

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
TRACEY PARSON	:	VIOLATIONS:
	:	18 U.S.C. § 371 (conspiracy - 2 counts)
	:	18 U.S.C. § 1343 (wire fraud - 3 counts)
	:	18 U.S.C. § 1341 (mail fraud - 1 count)
	:	18 U.S.C. § 2 (aiding and abetting)
		Notice of forfeiture

INDICTMENT

COUNT ONE

(Conspiracy)

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

BACKGROUND

1. Defendant TRACY PARSON was the founder, owner, and director of Kiddie Kare Child Care & Education Center, Inc. ("Kiddie Kare"). Defendant PARSON founded Kiddie Kare in approximately 2008.
2. Kiddie Kare provided day care services for children in the Philadelphia area. There were four Kiddie Kare locations: 426 E. Allegheny Avenue (Kiddie Kare I); 5534 Pulaski Avenue (Kiddie Kare II); 1100 West Girard Avenue (Kiddie Kare III); and 18 West Girard Avenue (Kiddie Kare IV). Kiddie Kare I opened in approximately September 2009. Kiddie Kare II operated from approximately May 2010 through December 2011. Kiddie Kare III opened in approximately May 2011. Kiddie Kare IV opened in approximately September 2011.

3. R.T., charged separately, was a Pennsylvania Department of Education employee who entered into a side agreement with defendant TRACEY PARSON for consulting services. The consulting agreement originally covered a one-year period beginning in March 2009. The agreement was renewed in approximately March 2010. As part of the services provided under the terms of the consulting agreement, R.T., among other things, assisted defendant PARSON to obtain government subsidies for Kiddie Kare.

4. G.B., charged separately, was a long-time friend of defendant TRACEY PARSON and worked at Kiddie Kare III from approximately September 2011 until approximately December 2012. G.B.'s duties included collecting tuition payments, tracking attendance, and purchasing food for children's meals.

5. At various times, defendant TRACEY PARSON employed numerous other staff members through Kiddie Kare, including, among others, Person #1 and Person #2, individuals known to the Grand Jury.

6. Beginning in approximately December 2009, Kiddie Kare was approved to participate in the Child and Adult Care Food Program ("CACFP"), a government program that provided reimbursement to approved facilities for meals and snacks served to eligible children. Reimbursement was based on the type and number of meals served. All CACFP reimbursement funds were required to be used solely for the operation or improvement of the food services provided.

7. CACFP was funded by the United States Department of Agriculture ("USDA") and was administered by the Pennsylvania Department of Education ("PDE"). All activity, such as submission of monthly claims, was conducted electronically through a web-based system called the Child Nutrition Program Electronic Application and Reimbursement System

("PEARS"). In turn, with the exception of the first few CACFP payments made to Kiddie Kare, Kiddie Kare received monthly payments in the form of credit transfers from the Commonwealth of Pennsylvania into the Kiddie Kare bank account through the Federal Reserve Automated Clearinghouse ("ACH") system. PDE then drew funds on a recurring basis from a USDA account for all CACFP claims paid to eligible providers.

8. As an approved provider, Kiddie Kare was required to, among other things, file accurate claims for reimbursement, maintain records to support claims for reimbursement, ensure that meals served met certain meal pattern requirements, comply with requirements related to the financial management of the CACFP, and accept final administrative and financial responsibility for operating the CACFP.

9. In addition, Kiddie Kare was subject to periodic administrative reviews conducted by or on behalf of PDE. These administrative reviews were designed to ensure, among other things, that only meals served to eligible children were claimed for reimbursement, that meals claimed for reimbursement contained all required food items, that meals claimed for reimbursement were counted at the point of service by the provider, that the meals served met the minimum requirements for quantity or portion size, and that the provider had the necessary records on file to support the claims for reimbursement.

