United States Attorney
District of New Jersey

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WASHINGTON TOWNSHIP MAN PLEADS GUILTY TO FILING FALSE TAX RETURN WHICH INTENTIONALLY UNDERREPORTED INCOME

NEWARK, N.J. – A Washington Township shareholder of a real estate appraisal company pleaded guilty today to filing a false 2004 tax return with the Internal Revenue Service which did not fully account for the more than $300,000 in income he had earned, U.S. Attorney Paul J. Fishman announced.

Stephen Chiolis, 54, of Washington Township, Bergen County, New Jersey, pleaded guilty before U.S. District Judge Jose L. Linares to Count One of an Information, which charges him with filing a false 2004 tax return.

At his plea hearing, Chiolis admitted that in 2004 and 2005, he received income from All American Abstract Incorporated, a real estate appraisal company in which he was a shareholder, as well as from All American Funding Services, a mortgage-broker company that was owned by a former business associate. Despite earning in excess of $600,000 from the two companies in 2004 and 2005, Chiolis admitted that he willfully signed and caused to be filed false 2004 and 2005 tax returns. The tax loss to the Government was between $200,000 and $400,000.

Judge Linares set bail at $250,000 and permitted Chiolis's release pending sentencing, which is scheduled for August 3, 2010. Chiolis faces a maximum sentence of three years in prison and a fine of $100,000, together with the costs of prosecution.

In determining an actual sentence, Judge Linares will consult the advisory United States 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 the sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents with the Internal Revenue Service, under the direction of Special Agent in Charge William Offord, in Newark, New Jersey.

The case is being prosecuted by Assistant U.S. Attorney Joseph Mack of the U.S. Attorney's Office Criminal Division.

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Defense counsel: Christopher Ferguson, Esq., New York, NY