

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

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| UNITED STATES OF AMERICA | : | DATE: February 2, 2011 |
| v. | : | CRIMINAL NO.: 11- |
| MARK JACKSON, D.O. | : | VIOLATION: |
| | : | 18 U.S.C. § 371 (conspiracy to evade taxes – 1 count) |

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant MARK JACKSON, D.O. worked full-time as a house physician at St. Mary’s Hospital, in Langhorne, Pennsylvania. He worked primarily at night. Among his responsibilities was to take medical histories and perform physicals on newly admitted patients.
2. Christopher Vassalluzzo, D.O., charged elsewhere, was a physician who worked in the Emergency Medicine Department at St. Mary’s Hospital, in Langhorne, Pennsylvania.
3. On or about September 7, 2000, Christopher Vassalluzzo, acquired the medical practice of his late father-in-law, known as the “Northeast Wellness Center” (sometimes referred to hereafter as the “Center”). There were several components of the practice. Vassalluzzo retained and continued only the diet practice.

4. In or about 2001, Christopher Vassalluzzo, invited defendant MARK JACKSON to work at the Northeast Wellness Center as an independent contractor.

5. Christopher Vassalluzzo told defendant MARK JACKSON that he, JACKSON, would only be required to do “histories and physicals” for new people who came to the diet practice at the Northeast Wellness Center.

6. Defendant MARK JACKSON agreed to work at the Center to the extent that it was compatible with his work at St Mary’s.

7. From in or about 2001 to on or about April 15, 2005, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant MARK JACKSON conspired and agreed, together and with Christopher Vassalluzzo, charged elsewhere, to 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 income taxes.

MANNER AND MEANS

8. It was part of the conspiracy that Christopher Vassalluzzo offered to pay defendant MARK JACKSON \$50 an hour.

It was further a part of the conspiracy that:

9. When defendant MARK JACKSON required that Vassalluzzo pay malpractice insurance for Jackson’s Center work, Vassalluzzo agreed to pay that insurance, but on the condition that he would only report \$35/hour to the Internal Revenue Service (“IRS”); Vassalluzzo would pay defendant JACKSON the remaining \$15 an hour “under the table.” Defendant JACKSON agreed to Vassalluzzo’s proposal to hide some of his income from the

IRS.

10. During the years that defendant MARK JACKSON worked at the Wellness Center, he did not keep any written record or journal of the hours he worked, nor did anyone at the Center on his behalf. Rather, defendant JACKSON would simply orally report to Dr. Vassalluzzo from time to time how many hours he, JACKSON, had worked and how much money Vassalluzzo owed him.

11. Christopher Vassalluzzo paid defendant MARK JACKSON in cash. There was no routine day, time or place for these cash payments. Typically, however, Vassalluzzo paid defendant JACKSON at the hospital where they both worked.

12. Once defendant MARK JACKSON began to work at the Center, from time to time the staff at the Northeast Wellness Center would bring to an examination room a new person for whom defendant JACKSON was to do a physical examination and take a medical history. They did not, however, bring to him all the new people who came to the Center.

13. When defendant MARK JACKSON did, in fact, examine someone and take his history, he wrote the information he collected on a portion of a 5" by 8" index card. The Center staff called these cards "patient charts."

14. When defendant MARK JACKSON was at the Center, but had nothing to do, defendant JACKSON would sometimes sleep in a reclining chair provided for that purpose in one of the rooms of the Northeast Wellness Center.

15. Defendant MARK JACKSON neither sold, recommended or distributed prescription controlled substance diet drugs. Rather, if he examined someone and he found that the person was in adequate medical condition to take these drugs, he would turn him or her over

to the staff.

16. Within the first month of his beginning work at the Center, defendant MARK JACKSON, acting on requests of staff members, initialed what they described as “patient charts” for people defendant JACKSON had not seen. These records, also maintained on 5" x 8" index cards, listed dates, sometimes weight and blood pressure, and type and quantities of prescription controlled substance diet drugs a staff member had sold to a particular person.

17. The Center staff told defendant JACKSON that these were patient charts that Dr. Vassalluzzo was supposed to but had not signed.

