar year 2005 by failing to pay to the IRS this income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income through various means, including, among other things:

a. instructing clients of his law firm to pay him directly for legal services and not notify his law firm of these payments to conceal the fact that he was receiving hundreds of thousands of dollars in taxable income;

b. by lying to the accountant preparing his tax returns, intentionally failing to advise the accountant of income he received in 2005; and

c. filing a materially false 2005 federal income tax return which grossly understated his adjusted gross income.

All in violation of Title 26, United States Code, Section 7201.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One are incorporated here.
2. On or about July 22, 2008, in the Eastern District of Pennsylvania,

defendant

CHARLES M. NASELSKY,

a resident of Philadelphia, Pennsylvania, willfully attempted to evade and defeat an income tax due and owing by him to the United States of America for the calendar year 2006 by failing to pay to the IRS this income tax, and by concealing and attempting to conceal from all proper officers of the United States of America his true and correct income through various means, including, among other things:

- a. instructing clients of his law firm to pay him directly for legal services and not notify his law firm of these payments to conceal the fact that he was receiving hundreds of thousands of dollars in taxable income;
- b. by lying to the accountant preparing his tax returns, intentionally failing to advise the accountant of income he received in 2006; and
- c. filing a materially false 2006 federal income tax return which grossly understated his adjusted gross income.

All in violation of Title 26, United States Code, Section 7201.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

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

CHARLES M. NASELSKY

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 NASELSKY did not believe to be true and correct as to every material matter, in that the return failed to report approximately \$190,000 in additional income.

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

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

On or about July 22, 2008, in the Eastern District of Pennsylvania, defendant

CHARLES M. NASELSKY

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2006, 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 Kansas City, Missouri, which defendant NASELSKY did not believe to be true and correct as to every material matter, in that the return failed to report approximately \$175,000 in additional income.

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

COUNTS FIVE THROUGH SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One of this indictment are incorporated by reference.

2. From in or about September 2005 to in or about January 2007, defendant

CHARLES M. NASELSKY

devised and intended to devise a scheme to defraud 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. Defendant CHARLES M. NASELSKY represented several businessmen involved in real estate development in the Philadelphia area, including H.C., R.C., D.G., and D.P., and corporate and other entities associated with them. At the time defendant NASELSKY represented these individuals he was employed as a partner at a large Philadelphia law firm, referred to here as “Law Firm No. 1.”

4. As an employee of Law Firm No. 1, all fees earned by defendant CHARLES M. NASELSKY for his representation of the above-listed clients were to be paid to Law Firm No. 1. Defendant NASELSKY was not permitted to take payments from clients directly without the permission of Law Firm No. 1.

5. In violation of the terms of his employment with Law Firm No. 1, defendant CHARLES M. NASELSKY directed the clients he represented to make payments directly to him and not to Law Firm No. 1. Defendant NASELSKY intentionally failed to

disclose these payments to Law Firm No. 1. In total, defendant NASELSKY received \$380,000 in improper payments in this manner. At the time he directed his clients to make payments to him directly, defendant NASELSKY's clients owed Law Firm No. 1 hundreds of thousands of dollars in fees.

6. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

CHARLES M. NASELSKY,

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, certain signals and sounds, the following items:

<u>Count</u>	<u>Date</u>	<u>Description</u>
5	September 21, 2005	Clearing of a check in the amount of \$150,000 drawn on an account of Sant Properties and made out to defendant NASELSKY.
6	November 21, 2005	Clearing of a check in the amount of \$40,000 drawn on an account of Sant Properties and made out to defendant NASELSKY.
7	January 20, 2006	Clearing of a check in the amount of \$100,000 drawn on an account of 1500 Walnut Partners L.P. and made out to defendant NASELSKY

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

COUNTS EIGHT AND NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Beginning in approximately June 2008, the Internal Revenue Service Criminal Investigation (“IRS-CI”) and the United States Attorney’s Office commenced an investigation into, among other things, defendant CHARLES M. NASELSKY’s concealment of taxable income from the IRS which defendant NASELSKY received in 2005 and 2006.

2. In approximately June 2008, a federal grand jury sitting in the Eastern District of Pennsylvania commenced an investigation into the matter described above. The subject of the investigation was whether defendant NASELSKY properly reported all of his income on his 2005 and 2006 tax returns, including payments of \$75,000 from H.C. and R.C., \$100,000 from D.G., and another \$190,000 from H.C. and R.C.

3. On May 15, 2009, in an effort to obstruct the investigation and to make it falsely appear that the \$190,000 in payments from H.C. and R.C. were nontaxable loans, defendant CHARLES M. NASELSKY sent an email message to D.P., a person from whom one of defendant NASELSKY’s entities had obtained unrelated loans. In the email message, defendant NASELSKY falsely claimed that the \$190,000 in payments were nontaxable loans. Defendant NASELSKY then cited that email message to federal investigators in support of his attempt to convince investigators that the payments were not taxable.

4. On or about December 8, 2009, in an effort to obstruct the investigation and make it falsely appear that the \$190,000 in payments were nontaxable loans, defendant CHARLES M. NASELSKY sent an email message to D.P. The email message falsely claimed that the \$190,000 in payments were nontaxable loans. In the email message, defendant

NASELSKY falsely claimed that he possessed “signed notes” evidencing the loans. Defendant NASELSKY then produced that email message in response to a federal grand jury subpoena.

5. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

CHARLES M. NASELSKY

corruptly influenced, obstructed, and impeded, and endeavored to influence, obstruct, and impede, the due and proper administration of the law, and aided and abetted and willfully caused the same, under which any pending proceeding is being had before any department or agency of the United States, that is, the ongoing federal investigation by IRS-CI, into the illegal activities of defendant NASELSKY, by engaging in the following obstructive conduct:

<u>Count</u>	<u>Date</u>	<u>Obstructive conduct</u>
4	May 15, 2009	Sending an email message to D.P. falsely claiming that \$190,000 in payments from R.C. and H.C. to defendant NASELSKY were loans from D.P. and setting forth fictitious repayment terms, and citing that email message to federal investigators in support of his false claim that the \$190,000 were nontaxable loans from D.P.
5	December 8, 2009	Sending an email message to D.P. falsely claiming that \$190,000 in payments from R.C. and H.C. to defendant NASELSKY were loans from D.P. and falsely claiming that he had “signed notes” evidencing the fact that these payments were loans, and citing that email message to federal investigators in support of his false claim that the \$190,000 were nontaxable loans from D.P.

All in violation of Title 18, United States Code, Sections 1505 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1341, set forth in this indictment defendant

CHARLES M. NASELSKY

shall forfeit to the United States of America: (a) any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses; and (b) any property, real or personal, that was involved in the commission of such offense, including, but not limited to, approximately \$380,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (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 divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18,
United States Code, Section 981(a)(1)(C).

A TRUE BILL:

GRAND JURY FOREPERSON

ZANE DAVID MEMEGER
United States Attorney