

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

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO.</b> _____
	:	
v.	:	<b>DATE FILED:</b> _____
	:	
<b>PAUL F. BASILE</b>	:	<b>VIOLATIONS:</b>
<b>BARBARA BASILE</b>	:	
	:	<b>18 U.S.C. § 371 (conspiracy to defraud</b>
	:	<b>the United States - 1 count)</b>
	:	<b>26 U.S.C. § 7201 (tax evasion - 5 counts)</b>
	:	<b>26 U.S.C. § 7206(1) (filing false tax</b>
	:	<b>return - 2 counts)</b>
	:	<b>26 U.S.C. § 7203 (willful failure to file</b>
	:	<b>tax return - 2 counts)</b>

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At times relevant to this indictment:

1. Defendants PAUL F. BASILE and BARBARA BASILE, husband and wife, resided in Orefield, Pennsylvania, located within the Eastern District of Pennsylvania.

They were both licensed chiropractors.

2. Lehigh Valley Non-Surgical, Inc. ("LVNS") was a corporation established in Pennsylvania in 1997, and was the entity used by defendants PAUL F. BASILE and BARBARA BASILE to jointly own and operate their chiropractic clinic. LVNS was located in Allentown, Pennsylvania. Defendant PAUL F. BASILE is the President of LVNS, and defendant BARBARA BASILE is the Secretary/Treasurer. Defendant BARBARA BASILE served as the bookkeeper for LVNS; she administered and maintained the books and records. Prior to

establishing LVNS, defendants PAUL F. BASILE and BARBARA BASILE operated the chiropractic clinic under the name Basile Health Center.

3. Defendants PAUL F. BASILE and BARBARA BASILE earned income by receiving payments for chiropractic services from patients and from health insurance companies. Defendant PAUL F. BASILE also earned income for tutoring and coaching work that he performed as a consultant for a company called Breakthrough Coaching, LLC. Defendant PAUL F. BASILE also earned income for consulting services he provided to a company called Corporate Health of America, LLC.

4. Hamilton Health Management (“HHM”) is a company that defendants PAUL F. BASILE and BARBARA BASILE operated as a payroll company. Employees of LVNS were paid using a payroll processing service called Paychex, Inc., out of a bank account opened in the name of HHM. This service withheld the appropriate taxes from the employees’ paychecks. For tax year 2002 and one week of tax year 2003, defendants PAUL F. BASILE and BARBARA BASILE used Paychex, Inc., to process their weekly salary payments and withhold income and payroll taxes. Beginning in 2003 through December 31, 2005, defendants PAUL F. BASILE and BARBARA BASILE removed themselves from this payroll system, paid themselves with weekly checks from HHM or LVNS, and did not withhold income or payroll taxes. Defendant BARBARA BASILE referred to these weekly salary payments as “professional fees.” No IRS Forms 1099 or W-2 were submitted to the IRS reporting fees or wages to defendants PAUL F. BASILE and BARBARA BASILE for tax years 2003 through 2005.

5. Jordan Properties was a name used by defendants PAUL F. BASILE and BARBARA BASILE to hold title to the residence owned by them. In 1996 defendants PAUL F.

BASILE and BARBARA BASILE caused the title of their residence located in Orefield, Pennsylvania to be transferred by Quitclaim Deed from their names to Jordan Properties.

6. Nylad, Ltd. was a corporation established in Colorado by defendants PAUL F. BASILE and BARBARA BASILE in 1997. Defendant BARBARA BASILE served as the bookkeeper for Nylad, Ltd., administering and maintaining the books and records. Defendant PAUL F. BASILE's contract with Breakthrough Coaching, LLC., directed this organization to issue payment for his services to "Nylad, Ltd. c/o Paul Basile." Breakthrough Coaching, LLC., issued IRS Forms 1099 to Nylad, Ltd. c/o Paul Basile in 2000 through 2003. Defendant PAUL F. BASILE did not report this income paid by Breakthrough Coaching, LLC., on his U.S. Individual Income Tax Return, Form 1040, for tax years 2000 through 2003.