THE CONSPIRACY

10. From in or about December 2009, the exact date being unknown, through in or about June 2012, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

TRACEY PARSON

conspired and agreed with R.T. and G.B., together and with others known and unknown to the Grand Jury, to commit an offense against the United States, that is, to devise a scheme to defraud the United States Department of Agriculture and the Pennsylvania Department of Education, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

It was part of the conspiracy that:

11. From approximately December 2009 until approximately May 2012, defendant PARSON, through Kiddie Kare, submitted, and caused to be submitted, approximately \$523,148.34 in CACFP claims, as follows:

Month Claimed	Date Claim Received by PDE	Date of Deposit/Credit	Claim Amount Paid
December 2009	1/11/2010	2/5/2010	\$2,906.59
January 2010	2/9/2010	3/3/2010	\$2,920.84
February 2010	3/9/2010	3/29/2010	\$3,837.14
March 2010	4/5/2010	4/29/2010	\$8,778.65
April 2010	5/7/2010	6/17/2010	\$10,207.02
May 2010	6/7/2010	7/2/2010	\$10,256.12
June 2010	7/12/2010	7/27/2010	\$12,016.71
July 2010	8/10/2010	8/26/2010	\$17,796.31
August 2010	9/8/2010	9/21/2010	\$19,405.57
September 2010	10/12/2010	10/28/2010	\$18,549.38
October 2010	11/8/2010	11/23/2010	\$18,768.98

Month Claimed	Date Claim Received by PDE	Date of Deposit/Credit	Claim Amount Paid
November 2010	12/6/2010	12/22/2010	\$19,538.49
December 2010	1/12/2011	1/27/2011	\$21,069.86
January 2011	2/22/2011	3/10/2011	\$18,218.48
February 2011	3/8/2011	3/24/2011	\$14,880.57
March 2011	4/12/2011	4/29/2011	\$20,042.23
April 2011	5/10/2011	5/27/2011	\$20,908.18
May 2011	6/6/2011	6/24/2011	\$21,794.03
June 2011	7/12/2011	7/29/2011	\$22,866.89
July 2011	8/9/2011	8/26/2011	\$26,435.53
August 2011	9/13/2011	9/30/2011	\$28,030.50
September 2011	10/11/2011	10/28/2011	\$27,547.05
October 2011	11/15/2011	12/2/2011	\$33,197.40
November 2011	12/15/11	1/13/2012	\$33,197.40
December 2011	1/10/2012	1/27/2012	\$33,197.40
January 2012	2/16/2012	3/9/2012	\$11,935.02
February 2012	3/9/2012	3/30/2012	\$14,067.25
March 2012	4/10/2012	4/27/2012	\$15,100.94
April 2012	5/9/2012	5/25/2012	\$15,677.81
	TOTAL		\$523,148.34

12. Defendant TRACEY PARSON submitted these claims, and caused these claims to be submitted, without regard to the number of reimbursable meals actually served to children

attending Kiddie Kare, as required. Instead, defendant PARSON based Kiddie Kare's CACFP claims on the amount of money she wished to receive. Consequently, defendant PARSON knowingly sought reimbursement for meals that were never served in order to increase Kiddie Kare's CACFP claims. In addition, defendant PARSON knowingly submitted claims for meals that did not meet CACFP nutritional guidelines and thus were not eligible for reimbursement.

13. In addition, defendant TRACEY PARSON misused CACFP funds. Rather than using CACFP funds to cover food service-related expenses, as required, defendant PARSON used the funds to enrich herself. Indeed, Kiddie Kare's CACFP claims far exceeded its food and food-related expenses. Despite receiving hundreds of thousands of dollars in reimbursements through CACFP, defendant PARSON failed to provide to the children attending Kiddie Kare the quantity and quality of food necessary to meet CACFP food service requirements. On the contrary, there were often food shortages at the Kiddie Kare locations.

14. To hide her false claims and her misuse of CACFP funds, and to keep the subsidy coming, defendant TRACEY PARSON faked her way through two CACFP administrative reviews. To successfully complete the administrative review process, defendant PARSON falsified, and directed others, including R.T., G.B., Person #1, and Person #2, to falsify attendance records, meal count forms, food service menus, food invoices, and other documents in an attempt to falsely substantiate Kiddie Kare's fraudulent claims.

15. Specifically, from in or about September 2010 until in or about February 2011, the exact dates being unknown, defendant TRACEY PARSON falsified, and directed others, including R.T. to falsify, documents, including invoices, receipts, and menus, in connection with a CACFP administrative review conducted in September 2010 (the "September 2010 Review"). Many of these fake documents were shown to the reviewers during the September 2010 Review

or submitted to PDE as part of Kiddie Kare's response to a Corrective Action Plan ("CAP") provided by PDE at the conclusion of the September 2010 review.

