

connection with the employment of those workers at the client businesses.

5. From in or about July 2005 through in or about May 2008, defendant KEALEY SOM filed with the Internal Revenue Service Forms 941, Employers Quarterly Tax Returns, that falsely under-reported the numbers of employees who received wages, tips or other compensation; falsely under-reported the wages, tips or other compensation paid to those employees; and falsely under-reported the social security, medicare, and federal income tax withholding due on account of those employees.

6. From in or about July 2005 through in or about May 2008, defendant KEALEY SOM undertook measures, including paying workers who worked at client businesses in cash and cashing business checks at a check cashing agency, in order to hide from the Internal Revenue Service the numbers of employees working at the client businesses and the amounts of social security, medicare, and federal income tax due on account of those employees.

7. From in or about July 2005 through in or about October 2008 , in Philadelphia, in the Eastern District of Pennsylvania, defendant

KEALEY SOM

corruptly obstructed and impeded, and endeavored to obstruct and impede, the due administration of Title 26 of the United States Code, that is the assessment and collection of employment taxes and the filing of Forms 941.

In violation of Title 26, United States Code, Section 7212(a).

COUNTS TWO THROUGH FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. From in or about January 1, 2006, through in or about January 1, 2007, Kealey Enterprises, Inc., a corporation owned and operated by defendant KEALEY SOM, received gross income consisting of payments for leased labor in an amount in excess of \$3,000,000.

2. From in or about January 1, 2007, through in or about January 1, 2008, Labor Source and Services, Inc., a corporation owned and operated by defendant KEALEY SOM, received gross income consisting of payments for leased labor in an amount in excess of \$300,000.

3. From in or about January 1, 2008, through in or about January 1, 2009, Labor Source and Services, Inc., a corporation owned and operated by defendant KEALEY SOM, received gross income consisting of payments for leased labor in an amount in excess of \$500,000

4. During the calendar years set forth below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

KEALEY SOM,

a resident of Philadelphia, as the owner and operator of Kealey Enterprises, Inc. and Labor Source and Services, Inc. was required by law, following the close of each calendar year and on or before April 15 of the following year, to make an income tax return to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of those corporations' gross income and any deductions and credits to which such corporations were entitled; that knowing this, he willfully failed to make an

income tax return to the Director of the Internal Revenue Service Center, or to any other proper officer of the United States:

<u>COUNT</u>	<u>YEAR</u>	<u>CORPORATION REQUIRED TO FILE</u>
2	2006	Kealey Enterprises, Inc.
3	2007	Labor Source and Services, Inc.
4	2008	Labor Source and Services, Inc.

All in violation of Title 26, United States Code, Section 7203.

A TRUE BILL:

FOREPERSON

ZANE DAVID MEMEGER
United States Attorney