



Department of Justice

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AFTER NEARLY 20 YEARS, INTERNATIONAL FUGITIVE IN MULTI-MILLION DOLLAR FRAUD SCHEME APPREHENDED IN GREECE AND EXTRADITED TO UNITED STATES TO SERVE PRISON SENTENCE

WASHINGTON – A former New York businessman, who disappeared the same day a federal jury sitting in the U.S. District Court in Newark, New Jersey, began deliberating in his tax evasion and fraud trial, was caught while in Greece more than 18 years after his conviction, and appeared in federal court in the District of New Jersey on Friday, July 17, announced Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division.

Gideon Misulovin, 58, whose last known address was in New York City, was extradited from Greece to the United States to serve his 10-year prison sentence. He has been incarcerated in the United States since his return on July 16.

On March 7, 1996, a jury convicted Misulovin of conspiracy to impede and impair the Internal Revenue Service (IRS) in the ascertainment and collection of more than \$6.5 million in federal motor fuel excise taxes, wire fraud and money laundering stemming from a scheme to conceal the unpaid diesel fuel excise taxes from state and federal tax authorities.

During trial, Misulovin was free on \$500,000 bail and attended each day of the trial. He failed to appear in court March 4, 1996, for the parties' closing arguments. U.S. Senior District Judge Dickinson R. Debevoise of the District of New Jersey in Newark issued a warrant for his arrest. On June 25, 1997, Judge Debevoise sentenced Misulovin in absentia to serve 10 years in prison and a three-year term of supervised release, and to pay a \$150,000 fine. The court also ordered Misulovin to pay restitution in the amount of \$200,000 to the United States and \$100,000 to the state of New Jersey.

The evidence at trial established that from 1988 through Jan. 31, 1993, Misulovin and his co-conspirators sold untaxed diesel fuel in a series of paper transactions using wholesale companies. Some of the companies were shams and called "burn" or "butterfly" companies. As part of the scheme, the sham company would assume the federal and state tax liability and then vanish, allowing the conspirators to keep the excise taxes they collected from truck stops and service stations.

The case, part of a then-nationwide motor fuel excise tax enforcement effort, was investigated jointly by the Motor Fuel Task Force and the U.S. Attorney's Office of the District of New Jersey. In an effort to infiltrate the bootleg gasoline industry, task force agents set up an

undercover business called RLJ Management that competed directly with the defendants' operation.

At the conclusion of the undercover operation, in November 1992, federal agents seized Misulovin's assets, including approximately \$70,000 in cash from his residence and \$277,000 from his business bank account.

Misulovin's co-defendant and co-conspirator, Arnold Zeidenfeld, of Brooklyn, New York, pleaded guilty prior to trial and testified for the government. Gurmit Singh and Manbir Singh, of Matawan, New Jersey, who operated truck stops in southern New Jersey, also pleaded guilty for their roles in the scheme.

In August 2014, based on an Interpol Red Notice, Misulovin was detained in a Greek airport using an alias and traveling with an Israeli passport. He was subsequently arrested pursuant to a U.S. request for a provisional arrest, and after contested extradition proceedings, was found extraditable in 2015.

The task force included attorneys from the Tax Division and agents from the IRS Criminal Investigation and Examination Divisions, the FBI, the U.S. Department of Transportation and the New Jersey State Department of Taxation and Finance. Seth D. Uram, formerly a Trial Attorney in the Tax Division and now an Assistant U.S. Attorney in Portland, Oregon, and Trial Attorney Charles A. O'Reilly of the Tax Division prosecuted the case.

Acting Assistant Attorney General Ciralo thanked the Department of Justice's Office of International Affairs, the FBI's New Jersey Field Office and the Greek Ministry of Justice for their assistance in apprehending and extraditing Misulovin. Ciralo also thanked the U.S. Attorney's Office of the District of New Jersey for their substantial assistance.

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