16. In addition, in or about January 2012, defendant TRACEY PARSON falsified, and directed others, including G.B. to falsify, documents, including invoices, CACFP enrollment forms, meal count rosters, and attendance records, in connection with a CACFP administrative review conducted in January 2012 (the "January 2012 Review"). Many of these fake documents were shown to the reviewers during the January 2012 Review.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, defendant TRACEY PARSON, R.T., and G.B., committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere:

The September 2010 Review

17. From in or about September 2010 until in or about February 2011, the exact dates being unknown, R.T., at the direction of defendant TRACEY PARSON, created fake food service menus for the December 2009 to December 2010 time period in connection with the September 2010 Review. R.T. fabricated the menus to make it appear that Kiddie Kare had been serving, and would continue to serve, meals that met the CACFP meal pattern requirements. In fact, as defendant PARSON and R.T. well knew, defendant PARSON made no attempt to ensure that Kiddie Kare followed CACFP meal pattern requirements and the menus did not accurately reflect the meals that had been or would be served.

18. In addition, defendant TRACEY PARSON failed to keep adequate records of food purchases and did not have sufficient food-related expenses to justify Kiddie Kare's CACFP claims. Accordingly, from in or about September 2010 until in or about February 2011,

the exact dates being unknown, in connection with the September 2010 Review, defendant PARSON and R.T. created, and caused others to create, false food vendor invoices reflecting food purchases that had never been made. Defendant PARSON and R.T. attempted to make the dollar amounts of the false invoices match Kiddie Kare's CACFP claims.

19. Moreover, from in or about September 2010 until in or about February 2011, the exact dates being unknown, defendant TRACEY PARSON and R.T. asked Kiddie Kare staff for any receipts they had from their own personal grocery shopping so that defendant PARSON could use the receipts as false evidence of Kiddie Kare's food purchases in connection with the September 2010 Review.

Examples of Kiddie Kare's False Claims

20. On or about November 15, 2011, defendant TRACEY PARSON knowingly submitted, and caused to be submitted, a CACFP claim for reimbursement that falsely inflated the number of meals served by Kiddie Kare for the month of October 2011.

21. On or about December 15, 2011, defendant TRACEY PARSON directed R.T. to submit a CACFP claim for reimbursement that falsely inflated the number of meals served by Kiddie Kare for the month of November 2011. Defendant PARSON directed R.T. to duplicate the meal count numbers submitted for the October 2011 claim without regard to the number of reimbursable meals actually served to children attending Kiddie Kare. Defendant PARSON and R.T. knew that the meal count numbers for November 2011 were falsely inflated. Nonetheless, R.T. knowingly submitted the claim, at defendant PARSON's direction.

22. On or about January 10, 2012, defendant TRACEY PARSON knowingly submitted, and caused to be submitted, a CACFP claim for reimbursement that falsely inflated the number of meals served by Kiddie Kare for the month of December 2011. Defendant

PARSON duplicated the meal count numbers submitted for the October and November 2011 claims without regard to the number of reimbursable meals actually served to children attending Kiddie Kare. Indeed, as defendant PARSON well knew, Kiddie Kare had been closed for a week in December 2011 and it was not possible for Kiddie Kare to have served the same number of meals in December 2011 that it purportedly had in October and November 2011.

The January 2012 Review

23. In or about January 2012, in preparation for the January 2012 Review, G.B. and Person #1, at defendant TRACEY PARSON's direction, added fictitious children's names to Kiddie Kare's attendance records and meal count forms to make it look as if Kiddie Kare had more children in attendance – and served more meals – than it actually had.

24. In addition, in or about January 2012, in preparation for the January 2012 Review, G.B., at defendant TRACEY PARSON's direction, created false CACFP child enrollment forms in an attempt to justify the inflated CACFP reimbursements that Kiddie Kare had claimed. At defendant PARSON'S direction, G.B. falsified enrollment forms for children who actually attended Kiddie Kare, but who did not have completed CACFP enrollment forms on file, as required, as well as for the fictitious children that G.B. had falsely added to Kiddie Kare's attendance records and meal count forms.