7. Defendant PAUL F. BASILE also directed Corporate Health of America, LLC., to issue payment for his consulting services to Nylad, Ltd. Corporate Health of America, LLC., issued IRS Forms 1099 to Nylad, Ltd. in 2000 and 2001. Defendant PAUL F. BASILE did not report this income paid by Corporate Health of America, LLC., on his U.S. Individual Income Tax Return, Form 1040, for tax years 2000 and 2001.

8. In addition, defendant PAUL F. BASILE received income from 2004 to 2005 in the form of rental payments for a property he sublet in Allentown, Pennsylvania. Defendant PAUL F. BASILE directed that these rent checks be made payable to Nylad, Ltd.

9. The Internal Revenue Service ("IRS") was and is an agency within the United States Department of Treasury, responsible for enforcing and administering the tax laws of the United States and collecting taxes owed to the Treasury of the United States.

10. From at least in or about 1996, and continuing until on or about the date of

this indictment, in the Eastern District of Pennsylvania, and elsewhere, defendants

**PAUL F. BASILE  
and  
BARBARA BASILE**

conspired and agreed together, and with others, known and unknown to the grand jury, to knowingly defraud the United States for the purpose of impeding, impairing, obstructing and defeating the lawful government functions of the Internal Revenue Service of the United States Department of the Treasury, in the ascertainment, computation, assessment, and collection of taxes, in violation of Title 18, United States Code, Section 371.

**MANNER AND MEANS**

11. It was a part of the conspiracy that defendants PAUL F. BASILE and BARBARA BASILE attempted to make it appear as if they had no liability for federal income taxes, when, in fact, they had earned income from LVNS, from Nylad, Ltd., and from other sources and had such liability.

It was further part of the conspiracy that:

12. Defendants PAUL F. BASILE and BARBARA BASILE used the entity, Nylad Ltd., to conceal income received from Breakthrough Coaching, LLC., Corporate Health of America, LLC., and rental payments, as well as to pay personal expenses.

13. Defendants PAUL F. BASILE and BARBARA BASILE submitted false U.S. Individual Tax Returns, Forms 1040, for 2002 and 2003, that underreported their income on their federal personal income tax returns by failing to list any of their actual business income, but which attempted to claim refunds of the payroll taxes and Social Security that had been withheld by their payroll service for those years.

14. Defendants PAUL F. BASILE and BARBARA BASILE did not file any federal personal income tax returns for tax years 2004 and 2005, despite earning income from LVNS and other sources.

15. Defendant PAUL F. BASILE submitted false federal corporate tax returns, Forms 1120, for the years 2002, 2004 and 2005, which underreported the income of LVNS.

16. Defendant PAUL F. BASILE did not file a federal corporate income tax return for LVNS for tax year 2003.

17. Defendant PAUL F. BASILE sent fictitious documents, called "Prepaid Foreign bills of exchange," in purported payment of federal income tax liabilities of defendants PAUL F. BASILE and BARBARA BASILE for tax years 1995 through 2001.

#### **Overt Acts**

In furtherance of the conspiracy, and to effect its goals to defeat the ascertainment, computation, assessment, and collection of their taxes, defendants PAUL F. BASILE and BARBARA BASILE committed and caused to be committed overt acts in the Eastern District of Pennsylvania, and elsewhere, including, but not limited to, the following:

1. On or about August 20, 1996, to conceal their ownership of property from the IRS, defendants PAUL F. BASILE and BARBARA BASILE transferred title of their residence in Orefield, Pennsylvania, in Lehigh County, from their names to Jordan Properties, in exchange for approximately ten dollars.

2. On or about December 10, 1997, defendants PAUL F. BASILE and BARBARA BASILE caused Nylad Ltd. to be established in Colorado and used a third party as the registered agent for the corporation.

3. On or about May 19, 2004, defendant PAUL F. BASILE opened a checking account, account number XXXXXX1598, at Fleet Bank in his name with a \$50 deposit.

