

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

UNITED STATES OF AMERICA : **CRIMINAL NO.** _____
v. : **DATE FILED:** _____
WALTER CATHIE : **VIOLATIONS:**
26 U.S.C. § 7206(1) (filing materially false
tax returns - 3 counts)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant WALTER CATHIE worked in the finance and student aid departments at Widener University, located in Chester, Pennsylvania. In that capacity, defendant CATHIE was responsible for assisting Widener University students with obtaining financing for their education.

2. In 2004, defendant WALTER CATHIE was also self employed as an educational financial consultant, and ran a conference for lending institutions seeking to provide student loans to students of colleges and universities. The conference provided these lending institutions with an opportunity to meet financial aid personnel from various colleges and universities. The lending institutions paid defendant CATHIE sponsorship fees so that they could attend the conference.

3. During 2004, defendant WALTER CATHIE received total taxable income from Widener University and from conference sponsorship fees from lending institutions in the amount of \$208,473, which exceeded the threshold required for filing individual returns with the

Internal Revenue Service (“IRS”).

4. On or about April 15, 2005, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

WALTER CATHIE

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2004, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant CATHIE did not believe to be true and correct as to every material matter, in that the return reported a total taxable income of \$162,854, when, as defendant CATHIE knew, he had received total taxable income of \$208,473 from his employment with Widener and from conference sponsorship fees from lending institutions, and in that the return reported no self-employment tax owed, when, as defendant CATHIE knew, he owed self-employment tax of \$1,340.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 1 of Count One is incorporated here.
2. In 2005, defendant WALTER CATHIE was also self employed as an educational financial consultant, and ran a conference for lending institutions seeking to provide student loans to students of colleges and universities. The conference provided these lending institutions with an opportunity to meet financial aid personnel from various colleges and universities. The lending institutions paid defendant CATHIE sponsorship fees so that they could attend the conference.
3. During 2005, defendant WALTER CATHIE received total taxable income from Widener University and from conference sponsorship fees from lending institutions in the amount of \$303,467, which exceeded the threshold required for filing individual returns with the Internal Revenue Service (“IRS”).
4. On or about April 15, 2006, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

WALTER CATHIE

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2005, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant CATHIE did not believe to be true and correct as to every material matter, in that the return reported a total taxable income of \$133,228, when, as

defendant CATHIE knew, he had received total taxable income of \$303,467 from his employment with Widener and from conference sponsorship fees from lending institutions, and in that the return reported no self-employment tax owed, when, as defendant CATHIE knew, he owed self-employment tax of \$5,344.

In violation of Title 26, United States Code, Section 7206(1).

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 1 of Count One is incorporated here.
2. In 2006, defendant WALTER CATHIE was also the controlling shareholder of an entity named Key West Higher Education Association LLC (“KWHEA”). KWHEA ran the same conference that defendant CATHIE personally ran in 2004 and 2005. That is, KWHEA ran a conference for lending institutions seeking to provide student loans to students of colleges and universities, and provided these lending institutions with an opportunity to meet financial aid personnel from various colleges and universities. The lending institutions paid KWHEA, and therefore defendant CATHIE as its controlling shareholder, sponsorship fees so that they could attend the conference.
3. During 2006, defendant WALTER CATHIE received total taxable income from Widener University and from KWHEA in the amount of \$147,151, which exceeded the threshold required for filing individual returns with the Internal Revenue Service (“IRS”).
4. On or about April 15, 2007, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

WALTER CATHIE

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2006, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant CATHIE did not believe to be true and correct as to every material matter, in that the return reported a total taxable income of \$60,891, when, as defendant

CATHIE knew, he had received total taxable income of \$147,151 from his employment with Widener and from KWHEA, and in that the return reported no self-employment tax owed, when, as defendant CATHIE knew, he owed self-employment tax of \$12,248.

In violation of Title 26, United States Code, Section 7206(1).

MICHAEL L. LEVY
UNITED STATES ATTORNEY