

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

UNITED STATES OF AMERICA : **CRIMINAL NO:** 14 -

v. : **DATE FILED:** August 27, 2014

GREGORY NAYLOR : **VIOLATIONS:**
: **18 U.S.C. § 4 (misprision of a felony –**
: **1 count)**
: **18 U.S.C. § 1001(a)(1) (scheme to**
: **falsify - 1 count)**
: **18 U.S.C. § 1001(a)(2) (false statements**
: **- 1 count)**

INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

COUNT ONE

On or about February 1, 2010, in Philadelphia, in the Eastern District of Pennsylvania, defendant

GREGORY NAYLOR,

having knowledge of the actual commission of a felony cognizable by a court of the United States, that is, federal program theft, in violation of Title 18, United States Code, Section 666, concealed the crime by issuing a false invoice in the name of his consulting firm, Sydney Lei & Associates, in the amount of \$193,580.19 to the 2007 Mayoral Campaign of a candidate for Mayor of the City of Philadelphia, and further concealed the crime by conspiring to document false entries on the Mayoral Campaign's annual Commonwealth of Pennsylvania "Campaign Finance Statements," which fictitiously reported "contributions in kind" against the false invoice, and did not as soon as possible make known the crime to some judge or other person in civil or military authority under the United States, such as a federal grand jury or an FBI agent.

In violation of Title 18, United States Code, Section 4.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

From in or around August of 2007, to in or around April of 2011, in Philadelphia, in the Eastern District of Pennsylvania, defendant

GREGORY NAYLOR,

aided and abetted by others, willfully and knowingly falsified, concealed, and covered up, by trick, scheme, or device a material fact, in a matter within the jurisdiction of a department or agency of the United States. Specifically, defendant NAYLOR conspired with an elected official to pay down portions of the college debt owed by the elected official's son, by mail fraud, in violation of Title 18, United States Code, Section 1341, using various federal campaign funds, totaling approximately \$22,663, which were passed through NAYLOR's consulting firm to disguise their source. To protect the scheme from detection, NAYLOR created and filed with the Internal Revenue Service, an agency of the United States, false IRS forms 1099 for the calendar years 2007, 2008, and 2010 reporting the elected official's son as an independent contractor and the tuition payments as income for services rendered to NAYLOR's consulting firm when, in truth and in fact, as NAYLOR then and there well knew, each of these IRS forms 1099 was false, fictitious, and fraudulent because the amounts reported were proceeds of the mail fraud, and because the elected official's son had never provided services of any kind as an independent contractor to NAYLOR's consulting firm.

In violation of Title 18, United States Code, Section 1001(a)(1) and 2.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about January 30, 2013, and April 10, 2013, in Philadelphia, in the Eastern District of Pennsylvania, defendant

GREGORY NAYLOR

willfully and knowingly made and caused to be made materially false, fictitious, and fraudulent statements and representations in a matter within the jurisdiction of a department or agency of the United States by stating to special agents of the Federal Bureau of Investigation and the Internal Revenue Service that (a) an elected official's son was on a "retainer" to perform services for Sydney Lei & Associates, and (b) that the elected official's son actually provided services such as running errands and taking photographs for Sydney Lei & Associates, when, in truth and in fact, as defendant NAYLOR then and there well knew, each of these assertions was false, fictitious, and fraudulent.

In violation of Title 18, United States Code, Section 1001(a)(2).

ZANE DAVID MEMEGER
United States Attorney for the
Eastern District of Pennsylvania