4. On or about June 18, 2004, defendant PAUL F. BASILE withdrew \$47 from the Fleet Bank checking account, account number XXXXXX1598, and closed the account.

On or about the following dates, defendant PAUL F. BASILE executed the checks described in the chart below, written on the closed Fleet Bank account, account number XXXXXX1598, purporting to pay off the tax liabilities of himself and defendant BARBARA BASILE, and for the entities LVNS, HHM, and Basile Health Center, in the amounts and for the tax years indicated below, as follows:

<b>Overt Act No.</b>	<b>Check No.</b>	<b>Date</b>	<b>Amount</b>	<b>Payable to:</b>	<b>Entity and Tax Year:</b>
5	1001	10/18/04	\$114,140.80	US Treasury	Form 1040 of defendants PAUL and BARBARA BASILE for 1999
6	1002	10/18/04	\$10,892.42	US Treasury	Form 1120 of LVNS for 1998
7	1003	10/18/04	\$7,222.10	US Treasury	Form 1120 of LVNS for 1999
8	1004	10/18/04	\$177,378.81	US Treasury	Form 1040 of defendants PAUL and BARBARA BASILE for 1998
9	1005	10/18/04	\$688,497.18	US Treasury	Form 1040 of defendants PAUL and BARBARA BASILE for 1995
10	1006	11/3/04	\$19,825.77	US Treasury	Forms 1120 of LVNS for 1198 and 1999
11	1007	11/12/04	\$128,333.01	US Treasury	Form 1040 of defendants PAUL and BARBARA

					BASILE for 2000
12	1008	11/15/04	\$46,890.15	US Treasury	Form 1120 of LVNS for 2000
13	1009	11/15/04	\$127,574.98	US Treasury	Form 1040 of defendants PAUL and BARBARA BASILE for 2000
14	1010	11/15/04	\$5,069.21	US Treasury	Form 1120 of HHM for 1998
15	1011	12/8/04	\$5,356.26	US Treasury	Form 1120 of Basile Health Center for 2000
16	1012	1/4/05	\$8,123.97	US Treasury	Form 1120 of LVNS for 1999
17	1013	1/4/05	\$12,076.26	US Treasury	Form 1120 of LVNS for 1998

On or about the following dates, defendant PAUL F. BASILE submitted a series of fictitious documents titled, "Prepaid Foreign bills of exchange," in purported payment of the income tax liabilities of himself and defendant BARBARA BASILE, in the amounts and for the tax years indicated below, as follows:

<b>Overt Act No.</b>	<b>Check No.</b>	<b>Date</b>	<b>Amount</b>	<b>Payable to:</b>	<b>Entity and Tax Year:</b>
18	780001	8/13/04	\$800,183.60	IRS	Forms 1040 of defendants PAUL and BARBARA BASILE for years 1996 and 1997.
19	780002	8/23/04	\$1,169,234.76	IRS	Forms 1040 of defendants PAUL and BARBARA BASILE for years 1995, 1998, 1999, 2000 and 2001
20	780003	9/9/04	\$324,429.40	IRS	Forms 1040 of

					defendants PAUL and BARBARA BASILE for years 1996 and 1997
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21. On or about March 10, 2005, defendant PAUL F. BASILE filed and caused to be filed with the IRS a false U.S. Corporation Income Tax Return, Form 1120, for tax year 2002. This Form 1120, signed by defendant PAUL F. BASILE as “Pres.,” reported total income of \$71, deductions of \$0 and a tax due and owing of \$10.65. In conjunction with this Form 1120, defendant PAUL F. BASILE signed and filed more than 40 Corrected Forms 1099 - Miscellaneous Income - which reported that income of \$0 had been received from more than 40 insurance companies, which companies had previously filed with the IRS accurate Forms 1099, reporting income to defendant PAUL F. BASILE in excess of approximately \$81,000.

22. On or about March 17, 2005, defendant PAUL F. BASILE filed and caused to be filed with the IRS a false U.S. Corporation Income Tax Return, Form 1120, for tax year 2004. This Form 1120, signed by defendant PAUL F. BASILE as “Pres.,” reported taxable income of \$34.89, deductions of \$0, and a tax due and owing of \$5.23.