25. In addition, defendant TRACEY PARSON failed to keep adequate records of food purchases and did not have sufficient food-related expenses to justify Kiddie Kare's CACFP claims. Accordingly, in or about January 2012, in connection with the January 2012 Review, defendant PARSON created, and directed PERSON #2 to create, false food vendor invoices reflecting food purchases that had never been made.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FOUR

(Wire Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 of Count One are incorporated here.

THE SCHEME

2. From in or about December 2009 until in or about June 2012, defendant

TRACEY PARSON

knowingly devised and intended to devise a scheme to defraud the United States Department of Agriculture and the Pennsylvania Department of Education, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Paragraphs 11 through 25 of Count One are incorporated here.
4. On the dates listed below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

TRACEY PARSON

for the purpose of executing the scheme, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, the signals and sounds described below, each transmission constituting a separate count:

Count	Date	Description	Wire Transaction
Two	November 15, 2011	October 2011 CACFP Claim	Credit transfer in the amount of \$33,197.40 from the Commonwealth of Pennsylvania to Kiddie Kare through the Federal Reserve ACH system.

Count	Date	Description	Wire Transaction
Three	December 15, 2011	November 2011 CACFP Claim	Credit transfer in the amount of \$33,197.40 from the Commonwealth of Pennsylvania to Kiddie Kare through the Federal Reserve ACH system.
Four	January 10, 2012	December 2011 CACFP Claim	Credit transfer in the amount of \$33,197.40 from the Commonwealth of Pennsylvania to Kiddie Kare through the Federal Reserve ACH system.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FIVE

(Conspiracy)

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

BACKGROUND

1. Paragraphs 1 through 3 of Count One are incorporated here.
2. Clear Channel Communications, Incorporated, a Texas corporation, owned Capstar Radio Operating Company (collectively "Clear Channel"), which operated a Philadelphia radio station known to the Grand Jury.
3. T.J., an individual known to the Grand Jury, was employed as a disc jockey for the Philadelphia radio station owned by Clear Channel.

THE CONSPIRACY

4. From in or about October 2011 through in or about July 2012, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

TRACEY PARSON

conspired and agreed with G.B., together and with others known and unknown to the Grand Jury, to commit an offense against the United States, that is, to devise a scheme to defraud Clear Channel Communications, Inc. and Capstar Radio Operating Company and to obtain money and property by means of false and fraudulent pretenses, representations, and promises and to use a commercial interstate carrier to further the scheme to defraud, in violation of Title 18, United States Code, Section 1341.

MANNER AND MEANS

It was part of the conspiracy that:

5. On or about November 21, 2011, defendant TRACEY PARSON, on behalf of herself and Kiddie Kare, through her attorneys, whose identities are known to the Grand Jury, filed a lawsuit in the Court of Common Pleas of Philadelphia County against Clear Channel and T.J. alleging, among other things, that defendant PARSON and Kiddie Kare were defamed by T.J. during a radio broadcast.

6. In the lawsuit, defendant TRACEY PARSON alleged that an altercation occurred between two rival groups of students on October 14, 2011. Defendant PARSON further alleged that following the altercation, a mother of one of the students was allegedly involved in a retaliatory attack on a rival student. Defendant PARSON further alleged that on October 19, 2011, T.J. made and aired public comments linking defendant PARSON to the retaliatory assault while also publicly identifying defendant PARSON as the owner of a day care center.

7. Defendant TRACEY PARSON also alleged in the lawsuit, among other things, that, as a result of the allegedly untrue comments made by T.J., defendant PARSON and Kiddie Kare received death threats, Kiddie Kare property was vandalized, and Kiddie Kare lost a significant portion of its business. Indeed, defendant PARSON alleged that Kiddie Kare had lost as much as 30% of its business and that, as a result, defendant PARSON was forced to close one of the Kiddie Kare locations.

8. From in or about November 2011 until in or about July 2012, defendant TRACEY PARSON submitted and caused to be submitted to Clear Channel, through her attorneys, by interstate commercial carrier and other means, various materials in support of defendant PARSON's allegations, including purported recordings of physical threats against defendant PARSON, photographs of allegedly vandalized Kiddie Kare property, and documents purporting to reflect Kiddie Kare's lost business following the alleged defamatory broadcast.

