



## ***United States Attorney District of New Jersey***

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CONTACT: Rebekah Carmichael

Office of Public Affairs

(973) 645-2888

### **NEW JERSEY UBS CLIENT SENTENCED FOR FAILING TO REPORT OVER \$2 MILLION IN SWISS BANK ACCOUNT**

NEWARK, N.J. – A Milltown, N.J., man was sentenced today to four years of probation, including a year of home confinement, for willfully subscribing to a false tax return on which he failed to disclose over \$2 million in a Swiss bank account, New Jersey U.S. Attorney Paul J. Fishman and Acting Assistant Attorney General John A. DiCicco of the Justice Department's Tax Division announced.

Leonid Zaltsberg pleaded guilty in July before United States District Judge Stanley R. Chesler, admitting he intentionally concealed the money. Judge Chesler also imposed the sentence today in Newark federal court.

According to documents filed in this case and statements made in court:

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 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 addition to probation and home confinement, Judge Chesler ordered Zaltsberg to pay a \$3,000 fine. Pursuant to the terms of the plea agreement, Zaltsberg had already agreed that in order to resolve his civil liability for failing to file an FBAR for tax years 2000 through 2007, he would pay a fifty percent penalty for the one year with the highest balance in the account for

calendar years 2000 through 2007.

In sentencing Zaltsberg, Judge Chesler stated: “When you became a citizen, you came here as a guest. You were treated well. Yet you made a conscious and calculated decision to hide money offshore. By doing so, you were not honoring the commitment you made when you became a U.S. citizen.”

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 U.S. government with the identities of, and account information for, certain U.S. customers of UBS’s cross-border business.

Since the spring of 2009, a number of UBS clients have entered into plea agreements with the U.S. Department of Justice, accepting responsibility for their failure to report money held in UBS Swiss bank accounts, including New Jersey residents.

In September 2009, UBS client Juergen Homann of Saddle River pleaded guilty to failing to file an FBAR.

In April 2010, another New Jersey resident and UBS client, Harry Abrahamsen, of Oradell, pleaded guilty to failing to file an FBAR, admitting he concealed over \$1 million in Swiss bank accounts. In November 2010, Lucille Jackson, Abrahamsen’s daughter, pleaded guilty to filing a false tax return in connection with a UBS account.

U.S. Attorney Fishman and Acting Assistant Attorney General DiCicco credit the special agents of IRS - Criminal Investigation, under the direction of Special Agent in Charge Victor W. Lessoff, for the investigation leading to today’s sentencing.

The government is represented by Assistant United States Attorney Stacey A. Levine of the U.S. Attorney’s Office Criminal Division 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.