23. On or about March 17, 2005, defendant PAUL F. BASILE filed and caused to be filed with the IRS a false U.S. Corporation Income Tax Return, Form 1120, for tax year 2005. This Form 1120, signed by defendant PAUL F. BASILE as “owner,” reported taxable total income of \$6.27, deductions of \$0, and a tax due and owing of \$0.94.

24. On or about March 24, 2005, defendants PAUL F. BASILE and BARBARA BASILE submitted to the IRS a false joint U.S. Individual Income Tax Return, Form 1040, for tax year 2002. This joint return reported total income of \$652 on line 22, including



\$504 in dividend income and \$148 in local tax refunds, and claimed a refund of \$13,468.81. In conjunction with this Form 1040, defendants PAUL F. BASILE and BARBARA BASILE submitted a Substitute for W-2, Wage and Tax Statement, Form 4852, and Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc., Form 1099-R, which falsely claimed that both defendant PAUL F. BASILE and BARBARA BASILE had wages of \$0 for tax year 2002.

25. On or about March 24, 2005, defendants PAUL F. BASILE and BARBARA BASILE submitted to the IRS a false joint U.S. Individual Income Tax Return, Form 1040, for tax year 2003. This joint return reported total income of \$742 on line 22, including \$645 in dividend income, \$9 in capital gains, \$84 in other gains and \$4 in interest income, and claimed a refund of \$136.92. In conjunction with this Form 1040, defendants PAUL F. BASILE and BARBARA BASILE filed a Form 4582, which falsely reported that both PAUL F. BASILE and BARBARA BASILE had wages of \$0.

26. On or about August 15, 2010, defendants PAUL F. BASILE and BARBARA BASILE caused to be submitted to the IRS a document entitled "Return for 2009 of Paul F. Basile and Barbara J. Basile," falsely claiming no taxable income for 2009 and demanding a refund of taxes for years 1995, 1998, 1999 and 2001 through 2005.

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

**COUNT TWO**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.
2. During the calendar years 2000 and 2001, defendants

**PAUL F. BASILE  
and  
BARBARA BASILE,**

residents of Orefield, Pennsylvania, wilfully attempted to evade and defeat the payment of a large part of their income and self-employment taxes, penalties and interest due and owing to the United States of America for the calendar years 2000 and 2001, in the approximate amount of \$144,464, by the following means, among others:

(a) Using the entity Nylad, Ltd., to conceal income received from Breakthrough Coaching, LLC., Corporate Health of America, LLC., and other sources and to pay personal expenses.

(b) Removing themselves in January 2003 from the routine paycheck withholding mechanisms used for other employees of LVNS, and instead paying themselves directly from the LVNS account in the form of “professional fees,” thereby causing none of this income to be reported to the IRS.

(c) Issuing thirteen checks to the IRS from October 18, 2004, through January 4, 2005, totaling approximately \$1,351,380, for which defendant PAUL F. BASILE knew there were insufficient funds in the checking account to pay these amounts.

(d) Filing false Forms 1120, U.S. Corporation Income Tax Returns, for

LVNS for the years 2002, 2004 and 2005. These Forms 1120 falsely report minimal taxable income and do not report any actual receipts or expenses from the operations of the business. The correct gross receipts were approximately \$366,028 for 2002; \$591,972 for 2004; and \$587,438 for 2005.

(e) Submitting a series of fictitious documents titled, “Prepaid Foreign bills of exchange” in a purported attempt to pay their tax liabilities.

In violation of Title 26, United States Code, Section 7201.

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.

