

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

UNITED STATES OF AMERICA,

v.

BHASKAR SAVANI, *et al.*

Criminal No. 23-16  
Hon. Jeffrey L. Schmehl

**SUNIL PHILIP'S MOTION FOR A JUDGMENT OF ACQUITTAL  
PURSUANT TO CRIMINAL RULE OF PROCEDURE 29**

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## I. EXECUTIVE SUMMARY

After five weeks of trial, one thing is clear: Sunil Philip (“Mr. Philip”) should not be a defendant in this case. The sum of the evidence adduced at trial is that Mr. Philip was an outside accountant—with thousands of business and individual clients not named Savani—whose company provided professional services to the Savani Group in terms of opening companies at their request, preparing payroll for certain entities, doing some bookkeeping, and filing certain tax returns. But this Circuit’s case law is clear: taking action that is associated with, or acting parallel to, a conspiracy does not transform those otherwise lawful acts into something illegal in the absence of criminal intent. *United States v. Riccobene*, 709 F.2d 214, 224 (3d Cir. 1983), *overruled on other grounds by Griffin v. United States*, 502 U.S. 46 (1991). Evidence of that critical element is lacking across the board.

The Racketeer Influenced and Corrupt Organizations Act (“RICO”) charge against Mr. Philip is based entirely on his alleged knowledge of a Medicaid fraud and money laundering scheme and an alleged tax fraud conspiracy. To be sure, a RICO conspirator need not himself agree to commit two predicate acts; he must, however, have some knowledge that *someone* in the conspiracy intends to take actions that would result in the commission of at least two predicate acts. If not, there is simply no “pattern” of racketeering activity that could have been envisioned by the defendant. That is precisely the case here. There has been absolutely *no* evidence adduced at trial from which a rational juror could conclude that Mr. Philip had any knowledge of, much less an intent that someone in the conspiracy participate in, a pattern of racketeering activity. That knocks out not only the RICO charge, but the money laundering conspiracy charge too, as it is based entirely on Mr. Philip’s alleged knowledge that funds from Medicaid fraud were being moved through various companies. The Government is left only with

its tax fraud conspiracy allegations, which cannot support a RICO charge on their own and fail on the merits anyway.

Mr. Philip also stands charged with conspiracy to defraud the Internal Revenue Service (“IRS”). This charge is based upon Mr. Philip’s supposed knowledge of an unreported cash payroll scheme comprised of skimmed cash from daily receipts and the paying back of H1B visa fees, improperly deducted personal credit card expenses, and salary payments that were disguised as travel or other reimbursements. But the trial evidence actually proves the opposite. Multiple witnesses testified that such information was *actively hidden* from Mr. Philip, and that neither he nor his office staff would have ever seen this information because it was maintained solely within the internal Savani accounting department. If this were a civil case, Mr. Philip would be entitled to summary judgment in his favor. But this is a criminal case, and it is clear there is insufficient evidence to justify sending the conspiracy to defraud charge to the jury.

The wire fraud and aiding and abetting charges against Mr. Philip fare no better. These charges are based entirely on the alleged underreporting of income on the Savani brothers’ personal tax returns for the year 2017. The Government’s evidence falls into three “buckets”: (i) a “cash” scheme; (ii) a “salary” scheme; and (iii) a “personal expenses” scheme. The trial testimony establishes that the first two buckets have absolutely nothing to do with Mr. Philip. All of that information was hidden from him. Nor does the majority of the “personal expenses” bucket have anything to do with him. Multiple witnesses testified that Mr. Philip and his staff never saw any of the detail for any credit card expenses. Mr. Philip’s staff only received that information in summary form after it had already been “bifurcated” by the internal Savani accounting department. That leaves only a sliver of the alleged tax fraud scheme left (i.e. cars and real estate-related expenses). Only a single witness, Prayag Vekariya, provided any

testimony that could even theoretically be construed as indicative of criminal intent as to these items. But Vekariya's testimony, particularly in light of his concessions on cross-examination and its incongruity with the Government's other evidence, cannot constitute substantial evidence from which a rational jury could convict Mr. Philip. There is simply no nexus between any alleged knowledge of improper deductions and any of the three purportedly false tax returns that were charged in the Indictment.

Mr. Philip is entitled to a judgment of acquittal on Counts One, Twenty-Five, Thirty-Eight, and Thirty-Nine through Forty-One of the Indictment.

## **II. BACKGROUND**

The Indictment in this case centers around an alleged RICO conspiracy led by Defendants Bhaskar Savani, Arun Savani, and Niranjan Savani (the "Savani brothers" or the "Savani Group"). Mr. Philip was charged not as a member of the RICO enterprise who benefitted from its illicit activities, but rather as someone who was allegedly "complicit" in the conspiracy based on his role as an outside accountant to the Savani Group.

Mr. Philip was charged only in Counts One, Twenty-Five, Thirty-Eight, and Thirty-Nine through Forty-One of the Indictment. In Count One, Mr. Philip is charged with conspiracy to commit racketeering in violation of 18 U.S.C. § 1962(d). In Count Twenty-Five, Mr. Philip is charged with conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(h). In Count Thirty-Eight, Mr. Philip is charged with conspiracy to defraud the United States in violation of 18 U.S.C. § 371. In Counts Thirty-Nine through Forty-One, Mr. Philip is charged with wire fraud and aiding and abetting in violation of 18 U.S.C. §§ 1343 and 2.

## **III. LEGAL STANDARD**

Pursuant to Rule 29(a), the Court *must* enter a judgment of acquittal if a rational trier of fact could not find the defendant guilty beyond a reasonable doubt. *United States v. Morris*, No.

CRIM.05-440-13, 2010 WL 3505131, at \*2 (E.D. Pa. Sept. 2, 2010) (quoting *United States v. Bobb*, 471 F.3d 491, 494 (3d Cir. 2006)), *aff'd sub nom United States v. Coles*, 558 F. App'x 173 (3d Cir. 2014). The critical question in reviewing a Rule 29 motion is “whether any rational trier of fact could have found proof of guilt[] beyond a reasonable doubt based on the available evidence.” *United States v. Brodie*, 403 F.3d 123, 133 (3d Cir. 2005) (citation and internal quotation marks omitted); *see also Morris*, 2010 WL 3505131, at \*2 (verdict must be supported by “substantial evidence”).

