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PRESIDENT OF TAKOMA PARK TAX PREPARATION BUSINESS CONVICTED OF PREPARING
FALSE INDIVIDUAL TAX RETURNS

Collected Over \$600,000 in Fees from Taxpayers' Refund Anticipation Loans

GREENBELT, Maryland - A federal jury yesterday convicted certified accountant Jiten D. Mehta, age 48, of Silver Spring, Maryland on 16 counts of preparation of false tax returns and nine counts of wire fraud, in connection with a scheme to generate fraudulent tax refunds for taxpayer-clients, announced United States Attorney for the District of Maryland Rod J. Rosenstein

According to evidence presented at the two week trial, Mehta was president of JDM World Financial Services, Ltd. ("JDM"), a tax preparation business located at 1327 University Boulevard in Takoma Park, Maryland. From January 26, 2001 to April 16, 2003, Mehta prepared and caused the preparation of false IRS individual income tax returns using false information as to the clients' filing status, profit or loss from business, exemptions, and other matters, giving rise to deductions and credits to which the taxpayers were not entitled. Mehta and JDM generally did not have taxpayers review their completed tax returns to determine their accuracy prior to filing the returns with the IRS.

Additionally, according to the evidence, Mehta prepared the tax returns with fraudulently inflated Schedule A deductions intended to generate large refunds for taxpayers and fraudulently listed expenses on employee business expense forms to justify the deductions listed on the Schedule A. By generating fraudulent refunds for taxpayers, Mehta encouraged them to continue to use JDM to prepare their taxes and to refer other taxpayers to JDM. Mehta and JDM filed clients' tax returns electronically with the IRS and participated in the Refund Anticipation Loans ("RAL") program offered by BankOne in Columbus, Ohio. The RAL program permits participating banks to make tax refunds to taxpayers before they get their actual refunds. The subsequent refund check from the IRS is then used to reimburse the bank. From January 2000 through December 2002, JDM submitted returns electronically for clients who participated in the RAL program and automatically obtained fees associated with the filing of the returns. The indictment charged a scheme to defraud using the interstate wires to obtain the fees associated with the filing of 9 individual tax returns. Though individual fees were not large, usually ranging from \$200-\$300, over the 3-year time period Mehta accumulated more than \$318,000 to purchase two properties in Silver Spring and Takoma Park, Maryland.

Mehta faces a maximum sentence of three years in prison and a \$100,000



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