

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

**UNITED STATES OF AMERICA**

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**CRIMINAL NO. 11-309**

**v.**

\*

**SECTION: "L"**

**JOHN M. NDANYI**

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**F A C T U A L B A S I S**

The defendant, **JOHN M. NDANYI**, (hereinafter, the "defendant" or "NDANYI"), has agreed to plead guilty as charged to the bill of information now pending against him, charging him with wilfully making false statements on his tax returns, in violation of Title 26, United States Code, Section 7206(1). Should this matter proceed to trial, both the Government and the defendant, **JOHN M. NDANYI**, do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty. The Government and the defendant further stipulate that the Government would have proven, through the introduction of competent testimony and admissible, tangible exhibits, the following facts, beyond a reasonable doubt, to support the allegations in the indictment now pending against the defendant:

The Government would show that, at all times mentioned in the indictment, the defendant, **JOHN M. NDANYI**, was a resident of Hammond, Louisiana, within the Eastern District of Louisiana.

The Government would further show that the Internal Revenue Service (“IRS”) was, at all times mentioned in the Bill of Information, an agency of the United States Department of Treasury.

Testimony and documentary evidence would further, show that on or about April 28, 2009, in the Eastern District of Louisiana, **NDANYI** did willfully make and subscribe a 2008 United States Individual Income Tax Return, Form 1040 (“Form 1040”). The Form 1040 was verified by a written declaration by **NDANYI** that it was made under the penalties of perjury.

The Government would additionally show, through the introduction of **NDANYI’S** Form 1040 and the testimony of representatives of the IRS, that on or about April 28, 2009, **NDANYI** filed the Form 1040 with the Internal Revenue Service. **NDANYI** personally filed the tax return electronically, through his business, Peppi’s Services, LLC, using Electronic Filing Identification Number 752600. Despite attesting, under penalty of perjury, that all material matters contained within the Form 1040 were true and correct, **NDANYI** well knew, at the time he made, subscribed, and filed the Form 1040, that the Form 1040 contained multiple material misstatements, and that the statements he made in the tax return were not, in fact, true and correct.

The Government would show, through documentary evidence and testimony of representatives of the IRS, that during the calendar year 2008, **NDANYI**, had received taxable income in the amount of \$105,817. In his tax return, however, he stated that his taxable income

was \$0.00. This material misstatement—the additional unreported taxable income—resulted in an additional \$32,311.15 that was due and owing to the United States of America.

**NDANYI** signed this 2008 tax return, under penalty of perjury, knowing that it contained a false accounting of his taxable income for the 2008 tax year.

Testimony from IRS agents, as well as documentary evidence, would establish that for tax years 2006, 2007, and 2008, **NDANYI** knowingly filed tax returns containing material misstatements that resulted in understatement of his income tax liability totaling approximately \$85,201.96.

Testimony and documentary evidence introduced by the Government would further establish that **NDANYI** had filed tax returns and prepared tax returns for others since 1998, received formal training from Liberty Tax Service in 2000 and 2001, and had owned his own tax preparation business since approximately 2002. As a result, **NDANYI** knew of his responsibility to accurately report income.

Furthermore, through the testimony of IRS agents, the Government would introduce testimony that **NDANYI** admitted in an interview with IRS agents that he listed false gross income figures on his 2007, 2007, and 2008 tax returns and, as a result, the tax returns were false and misleading.

By engaging in the behavior outlined above, **NDANYI** did willfully make and subscribe a 2008 United States Individual Income Tax Return, Form 1040 which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return defendants **JOHN M. NDANYI** did not believe to be true and correct as to every material matter in that he did not report approximately \$105,817

of income.

The above facts come from an investigation conducted by, and would be proven at trial by credible testimony from, agents from the United States Department of Treasury - Internal Revenue Service, as well as the statements of the defendant, **JOHN M. NDANYI**.

**APPROVED AND ACCEPTED:**

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JOHN M. NDANYI    Date  
Defendant

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CYNTHIA CIMINO    Date  
(Louisiana Bar No. \_\_\_\_\_)  
Attorney for Defendant Ndanyi

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JORDAN GINSBERG    Date  
(Illinois Bar. No. 6282956)  
Assistant United States Attorney