



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

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

March 9, 2011

CHADDS FORD MAN CHARGED IN \$7 MILLION TAX EVASION CASE

PHILADELPHIA - David M. Mengden was charged in a nine-count indictment¹, unsealed today, with tax evasion, obstruction of justice, failing to file tax returns, and bank fraud, announced United States Attorney Zane David Memeger. The indictment alleges that Mengden engaged in a scheme to evade taxes on millions of dollars in income while, at the same time, he purchased a \$3.8 million home in Chester County.

The indictment alleges that Mengden operated Global Advisory Group, Inc., which marketed investment advisory services. Between 2001 and 2008, Mengden made more than \$7 million from his business. Despite this, he filed no federal income tax returns and paid no taxes during this time. Rather, Mengden falsely stated to the Internal Revenue Service that he had ceased operating his business in 2000 and was no longer required to file tax returns. The indictment further alleges that when he learned of the federal investigation, Mengden attempted to obstruct justice by filing tax returns which concealed the fact that he was operating Global Advisory Group. Mengden also allegedly told a person who he knew would be testifying before the federal grand jury that he believed the federal tax laws were illegal. Finally, the indictment alleges that when Mengden purchased his \$3.8 million home, he lied to the mortgage lender by falsely suggesting that he had filed tax returns, but was prohibited by his employer from disclosing the tax returns to the lender. Mengden concealed from the lender that he had failed to file tax returns.

INFORMATION REGARDING THE DEFENDANT

NAME	ADDRESS	YEAR OF BIRTH
David M. Mengden	Chadds Ford, PA	1968

The case was investigated by the Internal Revenue Service Criminal Investigation Division and is being prosecuted by Assistant United States Attorney Richard J. Zack.

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

Contact: PATTY HARTMAN
Media Contact
215-861-8525

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

*COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT
<http://www.usdoj.gov/usao/pae>*