

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - -X  
: UNITED STATES OF AMERICA :  
: : INDICTMENT  
: - v - :  
: 13 Cr. \_\_\_\_\_  
: MELVIN E. LOWE, :  
: :  
: Defendant. :  
: :  
- - - - -X

COUNT ONE

(Conspiracy to Defraud the Democratic Senate Campaign Committee)

The Grand Jury charges:

BACKGROUND

1. At all times relevant to this Indictment:

Relevant Individuals and Entities

a. MELVIN E. LOWE, the defendant, was a resident of New York, New York. LOWE was a self-employed political consultant whose clients included political campaign committees and real estate development firms.

b. Prestige Strategic Communications, LLC ("Prestige"); G&L Consulting LLC ("G&L"); and Berachot LLC ("Berachot") were limited liability companies of which LOWE was the sole member. LOWE operated his political consulting business through Prestige, G&L and Berachot. LOWE was required to report the revenue, expenses and income of Prestige, G&L and Berachot on Schedules C of his personal federal income tax returns.

c. The New York State Democratic Senate Campaign Committee ("DSCC") was a political campaign committee that was created, and governed, by the Rules of the Democratic Party of the State of New York. The Democratic leader of the State Senate served as the chair of the DSCC. The DSCC solicited donations from the public to fund campaigns of Democratic candidates for the New York State Senate. The DSCC retained LOWE through Prestige in or about June 2009 and through G&L in or about April 2010 to provide consulting services and paid substantial consulting fees to Prestige and G&L in 2009 and 2010.

d. Developer #1 was a real estate development firm that retained LOWE through Prestige to provide consulting services in connection with a large real estate development project in Yonkers, New York. Developer #1 paid substantial consulting fees to Prestige from 2007 through 2012.

#### THE CONSPIRACY

2. From in or about May 2010 through October 2010, in the Southern District of New York and elsewhere, MELVIN E. LOWE, the defendant, together with others known and unknown, knowingly and willfully did conspire and agree together and with each other to violate Title 18, United States Code, Section 1343.

#### Object of the Conspiracy

3. It was a part and an object of the conspiracy that MELVIN E. LOWE, the defendant, and others known and unknown, having

devised and intending to devise a scheme and artifice to defraud the DSCC and its contributors, and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, would and did transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Section 1343 of Title 18 of the United States Code.

Overt Acts

4. In furtherance of the conspiracy and to effect the illegal objects thereof, MELVIN E. LOWE, the defendant, together with others known and unknown, committed the following overt acts, in the Southern District of New York and elsewhere:

a. In or about late May 2010 to early June 2010, Senator #1, a New York State Senator, promised Political Consultant #1, a political consultant in New York City, a benefit for assistance that Political Consultant #1 had previously provided to Senator #1.

b. In or about June 2010, LOWE asked Vendor #1, a principal of a political consulting firm in New Jersey that handled direct mail and telephone advertising for political campaigns, to submit a false invoice for \$100,000 in printing services to the DSCC.

c. On or about June 7, 2010, LOWE sent an email to a member of the DSCC chairman's staff stating in part that Vendor #1 "does low price printing."

d. On or about June 8, 2010, Vendor #1, pursuant to LOWE's direction, submitted a false invoice for \$100,000 in printing services to the DSCC.

e. On or about June 9, 2010, Vendor #1, having received \$50,000 from the DSCC on or about June 8, 2010 and acting pursuant to LOWE's direction, caused a wire transfer of \$20,000 from his firm's bank account in New Jersey to the account of Political Consultant #1 in New York.

f. On or about June 9, 2010, LOWE called Political Consultant #1 to tell him that money had been wired to his bank account.

g. On or about June 9, 2010, Vendor #1, acting pursuant to LOWE's direction, caused a wire transfer of \$27,500 from his firm's bank account in New Jersey to the account of Prestige in New York.

h. On or about June 18, 2010, Vendor #1, having received an additional \$50,000 from the DSCC on or about June 16, 2010 and acting pursuant to LOWE's direction, caused a wire transfer of \$47,500 from his firm's bank account in New Jersey to the account of Prestige in New York.

(Title 18, United States Code, Section 1349)

COUNT TWO

(Wire Fraud - Scheme to Defraud the DSCC)

The Grand Jury further charges:

5. The allegations set forth in paragraphs 1 and 4 are repeated and realleged as if set forth fully herein.

6. From in or about May 2010 through in or about October 2010, in the Southern District of New York and elsewhere, MELVIN E. LOWE, the defendant, together with others knowing and unknown, knowingly and willfully, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, transmitted and caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds, to wit, for the purpose of executing a scheme to defraud contributors to the DSCC, LOWE caused the wire transfers described in paragraphs 4(e), 4(g) and 4(h) above.