9. Defendant TRACEY PARSON's allegations regarding the damages purportedly caused by the alleged defamation, as well as the materials defendant PARSON submitted and caused to be submitted to Clear Channel in support of those allegations, were false. In reality, defendant PARSON did not lose business at Kiddie Kare or close any of the Kiddie Kare centers as a result of the alleged defamatory broadcast. Instead, defendant PARSON fabricated and directed others, including G.B., to fabricate documents submitted to Clear Channel purporting to reflect Kiddie Kare's lost business. In addition, defendant TRACEY PARSON fabricated and directed others to fabricate so-called threats allegedly made to PARSON. Moreover, defendant PARSON caused and directed others to cause alleged vandalism to Kiddie Kare property.

10. Defendant TRACEY PARSON fabricated the harm she and Kiddie Kare allegedly suffered as a result of the alleged defamatory broadcast in order to mislead Clear Channel into settling the lawsuit filed by defendant PARSON. As a result, in July 2012, Clear Channel paid a substantial sum to defendant PARSON to settle defendant PARSON's lawsuit. The false materials provided to Clear Channel by defendant PARSON, through her attorneys, influenced Clear Channel's decision to settle the lawsuit as well as the amount of the settlement.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its object, defendant TRACEY PARSON and G.B. committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere:

11. From in or about October 2011 until at least in or about December 2011, the exact dates being unknown, defendant TRACEY PARSON falsified and directed G.B. and others known and unknown to the Grand Jury to falsify Kiddie Kare documents to make it look as if Kiddie Kare had suffered declining enrollment and lost revenue resulting from the alleged

defamatory broadcast. Specifically, defendant PARSON fabricated, and directed G.B. and others known and unknown to the Grand Jury to fabricate, Kiddie Kare documents, including agreement forms and annual income forms, to make it look as if the children had stopped attending Kiddie Kare after the alleged defamatory broadcast, regardless of when, or if, the children had actually left Kiddie Kare. In addition, defendant PARSON fabricated, and directed G.B. and others known and unknown to the Grand Jury to fabricate, Kiddie Kare documents to make it look as if the children had paid higher fee amounts than they actually had in an attempt to inflate the lost revenue that had supposedly resulted from the alleged defamatory broadcast.

12. In or about December 2011, defendant TRACEY PARSON compiled and caused others known to the Grand Jury to compile a spreadsheet listing the names of children who had supposedly stopped attending Kiddie Kare following the alleged defamatory broadcast. At defendant PARSON's direction, the spreadsheet also included information from the false documents created by G.B., including false termination dates and inflated fee amounts. The spreadsheet calculated Kiddie Kare's supposed lost revenue for the remainder of calendar year 2011 purportedly resulting from the alleged defamatory broadcast. In fact, as defendant PARSON well knew, Kiddie Kare had not lost revenue as a result of the alleged defamatory broadcast and the calculations in the spreadsheet were based on termination dates and fee amounts fabricated by defendant PARSON and at her direction.

13. From in or about December 2011 until in or about at least January 2012, the exact dates being unknown, G.B., at defendant TRACEY PARSON's direction, created false attendance sheets purporting to reflect children withdrawing from Kiddie Kare as a result of the alleged defamatory broadcast. At defendant PARSON's direction, G.B. wrote false messages from parents or guardians of the children on these attendance sheets. Specifically, G.B. created

false messages stating that the parents or guardians, whose names were made up by G.B., withdrew their children for safety reasons. For example, G.B. wrote a false telephone message on one of the attendance sheets stating that a parent “was pulling the child due to ‘safety reasons.’” G.B. falsified another message by writing on an attendance sheet that a child was not coming back to Kiddie Kare because of the “drama going on.” G.B. falsified yet another message by writing on an attendance sheet that the “mother stopped in to inform us the children would not be coming back because of the threats against the center.” G.B. made up numerous such false messages at defendant PARSON’s direction.

14. In addition, from in or about December 2011 until at least in or about January 2012, the exact dates being unknown, defendant TRACEY PARSON directed G.B., Person #2, and others known and unknown to the Grand Jury to write false letters addressed to Kiddie Kare pretending to be disgruntled parents or guardians who removed their children from Kiddie Kare because of the alleged defamatory broadcast.

