

NEWS

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FOR IMMEDIATE RELEASE

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Consultant/Lobbyist Sentenced to 27 Months in Federal
Prison on Mail Fraud and Tax Evasion Charges

(More)

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CAMDEN – A consultant/lobbyist was sentenced to 27 months in federal prison today on mail fraud and tax evasion charges in connection with inflated and fraudulent billings his company submitted to the Burlington County Bridge Commission, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Jerome B. Simandle also ordered Robert Stears, 53, currently of Long Island, to serve three years of supervised released release upon the completion of his prison term. Judge Simandle scheduled a restitution hearing for May 16 to determine the loss for restitution purposes. Judge Simandle continued the defendant's release on a \$10,000 personal recognizance bond pending his surrender to officials with the U.S. Bureau of Prisons on or before May 23.

During the sentencing, Judge Simandle noted that consideration was given to Stears' cooperation with the federal government in an ongoing criminal investigation. Stears had faced a probable sentencing range of between 30 and 37 months in prison under the advisory U.S. Sentencing Guidelines. Judge Simandle granted the government's motion to impose a sentence below the recommended federal guidelines range based on Stears' cooperation.

On Dec. 1, 2006, Stears pleaded guilty before Judge Simandle to a two-count Information. At his plea hearing, Stears admitted that from 1997 through 2003 he operated a scheme in which he submitted inflated and fraudulent bills to the Burlington County Bridge Commission (BCBC). Stears also admitted that he evaded his federal income tax obligations for tax years 1999 though 2004.

In 1997, Stears formed a Trenton consulting firm named The Strategy Group and secured the BCBC as a client, which continued through 2002. Stears stated that The Strategy Group agreed to perform lobbying and public relations work for the BCBC and that he was the primary point of contact between the firm and the BCBC.

Stears earlier admitted that he was responsible for the preparation of monthly invoices submitted to the BCBC. Those invoices, which stated that Stears and other Strategy Group employees worked specific hours performing specific tasks for the BCBC, were inflated and overstated the hours worked by members of The Strategy Group, Stears admitted. Stears admitted that as a result of the inflated invoices, the BCBC paid The Strategy Group more than \$300,000 per year in 1997, 1998 and 1999, and more than \$500,000 per year in 2000, 2001 and 2002.

Stears admitted that in 2002 he left The Strategy Group and formed the consulting firm Governmental Strategies, becoming the sole owner of the company. After he left The Strategy Group, the BCBC ended its business relationship with The Strategy Group and

became a client of Governmental Strategies, Stears told the court. In the first four months of 2003, Stears prepared and submitted false invoices to the BCBC, which stated that certain employees of The Strategy Group had performed work for the BCBC during those months, when in fact that was false, he admitted. Stears admitted that the BCBC paid Governmental Strategies over \$100,000 in 2003, as a result of those fraudulent invoices.

Furthermore, Stears admitted that although he had received taxable income of approximately \$303,984 in calendar year 2002, he failed to file an income tax return when he owed income tax of approximately \$112,863. Stears admitted that in 2002 he opened a checking account under the name of Governmental Strategies using a nominee tax identification number and that in doing so, it was his intent to conceal this Governmental Strategies checking account from the Internal Revenue Service. Stears also admitted that while he received taxable income in the years of 1999, 2000, 2001, 2003 and 2004, he failed to file federal income tax returns for each of those tax years.

Christie credited Special Agents with FBI's Trenton Resident Agency, under the direction of Special Agent in Charge Weysan Dunn, in Newark, and the Internal Revenue Service, Criminal Investigation Division, under the direction of Special Agent in Charge William Offord, in Newark, for investigation of the case.

The government is represented by Assistant U.S. Attorney Joshua Drew, of the Criminal Division in Camden.

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Defense Attorney: Anne Singer, Esq. Cherry Hill