Neither “specious inferences” of guilt nor proof that a defendant is “*probably* guilty” is sufficient to sustain a conviction. *United States v. Lorenzo*, 534 F.3d 153, 159 (2d Cir. 2008) (citations and internal quotation marks omitted); *see also id.* (“[I]f the evidence viewed in the light most favorable to the prosecution gives equal or nearly equal circumstantial support to a theory of guilt and a theory of innocence, then a reasonable jury must necessarily entertain a reasonable doubt.”) (quoting *United States v. Glenn*, 312 F.3d 58, 70 (2d Cir. 2002)); *United States v. Bycer*, 593 F.2d 549, 550 (3d Cir. 1979) (“Inferences from established facts are accepted methods of proof when no direct evidence is available. *It is essential, however, that there be a logical and convincing connection between the facts established and the conclusion inferred.*”) (emphasis added).

#### **IV. THE RICO CONSPIRACY CHARGE (COUNT ONE) MUST BE DISMISSED.**

In Count One of the Indictment, Mr. Philip is charged with participating in a racketeering conspiracy in violation of 18 U.S.C. § 1962(d). Specifically, Paragraph 15 of Count One alleges that, “[f]rom in or about February 2009 through in or about November 2021,” Mr. Philip, in his role as an outside accountant to the Savani Group, conspired along with the Savani brothers and two other Defendants (Amen Dhyllon and Aleksandra Radiomak) to participate directly or

indirectly in the conduct of a racketeering enterprise (i.e. the Savani Group) through a pattern of five categories of racketeering activities:

- 1) A “visa fraud scheme” in violation of 18 U.S.C. § 1546;
- 2) A “healthcare wire fraud scheme” and a “tax wire fraud scheme” in violation of 18 U.S.C. § 1343;
- 3) A “money laundering scheme” in violation of 18 U.S.C. § 1956;
- 4) A “money laundering scheme” in violation of 18 U.S.C. § 1957; and
- 5) An “Osseolink mail fraud scheme” in violation of 18 U.S.C. § 1341.

For the reasons set forth below, the Court should dismiss the RICO count in its entirety as to Mr. Philip, as no rational juror could find him guilty of that offense.

**A. Elements of a RICO Conspiracy Under 18 U.S.C. 1962(d)**

In a RICO conspiracy case, the Government must prove beyond a reasonable doubt: “(1) that two or more persons agreed to conduct or to participate, directly or indirectly, in the conduct of an enterprise’s affairs through a pattern of racketeering activity; (2) that the defendant was a party to or member of that agreement; and (3) that the defendant joined the agreement or conspiracy knowing of its objective to conduct or participate, directly or indirectly, in the conduct of an enterprise’s affairs through a pattern of racketeering activity.” *United States v. John-Baptiste*, 747 F.3d 186, 207 (3d Cir. 2014).

Critically, “[a]n agreement merely to commit the predicate offenses would not be sufficient to support a RICO conspiracy . . . [n]or is it sufficient if the defendants merely participate in the same enterprise.” *Riccobene*, 709 F.2d at 224. “This is so because, under RICO, it is an agreement ‘to conduct or participate . . . in the conduct of [an] enterprise’s activities’ through the commission of predicate offenses that is prohibited, not an agreement to commit a pattern of racketeering activity alone.” *Id.*

Thus, to prove a RICO conspiracy, the Government must establish that the defendant “intend[ed] to further an endeavor which, if completed, would satisfy all of the elements of a substantive” violation of § 1962(c).<sup>1</sup> *United States v. Williams*, 974 F.3d 320, 369 (3d Cir. 2020) (citing *Salinas v. United States*, 522 U.S. 52, 65 (1997)); *see also Brodie*, 403 F.3d at 148 (a “defendant must have knowledge of both the agreement’s “illicit purpose” and the “facts that constitute the offense”). Thus, to establish intent in the context of a RICO conspiracy offense, the Government must prove beyond a reasonable doubt that a defendant “knew about and agreed to facilitate the scheme” which at least would have resulted in the satisfaction of § 1962(c)’s elements. *Id.*

**B. The Evidence is Insufficient to Prove Mr. Philip’s Knowledge and Agreement to Participate in a RICO Conspiracy**

The Government has not adduced any evidence at trial, nor could it, that Mr. Philip had any knowledge of or involvement in the alleged visa fraud and Osseolink fraud charged in the Indictment. Count One as it pertains to Mr. Philip is instead predicated entirely on his purported knowledge of, and agreement to help facilitate, a “healthcare wire fraud scheme,” a “money laundering scheme,” and a “tax wire fraud scheme.”

**i. There is No Evidence from Which a Rational Juror Could Find that Mr. Philip Had Any Awareness of Healthcare Fraud or Money Laundering**

The healthcare wire fraud and money laundering schemes are predicated on the conduct of other Defendants who allegedly (i) conspired to fraudulently obtain Medicaid contracts by using dentists who worked for the Savani Group as “nominee owners” of the practices, and (ii) defrauded Medicaid by billing for services that were not provided by dentists who were

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<sup>1</sup> These elements are: (1) the existence of an enterprise affecting interstate commerce; (2) the defendant was employed by or associated with the enterprise; (3) the defendant participated in, either directly or indirectly, in the conduct or the affairs of the enterprise; and (4) he or she participated through a pattern of racketeering activity. *Williams*, 974 F.3d at 369.

properly credentialed by certain Medicaid Managed Care Organization (MCOs) at the time services were billed. Indictment at 16-37, ¶¶ 44-101.

During her testimony, summary witness Stacy Esimai confirmed that all of the purportedly laundered funds are traceable back to proceeds of alleged healthcare fraud. Esimai Test. (2/17/26). Thus, the healthcare wire fraud and money laundering allegations rise or fall together.

