

DEPARTMENT OF JUSTICE

**Acting United States Attorney Edward R. Ryan
Western District of North Carolina**

**FOR IMMEDIATE RELEASE
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CHARLOTTE, NC RESIDENT INDICTED IN U.S. DISTRICT COURT Stuart Knapp, Former Administrative Director of Dermatological Laser Center, Charged with Filing False Individual Income Tax Returns CHARLOTTE, NC - Acting U.S. Attorney Edward R. Ryan and Jeannine A. Hammett, Special Agent in Charge of the IRS Criminal Investigation Division in Charlotte, announced that on April 21, 2009, a federal grand jury returned a three-count federal indictment charging Stuart Knapp, 46, of Charlotte, NC with filing false individual income tax returns for the 2002, 2003 and 2004 tax years. Knapp was initially charged in a federal criminal complaint filed April 9, 2009.

According to court records, from 1997 through 2005, Knapp was employed as the administrative director for Dermatological Laser Center (DLC) based in Charlotte, N.C. The indictment alleges that as administrative director, Knapp had signature authority over DLC's bank accounts, kept and maintained its books and records and directed the payment of DLC's business expenses such as payroll for employees and staff. According to the indictment, although Knapp's compensation agreement with DLC called for him to receive 10% of DLC's net profit, he received in excess of that amount. The indictment alleges that Knapp received this income in the form of consulting fees and by causing DLC to pay for personal expenses he incurred through his personal credit cards. Court records show that these personal expenses included, among other things, trips Knapp took to England, Amsterdam, Ireland, Spain, Australia, Chile, Hong Kong, Bahamas, Grand Cayman, and Indonesia, and had no relation whatsoever to the business operations of DLC. The indictment further alleges that Knapp failed to accurately report all of this income on his 2002, 2003 and 2004 individual income tax returns filed with the IRS.

If convicted, Stuart Knapp faces a maximum statutory penalty of three years/\$250,000 fine for each of the three counts in the indictment. However, it is important to note that any sentence received upon conviction will be influenced by the Federal Sentencing Guidelines, which the Court consults in order to determine each defendant's actual sentence. Sentences are based upon a formula that takes into account the severity and characteristics of the offense and each defendant's criminal history, if any.

The charges contained in the indictment are only allegations. In the American justice system, a person is presumed innocent unless and until he or she is proven guilty in a court of law.

Assistant U.S. Attorney Mark Odulio of the U.S. Attorney's Office in Charlotte, will handle the prosecution for the government.

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