

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
401 Market Street, Fourth Floor
Camden, New Jersey 08101



Ralph J. Marra, Jr., Acting U.S. Attorney

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Assistant U.S. Attorneys:

MATTHEW T. SMITH

RONALD CHILLEMI

856-757-5104 and 973-645-6546, respectively

mika0721.rel

FOR IMMEDIATE RELEASE

July 21, 2009

Owner of Williamstown Tax Preparation Business Sentenced to
84 Months in Prison for Scheme to Defraud the IRS

(More)

Greg Reinert, PAO
Public Affairs Office

856-757-5233
973-645-2888

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CAMDEN – The former owner/operator of a Williamstown tax preparation business was sentenced to 84 months in federal prison today for his conviction of federal charges for 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, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

U.S. District Judge Noel L. Hillman, who presided over the 11-day trial, also ordered Neyembo Mikanda, 48, of Williamstown and Wilmington, Del., to pay approximately \$216, 983 in restitution, fines of \$2,600 and \$5,593 representing the cost of prosecution.

On July 16, 2008, after two hours of deliberations, a jury convicted Mikanda of all 26 counts contained in a Superseding Indictment. Mikanda was convicted of 15 counts of aiding and assisting in the preparation and filling of false income tax returns; three counts of false claims; six counts of wire fraud; and two counts of mail fraud.

The case was tried by Assistant U.S. Attorneys Ronald Chillemi and Matthew T. Smith.

Mikanda had owned and operated a tax preparation business known as Public Synergies, Inc., located in Williamstown. In convicting Mikanda, the jury found that he 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 and that Mikanda's companies fraudulently received refund checks totaling more than \$250,000 through false fuel tax credit claims in his corporate tax returns.

According to trial evidence, 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, 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. Mikanda 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. In returning a guilty verdict on the related counts, the jury found 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 evidence presented at trial, between 1999 and 2003 the IRS issued refund checks to the defendant's companies totaling more than \$250,000.

In determining the actual sentence, Judge Hillman consulted 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.

Marra credited Special Agents of the IRS Criminal Investigation's Mays Landing Post of Duty, under the direction of Acting Special Agent in Charge Julio La Rosa, with the investigation leading to the indictment.

The Government is represented by Assistant U.S. Attorneys Ronald Chillemi and Matthew T. Smith of the U.S. Attorney's Office Securities and Health Care Fraud unit in Newark, and the Criminal Division in Camden, respectively.

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Defense Attorney: Michael E. Riley, Esq. Mt. Holly