The Government has failed to adduce *even a single piece of evidence* that Mr. Philip was aware of anything having to do with Medicaid at all, much less a Medicaid fraud scheme that was supposedly put into motion after Bhaskar Savani had his Medicaid contracts terminated by certain MCOs. Not a single witness provided any testimony whatsoever from which a rational juror could attribute such knowledge to Mr. Philip. Rather, the evidence adduced at trial demonstrates the opposite: that Mr. Philip had no awareness of, or any reason at all to suspect, any wrongdoing relating to Medicaid. For instance:

Multiple witnesses testified that Mr. Philip did not have any access whatsoever to Dentaweb, the Savani Group's centralized patient record and billing record system. *See, e.g.,* Savalia Tr. (1/28/26), at 213.

The testimony of Andrew Dormeshian, one of the two alleged "nominee owners" who were supposedly involved in defrauding Medicaid, established that Mr. Philip was not in the loop when it came to the alleged Medicaid fraud scheme. Indeed, a critical piece of evidence corroborates this. In a contemporaneous text (admitted as SP-59), Dormeshian wrote that "[i]t is extremely important to keep this [i.e. the alleged nominee scheme] among ourselves. ONLY people that we can trust 110% should know about this." Mr. Philip was not on that text chain, and the trial evidence makes clear the reason why: Mr. Philip was *not* one of the people in the

“circle of trust” that Dormeshian was referring to. Dormeshian confirmed as much, as he testified that he never talked to Mr. Philip about anything having to do with the alleged Medicaid fraud scheme, *see* Dormeshian Tr. (2/6/26), at 175-78, and that Mr. Philip had no signature authority, access to, or ability to control any bank account relating to United Dentistry PC and Smilecrafters Dental LLC, two of the key companies involved in the alleged scheme. *See* Dormeshian Tr. (2/6/26), at 189. Dormeshian further testified that he used his own personal accountant—not Mr. Philip—to incorporate multiple entities relating to the Medicaid fraud scheme, including the one that directly received Medicaid funds: Smilecrafters Dental LLC. Dormeshian Tr. (2/6/26), at 167-68; *see* BS-42 (email between Dormeshian and accounting firm Freidman LLP).

The other alleged “nominee” owner, Amen Dhyllon, barely even mentioned Mr. Philip in his testimony. Indeed, the only thing he testified about regarding Mr. Philip is that he was “encouraged” to use Mr. Philip as his accountant, but that he chose not to. Dhyllon further testified that Mr. Philip had nothing to do with the creation of Faces and Braces, Inc., the key company involved in Dhyllon’s part of the alleged fraud scheme, and that ***Mr. Philip did not even prepare the taxes for Faces & Braces.*** *See* SP-4 (articles of incorporation for Faces & Braces); Savalia Tr. (1/28/26), at 224. Both the creation of that company and the filing of its taxes were done by Dhyllon’s own personal accountant. Dhyllon’s testimony regarding Mr. Philip was so uneventful that counsel did not even feel the need to get up for cross-examination.

Moreover, despite the Indictment’s confident allegation that Mr. Philip “registered, opened and controlled numerous entities and more than 300 bank accounts at Conestoga Bank, Beneficial Bank and TD Bank NA,” Indictment at 26-27, ¶ 88, the trial evidence has proven that

allegation to be demonstrably *false*. The evidence establishes that Mr. Philip had no involvement in “controlling” any entities or bank accounts in the Savani Group “enterprise.”

Mr. Philip can go on, but does not need to, as it is not his burden to prove his innocence. It is the Government’s burden to prove him guilty beyond a reasonable doubt. This, it cannot do. As forecasted by Mr. Philip’s motion to dismiss, the *only* evidence that the Government adduced relating to Mr. Philip is that he opened certain companies and/or prepared the taxes for certain companies that were allegedly used in the alleged Medicaid fraud scheme. That is reinforced by the Government’s own nine-page “Health Care Fraud Timeline” (G-438), on which Mr. Philip’s name appears only once:

2	41	11/20/2014	Overt Act 44	361	Advantage Dental, PC Incorporated by S. Philip, CPA	Sunil Philip using the name A Philipose, c/o TMR Oxford Valley Road, Yardley, PA filed incorporation documents Advantage Dental, PC 1247 South Cedar Crest Blvd, Allentown, PA with the Pennsylvania Secretary of State	USA_DISC_JENCKS_AD0001097 - USA_DISC_JENCKS_AD0001098
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But preparing taxes, opening companies, and maintaining accounting records all fall within an accountant’s ordinary course of business. And those are services that Mr. Philip offered not only to the Savanis, but to thousands of his other business and individual clients.

Each defendant’s role must be evaluated on a “personal and individual” level. *Brodie*, 403 F.3d at 134. Beyond opening the companies and/or preparing taxes, the Government has done absolutely nothing to establish the “required nexus between [Mr. Philip’s] acts and the RICO conspiracy.” *United States v. Viola*, 35 F.3d 37, 44 (2d Cir. 1994), *abrogated on other grounds by Johnson v. United States*, 520 U.S. 461, 467 (1997). Rather, the Government has demonstrated only that Mr. Philip engaged in conduct that was taken in parallel to a RICO conspiracy. To find otherwise would be akin to permitting the Government to “pil[e] inference upon inference” where those inferences simply could “not logically support [an] ultimate finding of guilt” as to Mr. Philip. *United States v. Tyson*, 653 F.3d 192, 206 (3d Cir. 2011).

In sum, there is no evidence, much less sufficient evidence, to find that Mr. Philip had any awareness of or intent to further alleged Medicaid fraud. That knocks out any basis for a RICO charge against Mr. Philip insofar as it relies on alleged knowledge of “healthcare wire fraud” and “money laundering.”

The trouble for the Government is that that knocks out the entire RICO count too. To be guilty of a RICO conspiracy, it is true that a defendant need not agree to commit two predicate acts. *Salinas*, 522 U.S. at 63-64. It is also true, however, that the Government must prove that a defendant “knew about and agreed to facilitate the scheme[,] which at least would have resulted in the satisfaction of § 1962(c)’s elements.” *Williams*, 974 F.3d at 369. That presupposes—and makes eminent sense given the severity of the statute under which Mr. Philip was charged—that a defendant must have *knowledge* that at least two predicate acts will be committed by *someone* in the alleged conspiracy. Without the healthcare wire fraud and money laundering allegations to rely on, the Government is left only with its tax fraud conspiracy allegations. Because those fail too, as discussed below, the RICO count must be dismissed in its entirety as to Mr. Philip.

