



*United States Attorney  
Southern District of New York*

FOR IMMEDIATE RELEASE  
AUGUST 4, 2011

CONTACT: U.S. ATTORNEY'S OFFICE  
ELLEN DAVIS,  
CARLY SULLIVAN,  
JERIKA RICHARDSON  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

**FORMER PARTNER AT MAJOR INTERNATIONAL LAW FIRM PLEADS  
GUILTY IN MANHATTAN FEDERAL COURT TO FAILING TO REPORT  
AND PAY TAXES ON OVER \$10 MILLION OF INCOME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that JOHN J. O'BRIEN, a former partner at a major international law firm (the "Law Firm"), pled guilty today in Manhattan federal court to failing to file tax returns and pay taxes on over \$10 million in income, resulting in over \$2.5 million in tax losses to the IRS. O'BRIEN pled guilty before U.S. Magistrate Judge HENRY B. PITMAN.

Manhattan U.S. ATTORNEY PREET BHARARA stated: "John O'Brien went to work every day at a prestigious law firm where he advised clients on how to comply with the law at the same time that he was knowingly breaking it. He thumbed his nose at the IRS to fund an even more lavish lifestyle than his generous income permitted."

According to the Information filed yesterday:

From 2000 through 2009, O'BRIEN was a partner at a major Wall Street law firm with offices in New York City, where he handled corporate mergers and acquisitions. The Law Firm provided O'BRIEN and other partners an IRS Schedule K-1, which reported each partner's share of the Law Firm's income, deductions, and credits. Accompanying the Schedule K-1, the Law Firm's accountants annually sent a cover letter explaining that the information reported on that form should be used to file individual tax returns. The Law Firm also requested that all partners complete a certification form indicating that he or she was in compliance with all income tax requirements. O'BRIEN was aware of that policy but never completed the certification form during this period.

For the tax years from 2001 to 2008, O'BRIEN willfully failed to file returns, notwithstanding the Law Firm's effort to ensure partners were in compliance with the law. He received

over \$10.8 million in partnership income during that period, and owed over \$2.5 million in taxes. Instead, O'BRIEN used the funds for various personal expenses, including the purchase of a weekend home, international travel, and the funding of a rare books business.

\* \* \*

O'BRIEN, 48, of Caroga Lake, New York, pled guilty to two counts of willful failure to file income tax returns, and two counts of willful failure to pay income tax. He faces a maximum sentence of one year in prison on each of the four counts to which he pled guilty, for a total maximum of 4 years .

Mr. BHARARA praised the work of the Internal Revenue Service, Criminal Investigation Division.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorney STANLEY J. OKULA, JR., is in charge of the prosecution.

11-230

###