2. From on or about January 1, 2002, and continuing thereafter up until the date of this indictment, in the Eastern District of Pennsylvania, and elsewhere, defendants

**PAUL F. BASILE  
and  
BARBARA BASILE,**

residents of Orefield, Pennsylvania, wilfully attempted to evade and defeat a large part of the income tax due and owing by them to the United States of America for the calendar year 2002, in the approximate amount of \$46,024, by concealing and attempting to conceal the nature and extent of their true and correct income and assets from the United States of America and the Internal Revenue Service by the following acts, among others:

(a) On or about March 10, 2005, defendant PAUL F. BASILE filed with the IRS a false Form 1120, U.S. Corporation Income Tax Return, for LVNS for tax year 2002. This Form 1120 reported total income of \$71 and a tax due and owing of \$0. The correct gross receipts for LVNS were approximately \$366,028.

(b) On or about March 10, 2005, defendant PAUL F. BASILE submitted more than 40 Corrected Forms 1099 - Miscellaneous Income - which falsely reported that income of \$0 had been received from more than 40 health insurance companies, which companies had previously filed with the IRS accurate Forms 1099, reporting income to defendant PAUL F. BASILE in excess of approximately \$81,000.

(c) On or about March 24, 2005, defendants PAUL F. BASILE and BARBARA BASILE filed a false Form 1040, U.S. Individual Income Tax Returns, for tax year 2002 that underreported their income. This Form 1040 reported total income of \$652, including \$504 in dividend income and \$148 in local tax refunds and claimed a refund of \$13,468.81.

In violation of Title 26, United States Code, Section 7201.

**COUNT FOUR**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.

2. From on or about January 1, 2003, and continuing thereafter up until the date of this indictment, in the Eastern District of Pennsylvania, defendants

**PAUL F. BASILE  
and  
BARBARA BASILE,**

residents of Orefield, Pennsylvania, wilfully attempted to evade and defeat a large part of the income tax due and owing by them to the United States of America for the calendar year 2003, in the approximate amount of \$46,262, by concealing and attempting to conceal the nature and extent of their true and correct income and assets from the United States of America and the Internal Revenue Service for the following acts, among others:

(a) Beginning in or about January 2003, defendants PAUL F. BASILE and BARBARA BASILE removed themselves from the payroll service and the routine paycheck withholding mechanisms used for other employees of LVNS, and instead issued themselves checks, referred to as “professional fees,” on a weekly basis from the HHM accounts. By changing their payroll status, defendants PAUL F. BASILE and BARBARA BASILE caused HHM to not report these salary payments to the IRS.

(b) On or about March 24, 2005, defendants PAUL F. BASILE and BARBARA BASILE filed a false Form 1040, U.S. Individual Income Tax Returns, for 2003. This Form 1040 reported total income of \$742, which included \$645 in dividend income, \$9 in

capital gains, \$84 in other gains and \$4 in interest income, and claimed a refund of \$136.92. For 2003, LVNS and HHM records show defendants PAUL F. BASILE and BARBARA BASILE had income of approximately \$41,600 and \$40,850, respectively.

(c) On or about March 24, 2005, defendants PAUL F. BASILE and BARBARA BASILE filed a false Form 4582, which reported that both defendants had wages of \$0.

In violation of Title 26, United States Code, Section 7201.

**COUNT FIVE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.

2. From on or about January 1, 2004, and continuing thereafter up until the date of this indictment, in the Eastern District of Pennsylvania, defendant

**PAUL F. BASILE,**

a resident of Orefield, Pennsylvania, wilfully attempted to evade and defeat a large part of the income tax due and owing by him to the United States of America for the calendar year 2004, in the approximate amount of \$12,740, by concealing and attempting to conceal the nature and extent of his true and correct income and assets from the United States of America and the Internal Revenue Service, by failing to file a personal income tax return for tax year 2004, and by the following acts, among others:

(a) On or about March 17, 2005, defendant PAUL F. BASILE caused a false Form 1120, U.S. Corporation Income Tax Return, for LVNS to be submitted for tax year 2004. This Form 1120 reported total income of \$34.89 and a tax due and owing of \$0. The correct gross receipts were approximately \$591,972 for 2004.

(b) Beginning in or about January 2003, defendant PAUL F. BASILE caused his income to be paid by way of checks for “professional fees” in order to prevent any income and payroll tax withholdings.

In violation of Title 26, United States Code, Section 7201.