**ii. There Is Insufficient Evidence from Which a Rational Juror Could Conclude that Mr. Philip Had Any Awareness of or Intent to Participate in a Tax Wire Fraud Scheme**

Mr. Philip’s alleged participation in a tax wire fraud scheme is based on his filing of certain personal and business tax returns for the Savani Group from 2013 through 2017. *See* Indictment at 37-42, ¶¶ 102-114. The Government has failed to adduce sufficient evidence from which a rational juror could conclude that Mr. Philip had any knowledge of or intent to further an alleged tax fraud conspiracy. These allegations also fail because the Government cannot rely on them to establish knowledge of a “pattern” of racketeering activity.

*First*, the trial evidence established that Mr. Philip’s provision of outside accounting services for the Savani Group can generally be described as follows:

- 1) The Savani Group had its own sophisticated internal accounting department, with one individual, Riddhi Savalia, who held herself out to the outside world as an auditor, and another individual, Prayag Vekariya, who held himself out as a controller. In addition to Savalia and Vekariya, there were numerous other individuals who worked for the internal Savani accounting department (e.g., Amita Shah, Kruti Patel, Shaily Savani). The Savani Group's internal accounting department only used Microsoft Excel; it did not use QuickBooks.
- 2) With respect to the dental companies for which Mr. Philip provided outside bookkeeping and tax preparation services, the Savani Group's internal accounting department would send bank statements and prepare summaries of financial information that would be forwarded to Mr. Philip's office staff. Mr. Philip's office staff would then input that information into QuickBooks and send it back to the Savani Group's internal accounting department for their review. The Savani Group's internal accounting department would often send back "corrections" which were in fact directives to Mr. Philip's office staff to change certain expense classifications. Savalia Tr. (1/28/26), at 196-200; *see also* SP-13 (email from Mr. Philip's staff to Savalia originally classifying Penn State University expense as "officer compensation," meaning it is personal income to the Savanis); *see also* SP-14 (email from Shah "correcting" Penn State expense category to "CPE expense"). Mr. Philip's office staff would update the information as requested in QuickBooks. Mr. Philip had no involvement in the process up to this point in time. When it came time to prepare the taxes for a particular entity, Mr. Philip would pull the QuickBooks Profit and Loss Statement ("P&L") (a general version that did not contain every line item entered), meet with Arun Savani and Riddhi Savalia to go over that

information, and then file the entity's taxes based on the information that was provided to his office. Savalia Tr. (1/28/26), at 215; *see also* G-680 (2015 QuickBooks P&L for A-1 Enterprise). These meetings would take all day and would cover approximately fifty (50) dental companies for a given year. Savalia Tr. (1/28/26), at 219; *see also* SP-31 (list of corporations for which Mr. Philip filed taxes).

- 3) With respect to real estate entities, Vekariya would prepare P&Ls that were physically dropped off to Mr. Philip's office each year. Vekariya Tr. (2/10/26), at 14-16; *see also* SP-61. Those P&Ls summarized the financial information for a particular entity for a particular year and did not contain any of the detail behind any particular expense. Vekariya Tr. (2/10/26), at 17-19; *see also* G-682 (first tab of Excel Spreadsheet titled "P&L 2016 – CPA"); G-668 (showing "Expense Bifurcation" tab with no location detail). When it came time to file the taxes, Mr. Philip would meet with Arun Savani and Vekariya to go over the information and prepare the taxes for the entities. These meetings would typically cover no less than seventeen (17) entities. Vekariya Tr. (2/10/26), at 15-16.
- 4) With respect to business credit card expenses, Riddhi Savalia and Amita Shah both testified that Mr. Philip's office staff was only provided with summaries of information that already had been "bifurcated" by the Savani Group's internal accounting department. Savalia Tr. (1/28/26), at 208; Shah Tr. (2/12/26), at 30-31; *see also* SP-20. Neither Mr. Philip nor his office staff ever received credit card statements or saw any of the specific credit card charges for any individual associated with the Savani Group.

*Second*, the trial evidence established a whole host of items that were actively **hidden** from Mr. Philip and his office staff. Hardly what you would expect to see if an accountant was knowingly and intentionally functioning as a RICO co-conspirator. For instance:

- Savalia testified that the unreported cash from the dental offices' daily receipts and the alleged visa fraud scheme were hidden from Mr. Philip and his office staff.
- Savalia testified that the alleged fake travel and other reimbursements were hidden from Mr. Philip and his office staff.
- Savalia testified that Mr. Philip would have had no reason to know that there was anything unusual about the intracompany transfers challenged as unlawful in the Indictment.
- Savalia testified that she never discussed anything regarding health care fraud proceeds with Mr. Philip.

Savalia Tr. (1/28/26), at 225.

*Third*, the Government failed to adduce evidence at trial to support any of the central allegations in the Indictment pertaining to Mr. Philip's supposed active involvement in the conspiracy. For example, Paragraph 107 alleged that Defendant Arun Savani and Mr. Philip "instructed Person #1 and Person #2, and other employees and associates of the Enterprise, as to the manner in which payments for personal expenses should be expensed through SAVANI GROUP companies as fraudulent business expenses." Indictment at 39, ¶ 107. Not a single witness provided any such testimony. Nor is there a single document entered into evidence from which a rational juror could draw that conclusion.

Indeed, the *only* testimony adduced at trial relating to Mr. Philip and an even arguable allegation of knowledge of tax fraud came from a single witness—Prayag Vekariya. Vekariya’s testimony pertaining to Mr. Philip can be summarized as follows:

- At some time Vekariya cannot remember, Arun Savani told Vekariya that Mr. Philip told him (i.e. Arun) that the “location” information on the real estate entities’ P&L’s should be removed before providing that information to Mr. Philip’s office. Vekariya Tr. (2/9/26), at 93.
- It is Vekariya’s belief that Mr. Philip knew that certain car loan payments for family members of the Savanis were being expensed through the businesses. Vekariya Tr. (2/9/26), at 108.
- During tax preparation meetings, Mr. Philip supposedly looked up certain cars on the Internet and “joked” about mileage reimbursements with Arun Savani. Vekariya Tr. (2/9/26), at 108, 118.