15. Specifically, at defendant PARSON’s direction, G.B. wrote a letter falsely stating that the purported writer was removing children from Kiddie Kare because of the “recent controversy,” which had the writer “feeling a little uneasy” as far as “the safety of my grandkids.” In fact, as defendant PARSON well knew, G.B. did not have children or grandchildren attending Kiddie Kare and G.B. was not aware of any children who had stopped attending Kiddie Kare as a result of the alleged defamatory broadcast.

16. Similarly, at defendant PARSON’s direction, Person #2, and others known and unknown to the Grand Jury, wrote similar false letters, including a letter falsely stating that the purported writer was withdrawing children “due to the violence” and another letter falsely stating

that after hearing about defendant PARSON “fighting a teenager,” the purported writer “would be an irresponsible parent to allow my child to attend your center.”

17. In or about January 2012, at defendant TRACEY PARSON’s direction, G.B. made copies of the false documents that defendant PARSON, G.B., and others known and unknown to the Grand Jury, had created. Defendant PARSON directed G.B. to make copy sets of the falsified documents for defendant PARSON, for defendant PARSON’s attorneys, and for Clear Channel, for the purpose of making it appear that defendant PARSON and Kiddie Kare had suffered substantial financial harm from declining enrollment as a result of the alleged defamatory broadcast when, in fact, they had not.

18. On or about February 1, 2012, defendant TRACEY PARSON, through her attorneys, caused a package to be sent to Clear Channel by commercial interstate carrier that contained, among other things, the false agreement and annual income forms, attendance records, and termination letters, as well as a version of the fabricated lost revenue spreadsheet, in purported support of defendant PARSON’s false allegations that Kiddie Kare had suffered harm as a result of the alleged defamatory broadcast. Defendant PARSON sent, and caused these materials to be sent, to Clear Channel to influence Clear Channel’s decision-making with respect to defendant PARSON’s lawsuit and, specifically, to mislead Clear Channel into settling the lawsuit on terms favorable to defendant PARSON.

19. In or about July 2012, defendant TRACEY PARSON, through her attorneys, repeated many of the same false allegations regarding economic damages and lost enrollment in a Mediation Memorandum dated July 12, 2012. Specifically, defendant PARSON, through her attorneys, stated that Kiddie Kare had “lost significant enrollment” and that “parents expressly stat[ed] to PARSON that they did not feel comfortable keeping their children with Kiddie Kare

due to [T.J.'s] announcement . . . that Parson was seen 'fighting a teenager,' and due to the subsequent vandalism and retaliation wrought on the Kiddie Kare locations." Defendant PARSON made these additional false statements and caused these additional false statements to be made in order to mislead Clear Channel into settling defendant PARSON's lawsuit on terms favorable to defendant PARSON.

20. On or about July 24, 2012, defendant TARCEY PARSON executed a settlement agreement under which Clear Channel, without acknowledging any liability or wrongdoing, agreed to pay a substantial sum to defendant PARSON to resolve defendant PARSON's lawsuit. Defendant PARSON executed the agreement, and accepted the settlement payment, without disclosing to Clear Channel that defendant PARSON's allegations regarding the damages purportedly caused by the alleged defamation, as well as the materials defendant PARSON submitted and caused to be submitted to Clear Channel in support of those allegations, were false.

All in violation of Title 18, United States Code, Section 371.

COUNT SIX

(Mail Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One and paragraphs 2 and 3 of Count Five are incorporated here.

THE SCHEME

2. From in or about October 2011 through in or about July 2012, defendant

TRACEY PARSON

devised and intended to devise a scheme to defraud Clear Channel Communications, Inc. and Capstar Radio Operating Company, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Paragraphs 5 through 20 of Count Five are incorporated here.

4. On or about February 1, 2012, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

TRACEY PARSON

for the purpose of executing the scheme, and aiding and abetting its execution, knowingly caused to be sent and delivered by interstate commercial carrier according to the directions thereon, a package from defendant PARSON's attorneys to Clear Channel Communications, Inc., which contained materials that falsely represented that defendant PARSON and Kiddie Kare had suffered substantial harm from the alleged defamatory broadcast, when, in fact, they had not.

In violation of Title 18, United States Code, Sections 1341 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 371, 1341 and 1343 set forth in this indictment, defendant

TRACEY PARSON

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offenses, including but not limited to the sum of approximately \$1,278,418.

2. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intention of the United States, pursuant to, Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

GRAND JURY FOREPERSON


ZANE DAVID MEMEGER
United States Attorney