(Title 18, United States Code, Sections 1343 and 2)

COUNTS THREE THROUGH FIVE

(Subscribing to False Tax Returns)

7. The allegations set forth in paragraph 1 are repeated and realleged as if set forth fully herein.

8. MELVIN E. LOWE, the defendant, filed U.S. Individual Income Tax Returns, Forms 1040, and accompanying Schedules C, for

the tax years 2007 through 2009 inclusive. Through his signing of those tax returns, LOWE declared each tax return to be true and correct under penalties of perjury. LOWE falsely understated the amount of consulting income he received through Prestige, G&L and Berachot on his Schedules C in each of those years. LOWE also falsely omitted from his 2007 U.S. Individual Income Tax Return the reporting of income in the form of the proceeds of a scheme in which he defrauded John Doe, a resident of Yonkers, New York, of \$66,000.

9. On or about the filing dates set forth below, in the Southern District of New York and elsewhere, MELVIN E. LOWE, the defendant, knowingly and willfully did make and subscribe to U.S. Individual Income Tax Returns, Forms 1040, for the tax years set forth below, which returns contained and were verified by the written declaration of LOWE that they were made under penalties of perjury, and which returns LOWE did not believe to be true and correct as to every material matter, in that LOWE fraudulently omitted income he received, thereby substantially understating his total income as set forth below for the years set forth below:

COUNT	TAX YEAR	REPORTED GROSS RECEIPTS	ACTUAL GROSS RECEIPTS
THREE	2007	\$21,903	\$302,050
FOUR	2008	\$26,331	\$310,459
FIVE	2009	\$25,000	\$310,953

(Title 26, United States Code, Section 7206(1))

COUNTS SIX THROUGH EIGHT

(Failure to File Tax Returns)

10. The allegations set forth in paragraph 1 are repeated and realleged as if set forth fully herein.

11. MELVIN E. LOWE, the defendant, failed to file any U.S. Individual Income Tax Returns for the tax years 2010 through 2012 inclusive, despite receiving substantial consulting income in those years. As he made no estimated tax payments or other tax payments during those years and was not subject to withholding, LOWE, by not filing returns, paid no federal income tax on income he received in the years 2010 through 2012 inclusive.

12. On or about the dates set forth below, in the Southern District of New York and elsewhere, MELVIN E. LOWE, the defendant, a person required by Title 26, United States Code and by regulations made under authority thereof to make returns and supply information, knowingly and willfully failed to make returns and supply information, at the time and times required by law and regulations, to wit, in the years set forth below, LOWE received taxable income as set forth below but failed to file U.S. Individual Income Tax

Returns, Forms 1040, for those years, all as set forth below:

COUNT RECEIPTS	DATE	TAX YEAR	ACTUAL GROSS
SIX	April 15, 2011	2010	\$477,000
SEVEN	April 16, 2012	2011	\$364,500
EIGHT	April 15, 2013	2012	\$340,000

(Title 26, United States Code, Section 7203)

COUNT NINE

(Causing Bank Employee to Make False Statement)

13. The allegations set forth in paragraph 1 are repeated and realleged as if set forth fully herein.

14. In or about June 2007, MELVIN E. LOWE, the defendant, applied for a mortgage loan in the amount of \$228,720 from Premium Capital Funding, LLC d/b/a Topdot Mortgage ("Premium Capital"). As part of his application, LOWE submitted a "Request for Verification of Deposit" (the "Verification Request") which stated in part that he held a checking account at Commerce Bank which had a balance of \$80,627.66. By signing and submitting the Verification Request, LOWE authorized Commerce Bank to verify the current balance, and the average balance for the last two months, of his checking account.

15. MELVIN E. LOWE, the defendant, caused a manager of Commerce Bank to verify falsely on the Verification Request that his checking account had a balance of \$80,627.66 and an average balance for the previous two months of \$78,238.89 as of July 3, 2007. As



of that date, LOWE's checking account had a balance of \$2,156.55 and the balance in the checking account had never exceeded \$10,003.94 in the previous two months. The manager submitted the completed Verification Request to Premium Capital.

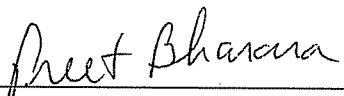
16. At all times relevant to this Indictment, the deposits of Commerce Bank were insured by the Federal Deposit Insurance Corporation.

17. From in or about June 2007 through in or about July 2007, in the Southern District of New York and elsewhere, MELVIN E. LOWE, the defendant, knowingly and willfully did cause an employee of Commerce Bank, an institution the deposits of which were insured by the Federal Deposit Insurance Corporation, to make a false entry in a report and statement of Commerce Bank with intent to injure and defraud Premium Capital, to wit, LOWE caused a manager at Commerce Bank: a) to verify to Premium Capital the fraudulently inflated balance in LOWE's checking account at Commerce Bank that LOWE reported on his application to Premium Capital for a mortgage loan; and b) to provide to Premium Capital a fraudulently inflated average balance of LOWE's checking account for the previous two months.

(Title 18, United States Code, Sections 1005 and 2)

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FOREPERSON

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PREET BHARARA  
United States Attorney