That is it.

On cross-examination, it became abundantly clear that Vekariya has no personal knowledge to support any of his testimony pertaining to Mr. Philip. Vekariya testified unequivocally that he never reviewed any tax returns in any detail; he just “glanced” at them. Vekariya Tr. (2/10/26), at 28. Thus, by his own admission, he has no idea whether any of the cars allegedly used for personal use were in fact expensed or whether any mileage reimbursements were indeed overstated on any of the business tax returns. Vekariya Tr. (2/10/26), at 28-30. Moreover, the Government was unable to produce a single piece of documentary evidence to show that Mr. Philip, at any point in time, received a P&L statement for any real estate entity that had “location details” in them. Rather, the trial evidence establishes

that the only P&Ls Mr. Philip ever received had location information removed prior to his receipt of those statements. The Government has done nothing to present any other evidence establishing a connection between Mr. Philip's purported knowledge of improper deductions and how that flowed through on any specific tax return. It is not sufficient for the Government to rely on assumptions, i.e. that because something ended up on a P&L, it must have ended up on a tax return, and, further, that Mr. Philip must have known that the tax return was false at the time of filing.<sup>2</sup> This speculative chain of events is hardly the type of "logical and convincing connection" on which a rational juror could rely to find guilt beyond a reasonable doubt. *See Bycer*, 593 F.2d at 550.

In any event, Vekariya's testimony is contrary to the other evidence of purported tax fraud that the Government introduced at this trial. The Government has not proven that any car loan *payments* were deducted through the businesses (because they were not), despite having made that allegation in the Indictment. *See* Indictment at 39, ¶ 110. Rather, the Government's contention at trial was that certain vehicles allegedly used for personal use were *depreciated* through the businesses. *See* G-608-R ("Detail" tab of Excel spreadsheet titled "Unreported Business Payments of Personal Expenses (Personal Expenses Scheme)"). Car loan payments are not the same thing as depreciation. The Government cannot now change its theory, as that would constitute an improper variance from the Indictment. *See, e.g., United States v. Holzwanger*, No. CRIM. 10-00714 JAP, 2012 WL 762490, at \*4 (D.N.J. Mar. 8, 2012) (finding prejudicial variance where indictment charged one theory and trial evidence proved materially different facts) (citing *United States v. Daraio*, 445 F.3d 253, 259 (3d Cir. 2006)). Similarly, there is no

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<sup>2</sup> The Government did not move the business tax returns underlying G-608-R into evidence. There is thus no basis for the jury to conclude, beyond a reasonable doubt, that the so-called personal expenses listed in that chart were in fact deducted on a business tax return.

nexus between Vekariya's entirely uncorroborated allegation that Mr. Philip was aware of improper reporting of mileage reimbursements and any tax return entered in evidence. Indeed, the Government's tax fraud summary chart does not include any mileage reimbursements that were alleged to have been deducted improperly. *See* G-608-R. In sum, Vekariya's testimony cannot possibly meet the threshold of substantial evidence to survive a Rule 29 motion. *See Brodie*, 403 F.3d at 133; *Morris*, 2010 WL 3505131, at \*2.

The RICO charge also fails because, based on the trial evidence, the Government cannot establish any possible basis for a rational juror to conclude that Mr. Philip was aware of a "pattern" of racketeering activity. At most, the Government's evidence has established that Mr. Philip filed one set of tax returns for the Savani brothers for tax year 2017 (G-613; G-614; G-615)<sup>3</sup> that contained improperly depreciated vehicles. Even if there was trial evidence to support a conclusion that Mr. Philip was aware of that supposed fact when he filed those tax returns (there is not), it still would not be sufficient to establish that Mr. Philip had any awareness of at least two predicate acts of racketeering activity. That is fatal to the RICO charge, as there can be no possible "pattern" of racketeering activity where the evidence establishes only disconnected, sporadic, or widely separated and isolated acts. *See H.J. Inc. v. Nw. Bell Tel. Co.*, 492 U.S. 229, 239 (1989); 3d Cir. Crim. Model Jury Instructions § 6.18.1962C-6. Moreover, as noted above, proving a RICO conspiracy requires more than simply showing "[a]n agreement . . . to commit the predicate offenses," or that "the defendants merely participate[d] in the same enterprise." *Riccobene*, 709 F.2d at 224. This, the Government has not done.

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<sup>3</sup> These are the only personal tax returns that the Government entered into evidence. Counts Thirty-Nine through Forty-One charge an alleged wire fraud scheme based on these same returns. The wire fraud charges fail for the reasons discussed below in Section VII. As such, that is yet another reason why those allegations could not possibly support a RICO charge against Mr. Philip.

If this case is permitted to proceed to the jury against Mr. Philip on a RICO charge, it would subject Mr. Philip to the risk of “being found guilty based on incidental or tenuous association with the enterprise and its members.” *Viola*, 35 F.3d at 44. Although the Government understandably gets some deference on a Rule 29 motion, it does not permit it to “pil[e] inference upon inference” where those inferences simply could “not logically support [an] ultimate finding of guilt.” *Tyson*, 653 F.3d at 206; *see also Brodie*, 403 F.3d at 133 (charge must be dismissed where no “rational trier of fact could [find] proof of guilt[] beyond a reasonable doubt based on the available evidence”) (citation and internal quotation marks omitted).

The RICO charge must be dismissed as to Mr. Philip.

**V. THE MONEY LAUNDERING CONSPIRACY CHARGE (COUNT TWENTY-FIVE) MUST BE DISMISSED.**

In Count Twenty-Five, Mr. Philip is charged with money laundering conspiracy in violation of 18 U.S.C. § 1956(h). Specifically, the Indictment alleges that Mr. Philip “knowingly and intentionally conspired and agreed” with Defendants Bhaskar Savani, Arun Savani, and Amen Dhyllon: (i) to commit concealment money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(i);<sup>4</sup> and (ii) to commit a violation of 18 U.S.C. § 1957.<sup>5</sup> Indictment at 77-78 (¶¶ 2(a), (b)). Count Twenty-Five is predicated on the same substantive allegations underlying the alleged money laundering conspiracy charged as a predicate act in support of the racketeering

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<sup>4</sup> Under 18 U.S.C. § 1956(a)(1)(b)(i), it is unlawful for anyone “knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, [to] conduct[] or attempt[] to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—knowing that the transaction is designed in whole or in part—to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.”

