

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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FOR IMMEDIATE RELEASE

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Owner of Williamstown Tax Preparation Business
Convicted of Scheme to Defraud the IRS

(More)

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CAMDEN – The owner/operator of a Williamstown tax preparation business was convicted by a federal jury today 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, U.S. Attorney Christopher J. Christie announced.

After two hours of deliberations, which began this afternoon, a jury convicted Neyembo Mikanda, 47, of Williamstown and Wilmington, Del., 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 wire fraud counts; and two counts of mail fraud. The case was tried by Assistant U.S. Attorneys Matthew T. Smith and Ronald Chillemi.

According to the Superseding Indictment, Mikanda 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.

During the trial, the jury heard the testimony of 11 government witnesses and viewed hundreds of pieces of evidence regarding Mikanda's scheme to defraud the IRS. 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, the jury heard 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 trial evidence, 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. 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.

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, U.S. District Judge Noel L. Hillman, who presided over the 11-day trial, will 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.

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 Ronald Chillemi of the U.S. Attorney's Criminal Division in Camden

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Defense Attorney: Pro se