**COUNT SIX**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.

2. From on or about January 1, 2005, and continuing thereafter up until the date of this indictment, in the Eastern District of Pennsylvania, defendant

**PAUL F. BASILE,**

a resident of Orefield, Pennsylvania, wilfully attempted to evade and defeat a large part of the income tax due and owing by him to the United States of America for the calendar year 2005, in the approximate amount of \$25,218, by concealing and attempting to conceal the nature and extent of his true and correct income and assets from the United States of America and the Internal Revenue Service, by failing to file a personal income tax return for tax year 2005, and by the following acts, among others:

(a) On or about March 17, 2006, defendants PAUL F. BASILE caused a false Form 1120, U.S. Corporation Income Tax Return, for LVNS to be submitted for tax year 2005. This return reported total income of \$6.27 and a tax due and owing of \$0. The correct gross receipts for LVNS were approximately \$587,438.

(b) Beginning in or about January 2003, defendants PAUL F. BASILE caused his income to be paid by way of checks for “professional fees” in order to prevent any income and payroll tax withholdings.

In violation of Title 26, United States Code, Section 7201.

**COUNT SEVEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.

2. During the calendar year 2004, defendant

**BARBARA BASILE,**

who was a resident of Orefield, Pennsylvania, had and received income in excess of \$3,100, and she and her spouse together had and received gross income in excess of \$15,900. By reason of that gross income, she was required by law, following the close of the calendar year 2004 and on or before April 15, 2005, to make an income tax return to the Internal Revenue Service Center, at Philadelphia, Pennsylvania, or to a person assigned to receive returns at the local office of the Internal Revenue Service, at Philadelphia, Pennsylvania, or to another Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the items of her gross income and any deductions and credits to which she was entitled. Well knowing and believing all the foregoing, she wilfully failed, on or about April 15, 2005, in the Eastern District of Pennsylvania and elsewhere, to make an income tax return.

In violation of Title 26, United States Code, Section 7203.

**COUNT EIGHT**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.

2. During the calendar year 2005, defendant

**BARBARA BASILE,**

who was a resident of Orefield, Pennsylvania, had and received income in excess of \$3,200, and she and her spouse together had and received gross income in excess of \$16,400. By reason of that gross income, she was required by law, following the close of the calendar year 2005 and on or before April 17, 2006, to make an income tax return to the Internal Revenue Service Center, at Philadelphia, Pennsylvania, or to a person assigned to receive returns at the local office of the Internal Revenue Service, at Philadelphia, Pennsylvania, or to another Internal Revenue Service office permitted by the Commissioner of Internal Revenue, stating specifically the items of her gross income and any deductions and credits to which she was entitled. Well knowing and believing all the foregoing, she wilfully failed, on or about April 17, 2006, in the Eastern District of Pennsylvania and elsewhere, to make an income tax return.

In violation of Title 26, United States Code, Section 7203.

**COUNT NINE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.
2. On or about March 24, 2005, in the Eastern District of Pennsylvania, defendants

**PAUL F. BASILE  
and  
BARBARA BASILE**

wilfully made and subscribed a joint United States Individual Income Tax Return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalties of perjury and which they did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, which was prepared and signed in the Eastern District of Pennsylvania and was filed with the IRS reported total income of \$652 on line 22, whereas, as defendants PAUL F. BASILE and BARBARA BASILE then and there knew and believed, their total income was much higher than what was actually reported.

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

**COUNT TEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 9 and 11 through 17 of Count One of the indictment are realleged here.
2. On or about March 24, 2005, in the Eastern District of Pennsylvania, defendants

**PAUL F. BASILE  
and  
BARBARA BASILE**

wilfully made and subscribed a joint United States Individual Income Tax Return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalties of perjury and which they did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, which was prepared and signed in the Eastern District of Pennsylvania and was filed with the IRS reported total income of \$742 on line 22, whereas, as defendants PAUL F. BASILE and BARBARA BASILE then and there knew and believed, their total income was much higher than what was actually reported.

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

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

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**ZANE DAVID MEMEGER**  
United States Attorney