<sup>5</sup> Under 18 U.S.C. § 1957, it is unlawful for anyone to “knowingly engage[] or attempt[] to engage in a monetary transaction in criminally derived property of a value greater than \$10,000” where that property “is derived from specified unlawful activity.”

conspiracy charged in Count One. Indictment at 77 (¶ 1) (incorporating Paragraphs 86-101 of Count One). That is, Mr. Philip is alleged to have knowingly conspired to launder the proceeds of the healthcare wire fraud scheme described in Count One. *See* Indictment at 78 (¶ 3) (identifying the “manner and means” of the conspiracy as “laundering the proceeds of the health care fraud scheme through multiple bank accounts to conceal their illicit profits”) (citing Indictment at 9 (¶ 17(d))).

The *sine qua non* of a money laundering conspiracy offense is an agreement with another person to **knowingly** launder the proceeds of unlawful activity. *See United States v. Fallon*, 61 F.4th 95, 115 (3d Cir. 2023) (relating to 18 U.S.C. § 1956(a)(1)(B)(i)); *United States v. Greenidge*, 495 F.3d 85, 100 (3d Cir. 2007) (relating to 18 U.S.C. § 1957). As discussed in *Fallon*, a money laundering transaction “can only occur *after* funds obtained from unlawful activity (e.g., fraud schemes) are delivered into the defendant’s possession,” and when the defendant has both knowledge that the transaction involves proceeds of unlawful activity and the intent to conceal the nature, location, source, ownership, or control of those ill-gotten proceeds. *Id.* at 116-17, 120 (emphasis in original).

Because the money laundering conspiracy charge against Mr. Philip is founded entirely on his alleged knowledge of a Medicaid fraud scheme, it fails for the same reasons as above. *See supra* at Section IV(B)(i). There is no evidence from which a rational juror could infer that Mr. Philip knew that any of the companies he opened at the Savanis’ direction were fraudulent, or that the funds allegedly being moved through various bank accounts were anything other than money that was lawfully earned through the Savani Group businesses. The money laundering statute requires much more to establish intent, particularly in light of the fact that “it is ‘common

for companies to have multiple bank accounts' at different financial institutions and to '[f]requently transfer [] funds . . . among those various bank accounts.' *Fallon*, 61 F.4th at 118.

The money laundering conspiracy charge must be dismissed as to Mr. Philip.

**VI. THE TAX FRAUD CONSPIRACY CHARGE (COUNT THIRTY-EIGHT) MUST BE DISMISSED**

In Count Thirty-Eight, Mr. Philip is charged with conspiracy to defraud the United States Treasury in violation of 18 U.S.C. § 371. The Indictment alleges that, from on or about January 1, 2013, through on or about April 15, 2018, Mr. Philip, along with Bhaskar Savani, Arun Savani, and Niranjana Savani, conspired and agreed to defraud the United States by “knowingly impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Department of the Treasury in the ascertainment, computation, assessment, and collection of the revenue: namely, personal income taxes and payroll taxes.” Indictment at 82, ¶ 1.

**A. Elements of § 371 Conspiracy**

The Indictment charges a *Klein* conspiracy under § 371, which “simply refers to a conspiracy to defraud the IRS.” *United States v. Lucidonio*, 137 F.4th 177, 181 n.6 (3d Cir. 2025). To prove a § 371 conspiracy charge, the Government must prove beyond a reasonable doubt the following elements: “(1) two or more persons agreed to commit offenses against the United States; (2) defendant was a party to or a member of that agreement; (3) defendant and at least one other alleged conspirator shared a unity of purpose and the intent to achieve a common goal or objective to commit an offense against the United States; and (4) at some time during the existence of the agreement or conspiracy, at least one of the members performed an overt act in order to further the objectives of the agreement.” *United States v. Dressel*, 625 F. App'x 583,

590 (3d Cir. 2015) (citing *United States v. Rankin*, 870 F.2d 109, 113 (3d Cir. 1989) & 3d Cir. Crim. Model Jury Instructions § 6.18.371A).

**B. There is No Evidence to Support a § 371 Charge Against Mr. Philip**

Count Thirty-Eight is predicated on the allegation that the Savani brothers “used an unreported cash payroll for some employees, and paid portions of other employees’ salaries through cash, fake expense reimbursements, and other unreported forms of income.” Indictment at 82-83, ¶ 4. Despite the passing reference to “personal income taxes” in Paragraph 1, it is clear that Count Thirty-Eight is based on payroll tax fraud allegations. The only overt act called out specifically in this Count is the filing of an IRS Form 941, Indictment at 84, ¶ 2, and the alleged tax loss referenced is a “payroll tax loss of approximately \$500,000,” due to the Savani Group’s failure to “report approximately \$1.7 million in wages.” Indictment at 84, ¶ 9.<sup>6</sup>

The only specific allegation involving Mr. Philip in this Count is that: “[u]pon the advice of defendant SUNIL PHILIP, some employees and associates of the Enterprise had relatives create corporate entities to receive the fictitious reimbursement checks to reduce the risk of the fictitious payments being exposed for what they were (unreported income) if the employees or company were ever audited by the Internal Revenue Service.” Indictment at 84, ¶ 8.

The Government adduced no evidence at trial to support this allegation against Mr. Philip. Not a single witness testified that they were advised by Mr. Philip to have their relatives “create corporate entities to receive . . . fictitious reimbursement checks.” Indeed, the trial evidence has established the opposite. As noted above, the alleged unreported cash payroll, fake

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<sup>6</sup> Count Thirty-Eight incorporates by reference Paragraphs 102 through 144 and Overt Acts 62-65 of Count One. To the extent that this Count incorporates the RICO allegations, it fails as to Mr. Philip for the same reasons discussed above relating to the failure of the RICO count against Mr. Philip, *see supra* Section IV(B)(ii), and below in reference to the substantive wire fraud counts, *see infra* at Section VII.

expense reimbursements, and other unreported forms of income were all *hidden* from Mr. Philip. *See supra* at Section IV(B)(ii).