18. After no more than about a month, defendant MARK JACKSON came to understand that by signing cards these index cards, he was making it appear that the person had been seen or examined by him, when the patient had not, and that the prescription controlled substance diet drugs had been distributed to the patient at the direction of a doctor, when that was not true.

19. Defendant MARK JACKSON spent a substantial portion of the time that he worked at the Center signing patient chart index cards for people he had not seen or examined.

20. During the period that he worked at the Center, defendant MARK JACKSON never saw Dr. Vassalluzzo or any other physician present.

21. At the end of the first year that defendant MARK JACKSON worked at the Northeast Wellness Center, Christopher Vassalluzzo, directly or indirectly through his accountant, gave defendant JACKSON a Form 1099 showing his income as an independent

contractor at the Northeast Wellness Center.

22. The IRS Form 1099 that Christopher Vassalluzzo provided to defendant MARK JACKSON did not conform to their earlier agreement to show approximately 70 percent of the money that defendant JACKSON was paid by Dr. Vassalluzzo during the year. Instead, even measured by this unlawful agreement, the IRS Form 1099 materially and substantially understated the hours worked and amount of money paid by Vassalluzzo to JACKSON .

23. Nonetheless, defendant MARK JACKSON paid taxes only on the sum declared on the Form 1099. He did nothing to get a corrected Form 1099 from Vassalluzzo or to otherwise declare the cash that he had received from Vassalluzzo.

24. During the period that defendant MARK JACKSON worked at the Center he never received an accurate IRS Form 1099 that correctly listed the amount of money that he was paid by Vassalluzzo and never received an IRS Form 1099 that conformed to the agreement to list 70% of the amount earned, but instead received IRS Forms 1099 from Christopher Vassalluzzo which understated his income from Vassalluzzo.

25. Christopher Vassalluzzo paid defendant MARK JACKSON each year between approximately \$20,000 and \$35,000. During this same period, when defendant JACKSON did receive an IRS Form 1099, it showed earnings of between \$5,000 and \$10,000.

26. Defendant MARK JACKSON falsely declared only those earnings as part of his income and paid taxes on his income as if that were the total that he had received from Christopher Vassalluzzo, and evaded paying taxes on the full sum that he received from Vassalluzzo.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendant MARK JACKSON and Christopher Vassalluzzo committed the following overt acts, among others, in the Eastern District of Pennsylvania:

1. For the Tax Year 2001, Christopher Vassalluzzo provided a Form 1099 that showed \$10,760 as income to defendant MARK JACKSON .
2. For the Tax Year 2002, Christopher Vassalluzzo provided a Form 1099 that showed \$14,960 as income to defendant MARK JACKSON .
3. For the Tax Year 2003, Christopher Vassalluzzo provided a Form 1099 that showed \$7,200 as income to defendant MARK JACKSON .
4. For the Tax Year 2004, Vassalluzzo provided a Form 1099 that showed \$5,740 as income to defendant MARK JACKSON.
5. On or about April 15, 2005, defendant MARK JACKSON filed with his wife a joint income tax return, Form 1040, for the Tax Year 2004, that did not include any IRS Form 1099 the Northeast Wellness Center, showing that he had earned money from Vassalluzzo for the time that he was working at the Center and any income from the Center.
6. On or about April 15, 2005, defendant MARK JACKSON filed with his wife a joint personal income tax return, Form 1040, for the Tax Year 2004, that did not include in its statement of household income any of the cash or other money that the defendant received in 2004 from Christopher Vassalluzzo for his work at the Northeast Wellness Center, including the periods of time that he was present at the Center, the numbers of index cards that he signed that misrepresented that people to whom controlled substance diet pills had been sold by the staff

of the Center had been seen by him and that the medicine had been sold to them under his direction.

7. On or about February 18, 2005, defendant MARK JACKSON negotiated a check from Wachovia Bank from Christopher Vassalluzzo for \$5,000, by depositing the check into his bank account.

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

ZANE DAVID MEMEGER
UNITED STATES ATTORNEY