



Department of Justice

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CINCINNATI ATTORNEY PLEADS GUILTY TO ALMOST \$2.5 MILLION FRAUD

Kept money from an estate in which he was executor

CINCINNATI — Robert L. Schwartz, 69, an attorney in Cincinnati pleaded guilty in United States District Court here today to one count of mail fraud for keeping almost \$2.5 million from an estate for which he was the executor instead of giving the money to the charitable organization for which it was intended. Schwartz also pleaded guilty to one count of filing a false income tax return.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation (IRS); Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation Cincinnati Field Office (FBI), and Gerald A. O'Farrell, Assistant Inspector in Charge, U.S. Postal Inspection Service announced the plea entered today before Senior United States District Judge Herman Weber.

According to court documents, Schwartz helped establish an estate plan and trust agreements for a client in 2003. When the client passed away in 2005, the estate was worth approximately \$12 million. Schwartz was supposed to make distributions from the estate, including approximately \$2,502,469 to the charitable organization, Hadassah, The Women's Zionist Organization of America, Inc., also known as Hadassah Hospital. Instead, Schwartz routed the majority of the trust funds through accounts or entities he controlled and used most of the money, more than \$9 million, for personal expenditures and asset purchases for family members, employees, friends and close associates.

Schwartz reported gross receipts of \$125,702 for 2007 when he filed his income tax return for 2007, when his correct gross receipts were approximately \$932,441.

Mail fraud is punishable by a maximum of 20 years imprisonment, a \$250,000 fine, or twice the gross gain or loss from the offense. Filing a false income tax return is punishable by up to three years imprisonment, a \$250,000 fine, the cost of prosecution, and a one-year period of supervised release.

The plea agreement calls for Schwartz to make mandatory restitution in the amount of at least \$2,492,469 to Hadassah Hospital, and to make restitution to the United States for the tax offense consistent with the policies of the Internal Revenue Service. The plea agreement also calls for Schwartz to resign as executor and trustee for the estate.

Judge Weber set Schwartz's sentencing for September 16, 2009.

Lockhart commended the cooperative investigation by IRS and FBI agents and Postal inspectors that led to a successful prosecution as well as Assistant U.S. Attorney Jennifer Barry, who is prosecuting the case.

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