A review of another one of the Government’s summary exhibits (G-601-R, depicting tax scheme “buckets”) further confirms the lack of any evidence to allow this charge to go to the jury as to Mr. Philip. The summary exhibit references “cash receipt dollars” to the Savani brothers and employees; credit cards of spouses and children; payments for personal items for Savani brothers and spouses and children; payments for benefits of employees; salary kickbacks; expense and travel “reimbursements”; unpaid vacations, bonuses, OT; and unpaid work of H1B spouses. The trial evidence establishes absolutely no basis from which a rational juror could conclude that Mr. Philip had any knowledge whatsoever of those alleged schemes.

Finally, to the extent that Count Thirty-Eight alleges that Mr. Philip conspired to defraud the United States through a scheme in which “checks written directly to schools or daycare centers for [employees’] children” were expensed through Savani Group companies, Indictment at 83, ¶ 7, that allegation also fails due to a complete lack of evidence. For instance, Riddhi Savalia testified unequivocally that Mr. Philip would have had no reason to know about company checks written to her child’s daycare. Savalia Tr. (1/28/26), at 192. Prayag Vekariya also testified that he was reimbursed through checks written to his son’s school, however, no evidence established Mr. Philip’s knowledge of such a payment. Vekariya Tr. (2/9/26), at 58. Consistent with regular business practice, the expenses were already categorized as business expenses before the QuickBooks file ever made its way to Mr. Philip. Savalia Tr. (1/28/26), at 189-192; *see also* SP-11 (payment for Windsor Happy School originally categorized by Mr. Philip’s staff in “Officer” account, meaning it is taxable income to the Savanis); *see* SP-12

(email from Amita Shah directing Mr. Philip’s staff to change the Windsor Happy School expense to “advertising”).

Similarly, there is no evidence from which a rational juror could infer, much less find beyond a reasonable doubt, that Mr. Philip had any awareness or knowledge that “employees and associates of the Enterprise” were receiving “unreported salary payments” through “fictitious reimbursements for office supplies and other office expenses.” Indictment at 84, ¶ 8. Again, Riddhi Savalia testified that such information was *hidden* from Mr. Philip and only would have appeared on internal Savani Group accounting department documentation that Mr. Philip and his staff never saw or even knew existed. Savalia Tr. (1/28/26), at 181.

Count Thirty-Eight must be dismissed as to Mr. Philip.

**VII. THE WIRE FRAUD CHARGES (COUNTS THIRTY-NINE THROUGH FORTY ONE) MUST BE DISMISSED**

In Counts Thirty-Nine through Forty-One, Mr. Philip is charged along with Bhaskar Savani, Arun Savani, and Niranjana Savani with wire fraud under 18 U.S.C. § 1343 and aiding and abetting under 18 U.S.C. § 2. These Counts are predicated entirely on the filing of allegedly fraudulent personal income tax returns for the Savani brothers on April 4, 2018 (for tax year 2017). Indictment at 85-86. The basis of the alleged tax fraud can be summarized as follows: business funds were used to pay personal expenses without reporting those funds as income on personal tax returns (incorporating Count One, ¶ 103); personal expenses were expensed through Savani Group businesses thereby fraudulently lowering business income (incorporating Count One, ¶ 104); and personal credit card expenses were fraudulently expensed through Savani Group businesses (incorporating Count One, ¶ 109).

**A. Elements of Wire Fraud and Aiding and Abetting**

To prove a substantive wire fraud charge, the Government must prove beyond a reasonable doubt the following elements: (1) the defendant's knowing and willful participation in a scheme or artifice to defraud, (2) with the specific intent to defraud, and (3) the use of interstate wire communications in furtherance of the scheme. *United States v. Andrews*, 681 F.3d 509, 518 (3d Cir. 2012); 3d Cir. Crim. Model Jury Instructions No. 6.18.1343.

To prove an aiding and abetting charge, the Government must prove beyond a reasonable doubt the following elements: (1) that another person (i.e. the principal) committed a substantive offense; (2) that the defendant knew that the offense charged was going to be committed by the principal; (3) that the defendant knowingly did some act for the purpose of aiding the principal in committing the specific offense charged and with the intent that the principal commit that specific offense; and (4) that the defendant performed an act in furtherance of the offense charged. *See United States v. Centeno*, 793 F.3d 378, 387 (3d Cir. 2015); 3d Cir. Crim. Model Jury Instructions No. 7.02.

**B. The Evidence of Any Alleged Tax Fraud as to Mr. Philip is Insufficient to Survive a Rule 29 Motion**

The charges under Counts Thirty-Nine through Forty-One all fail against Mr. Philip for the same reason: the Government has failed to elicit any evidence, much less substantial evidence, from which a rational juror could conclude that Mr. Philip had any knowledge of or intent to participate in the filing of false personal tax returns for the Savani brothers.

The evidence clearly shows that the classification of deposits and payments in QuickBooks was driven by the Savani Group's internal accounting department, not Mr. Philip or his office staff. An Excel spreadsheet classifying each credit and debit from the bank statements was sent to Mr. Philip's office, and Mr. Philip's staff relied on the accuracy of that information

when inputting it into Quickbooks. Savalia Tr. (1/28/26), at 177-78; *see also* SP-7 (showing an Excel spreadsheet with “credit transactions” and “debit transactions” with a classification of each line item under column titled “Remark for-CPA”).

Intercompany transfers of money were likewise classified as “sales” by the Savani Group’s internal accounting department, not Mr. Philip. Savalia Tr. (1/28/26), at 181. If a check did not have an expense category, one of Mr. Philip’s employees would ask Riddhi Savalia or Amita Shah what the check was used for and an entry would be made in QuickBooks based on their representation. Savalia Tr. (1/28/26), at 182; *see also* SP-8 (email from Mr. Philip’s office requesting Savalia to fill in and return check details for missing checks); SP-9 (email from Shaily Savani to Riddhi Savalia and Mr. Philip’s office stating the expense categories for missing checks). As explained above, any entries or changes to QuickBooks would be made pursuant to Savalia or Shah’s representation to Mr. Philip’s office that the entries were mistaken and needed to be corrected. Savalia Tr. (1/28/26), at 162, 183. Moreover, Savalia herself testified that Mr. Philip and his staff would have had no reason to think there was anything unusual about the intercompany transfers. Savalia Tr. (1/28/26), at 225. That is consistent with the trial evidence, which establishes that Mr. Philip had no reason to think, for example, that intercompany transfers were being used to hide the proceeds of healthcare fraud. *See supra* at Section IV(B)(i); Section V.

