



*United States Attorney
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**NEW JERSEY UBS CLIENT PLEADS GUILTY TO FAILING TO REPORT
OVER \$2 MILLION IN SWISS BANK ACCOUNT**

NEWARK, N.J. – A Milltown, New Jersey, man pleaded guilty today to a federal charge of willfully subscribing to a false tax return, admitting he concealed over \$2 million in a Swiss bank account, United States Attorney Paul J. Fishman and Acting Assistant Attorney General John A. DiCicco of the Justice Department's Tax Division announced.

Leonid Zaltsberg made his first appearance in federal court and pleaded guilty before United States District Judge Stanley R. Chesler. Judge Chesler released the defendant on a \$750,000 bond pending sentencing, which is scheduled for November 17, 2010.

According to court documents filed in this case and statements made during today's guilty plea proceeding:

Zaltsberg admitted that he signed and filed a false tax return for 2003 that failed to disclose his UBS account and income generated from the account's assets. Zaltsberg also failed to file a Report of Foreign Bank or Financial Accounts (FBAR) with respect to the UBS account. The account, originally opened in 1993, was transferred into the name of Belton Capital Corp., a nominee Panamanian corporation, in 2000. Zaltsberg established Belton in late 2000 with the assistance of a foreign lawyer and a Swiss banker, in order to hide this account from the IRS.

United States citizens who have an interest in, or signature or other authority over, a financial account in a foreign country with assets in excess of \$10,000 are required to disclose the existence of such account on Schedule B, Part III of their individual income tax return. Additionally, U.S. citizens must file an FBAR with the United States Treasury disclosing any financial account in a foreign country with assets in excess of \$10,000 in which they have a financial interest, or over which they have signature or other authority.

Zaltsberg admitted that his failure to file the FBAR and his failure to disclose the existence of the UBS account on his personal income tax returns allowed him to under-report personal income for the years 2000 through 2006. In 2002, the account reached a high balance of over \$2.6 million.

In April 2010, another New Jersey resident and UBS client, Harry Abrahamsen, of Oradell, pleaded guilty to failing to file an FBAR.

In September 2009, UBS client Juergen Homann of Saddle River, New Jersey, also

pleaded guilty to failing to file an FBAR.

In February 2009, UBS entered into a deferred prosecution agreement pursuant to which the bank admitted to helping U.S. taxpayers hide accounts from the IRS. As part of their agreement, UBS provided the United States government with the identities of, and account information for, certain U.S. customers of UBS' cross-border business.

At sentencing, Zaltsberg faces a maximum sentence of three years in prison and a maximum fine of \$250,000, or twice the amount of financial gain to the defendant or loss to the IRS. Additionally, Zaltsberg has agreed to pay a 50 percent civil FBAR penalty for the calendar year, from 2000 through 2007, with the highest balance in the UBS account.

In determining the actual sentence, Judge Chesler 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 a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

U.S. Attorney Fishman and Acting Assistant Attorney General DiCicco commend the Special Agents of the Internal Revenue Service, under the direction of William P. Offord in Springfield, New Jersey, who investigated the case.

The government is represented by Assistant United States Attorney Stacey A. Levine and Trial Attorney Michael C. Vasiliadis of the Department of Justice's Tax Division.

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Defense counsel: James J. DiPietro, Esq., Brooklyn, N.Y.