

NEWS

United States Department of Justice
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FOR IMMEDIATE RELEASE

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Owner of Williamstown Tax Preparation Business
Indicted in Scheme to Defraud the IRS

(More)

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CAMDEN – The owner/operator of a Williamstown tax preparation business was indicted today for allegedly defrauding the IRS through the preparation of false individual income tax returns for his clients and filing false corporate tax returns for companies he controlled, U.S. Attorney Christopher J. Christie announced.

The Superseding Indictment describes a scheme in which Neyembo Mikanda, 47, of Williamstown and Wilmington, Del., through his tax preparation business, known as Public Synergies, Inc., defrauded the IRS of taxes due and owing by assisting and aiding clients in the preparation and filing of fraudulent and false individual tax returns. The Indictment also alleges that the defendant's companies fraudulently received refund checks totaling more than \$250,000 through false fuel tax credit claims in his corporate tax returns.

The Indictment alleges that from September 2002 through April 2004, Mikanda prepared and filed false individual income tax returns and amended tax returns for his clients that contained fabricated and inflated itemized deductions that included deductions for taxes paid on purchases, gifts to charity, and job expenses such as uniforms, professional development, mileage and transportation.

Furthermore, the Indictment alleges that Mikanda owned and controlled two consulting and training businesses, New Jersey University College, Inc., in Williamstown, and American Entrepreneurial Institute of Technology, Inc., in King of Prussia, Pa. According to the Indictment, Mikanda prepared, signed and filed corporate tax returns for Public Synergies, Inc., for tax years 1998 through 2003; New Jersey University College, Inc., for tax years 2000 through 2003; and American Entrepreneurial Institute of Technology, Inc., for tax years 2001 through 2003. The Indictment alleges that on each of the corporate returns, Mikanda falsely claimed a credit for federal tax paid on fuels, based on his companies' purported off-highway business use of gasoline. Mikanda's companies did not have vehicles that operated off-highway, and his companies did not qualify for the fuel tax credit, according to the Indictment. According to the Indictment, based on the false fuel tax credit claims in the corporate returns, between 1999 and 2003 the IRS issued refund checks to the defendant's companies totaling more than \$250,000.

In connection with his scheme, the Indictment charges Mikanda with 15 counts of aiding and assisting in the preparation of false income tax returns; three counts of preparing and filing a corporate tax return which he knew to be false, fictitious and fraudulent which contain false claims for the federal fuel tax credit; six counts of wire fraud; and four counts of mail fraud.

On Oct. 2, 2007, Mikanda made his first appearance in federal court before U.S. Magistrate Ann Marie Donio on an earlier Indictment. Judge Donio released the defendant on a \$100,000 unsecured bond pending trial. The defendants will be arraigned on the charges contained in the Superseding Indictment in the coming weeks.

Each count of aiding and assisting in the preparation and filling of false income tax returns carries a statutory maximum penalty of 3 years in prison and a fine of \$100,000. Each count of making false claims to the IRS by preparing a corporate tax return that is known to be false and fraudulent by false claims for the federal fuel tax credit carries a statutory maximum penalty of 5 years in prison and a fine of \$250,000. Each count of wire and mail fraud carries a statutory maximum penalty of 20 years in prison and a fine of \$250,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Despite indictment, each of the defendants is presumed innocent unless proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the IRS Criminal Investigation's Mays Landing Field Office, under the direction of Special Agent in Charge William P. Offord in Newark, with the investigation leading to the indictment.

The Government is represented by Assistant U.S. Attorneys Matthew T. Smith and Joshua W. Drew of the U.S. Attorney's Criminal Division in Camden

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