The bookkeeping process was done entirely without Mr. Philip’s involvement and prior to the time of filing the Savanis’ tax returns. Savalia Tr. (1/28/26), at 176. The vast majority of the deductions the Government alleges were improperly deducted were a result of the aforementioned process in which the Savani internal accounting department apparently supplied Mr. Philip’s office with inaccurate information. The Government has adduced no evidence from

which a rational juror could conclude that there was anything wrong with Mr. Philip's reliance on the data in the QuickBooks files his staff prepared, much less that Mr. Philip possessed any criminal intent when he prepared the tax returns for tax year 2017.

The Government also alleges that a number of personal American Express credit card charges were expensed through the Savani companies. The trial evidence establishes that no American Express statements were ever provided to Mr. Philip's office. Savalia Tr. (1/28/26), at 206. Individual employees or card holders would "bifurcate" their charges into various expense categories and the Savani Group's internal accounting department would then add up the charges of each specific category. Savalia Tr. (1/28/26), at 204-206; Shah Tr. (2/11/26), at 250-51, 255. Only the totals of each category were provided to Mr. Philip's office. Shah Tr. (2/12/26), at 30-31; *see also* SP-20 (example of American Express bifurcation for ADMG LLC with totals of expense categories such as "office expense" and "marketing expense"). There is thus no basis on which a rational juror could find that Mr. Philip had any knowledge of alleged personal credit card expenses being expensed through Savani Group businesses.

The Government also alleges that expenses for a Hawaii "vacation" property were improperly expensed through Savani business accounts. Based on the trial evidence, the extent of Mr. Philip's knowledge regarding this issue is limited to a single email from August 2016 in which Prayag Vekariya wrote the following to Mr. Philip:

Dr. Bhaskar Savani is in the process of buying a residential condo in Honolulu, Hawaii and he applied for a mortgage. Hence, the mortgage company required verification that using funds from the business asset account for this purchase transaction will not negatively impact the day to day running of the business. I have attached a draft letter for that. Please let us know, if you can provide?

G-663. But a property being called a "residential" condo does not preclude it from being an investment property. Indeed, Vekariya testified that the property was in fact leased out to a

tenant after it was purchased. Vekariya Tr. (2/9/26), at 183. The Government failed to produce any evidence that Mr. Philip had knowledge that this property was used as a vacation home or that he was aware of any of personal expenses associated with it when he filed the 2017 returns.

Vekariya also testified that various personal car payments of Savani family members were paid from business bank accounts. Vekariya maintained an Excel spreadsheet titled “Car Loan Information – 2016” in which he detailed the car make and model, date of purchase, maturity date of the loan, and bank account used to pay for each vehicle. Vekariya Tr. (2/9/26), at 104-106; *see also* G-665. The Government mischaracterizes and conflates the nature of “car loan payments” and a “depreciation expense.” Vekariya only testified as to the former. Contrary to Vekariya’s testimony, the trial evidence establishes that car loan payments were *never* taken as an expense on any of the P&L’s for the Savani businesses and never flowed through to any tax return. *See* G-608-R. The installment amounts stated on G-665 do not appear on QuickBooks records as an expense in profit and loss statements, but rather, as a liability to the company, not affecting a business tax return whatsoever. *See* G-608-R.

Furthermore, all nine of the vehicles listed in G-665 were purchased prior to tax year 2017. *See* G-665. Vekariya testified that he sent sales contracts for a Mercedes Benz, Toyota RAV4, and Mini Cooper to Mr. Philip in the year 2015. *See* Exs. G-658, G-660. The Government failed to produce any evidence that the cars were improperly depreciated in the tax year 2017, which is the basis for Counts Thirty-Nine through Forty One. In any event, witness testimony confirmed that multiple family members of the Savani brothers did in fact work at the Savani Group, including Apexa Savani, Shaily Savani, and Bhumi Savani. Vekariya Tr. (2/10/26), at 11; Savalia Tr. (1/28/26), at 159. Thus, even if Vekariya’s testimony were credited, it would, at best, be in equipoise with evidence showing good faith on behalf of Mr. Philip;

accordingly, it could not be relied on by a rational juror as a basis for a guilty verdict. *See Lorenzo*, 534 F.3d 153, 159. A rational juror could not find that Mr. Philip had any reason to believe that any cars being driven by Savani family members were for anything other than business use, as represented to him by the Savani brothers.

In sum, Vekariya’s testimony fails to provide “a logical and convincing connection between the facts established and the conclusion inferred.” *Bycer*, 593 F.2d at 550. None of his testimony establishes any nexus between Mr. Philip’s knowledge of supposedly improper deductions and any of the three tax returns charged in these Counts of the Indictment. Neither “specious inferences” of guilt nor proof that a defendant is “probably guilty” is sufficient to sustain a conviction. *Lorenzo*, 534 F.3d at 159. Allowing these Counts to go to the jury on such flimsy (or, really, non-existent) evidence would contravene these well-established rules.

Counts Thirty-Nine, Forty, and Forty-One must be dismissed as to Mr. Philip.

## **VIII. CONCLUSION**

The Government has not met its burden of proving beyond a reasonable doubt each element of the offenses charged against Mr. Philip. Accordingly, pursuant to Rule 29, the Court must acquit Mr. Philip of all charges.

Respectfully submitted,

/s/ Patrick J. Egan

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February 25, 2026

**CERTIFICATE OF SERVICE**

I hereby certify that on February 25, 2026, I caused a true and correct copy of the foregoing to be filed through the Court's electronic filing system (CM/ECF), which will then send notice of filing to all parties of record.

/s/ Patrick J. Egan

Patrick J. Egan