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**NEW JERSEY DOCTOR AND MEDICAL PROFESSOR PLEADS GUILTY
IN MANHATTAN FEDERAL COURT TO FAILING TO INFORM IRS
OF MILLIONS HIDDEN IN SWISS BANK ACCOUNTS**

PREET BHARARA, the United States Attorney for the Southern District of New York, and CHARLES R. PINE, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), announced that MICHAEL REISS, a Princeton, New Jersey, doctor, professor, and medical researcher, pled guilty today to willfully failing to file Reports of Foreign Bank and Financial Accounts ("FBARs") with the IRS, regarding Swiss bank accounts that he maintained and controlled. REISS utilized the services of BEDA SINGENBERGER, a Swiss financial adviser who was charged in an Indictment returned in the Southern District of New York on July 21, 2011. As part of his agreement resolving the criminal charges, REISS agreed to pay back taxes of at least \$400,000, and to pay a civil penalty of over \$1.2 million. REISS entered his guilty plea before U.S. Magistrate Judge HENRY B. PITMAN.

Manhattan U.S. Attorney PREET BHARARA said: "As our prosecutions of tax cheats like Michael Reiss should make abundantly clear, failing to report assets overseas to circumvent the law and avoid paying taxes is a crime and, along with our partners at the IRS, we will aggressively enforce the law in this area. The people who engage in this conduct are among the more privileged in our society, but they are not above the law."

IRS Special Agent-in-Charge CHARLES R. PINE said:
"Offshore tax enforcement has become a major priority for every

part of the IRS, including IRS-Criminal Investigation. Tax secrecy continues to erode and we are not letting up on international tax issues. It's a matter of restoring public confidence in our tax system and assuring all Americans are held to the same standard of paying their fair share."

According to the Information filed today in Manhattan federal court, the previously filed Singenberger Indictment, and statements made in connection with REISS's guilty plea:

From 2000 until 2010, REISS was required to file an FBAR annually with the IRS for various accounts he held at Swiss banks. He was required to identify the financial institution with which his account was held, the type of account, the account number, and the maximum value of the account during the calendar

Specifically, starting 2000, REISS held an account at UBS AG in Switzerland ("UBS"). In 2002, REISS transferred the assets held in that account to another Swiss bank. Later, in September 2003, REISS, with the assistance of SINGENBERGER, opened an undeclared account at yet another Swiss bank ("Swiss Bank No. 1") in the name of a sham foundation, the Floranova Foundation. The foundation, of which REISS was the sole beneficiary, had previously been formed by SINGENBERGER under the laws of Liechtenstein. By opening the account at Swiss Bank No. 1 in the name of the Floranova Foundation, REISS was attempting to obscure his ownership of the assets in the account from the IRS. As of March 31, 2008, REISS's account at Swiss Bank No. 1 in the name of the Floranova Foundation account held assets valued at approximately \$2.588 million.

In November 2008, REISS, again with SINGENBERGER's assistance, opened another undeclared account at Swiss Bank No. 1. The account was opened in the name of Upside International Ltd., a corporation previously formed by SINGENBERGER under the laws of Hong Kong. The assets of REISS's account at Swiss Bank No. 1 in the name of the Floranova Foundation were then transferred shortly thereafter into REISS's Upside International Ltd. account.

For each of the calendar years from 2000 through 2007, REISS filed and caused to be filed with the IRS an FBAR. On each of these FBARs, REISS indicated that he had an interest in one or more bank or securities accounts at ABN AMRO Bank in the Netherlands, but he failed to disclose financial accounts at UBS and Swiss Bank No. 1, as well as an account at the Swiss branch of another bank that REISS held. For the calendar years 2008 and 2009, REISS did not file an FBAR with the IRS disclosing his signatory or other authority over his account at Swiss Bank No. 1. REISS's tax returns for the years 2000 through 2009 were

similarly false in omitting the information about his Swiss bank accounts.

REISS's guilty plea is the seventh in the Southern District of New York by a U.S. taxpayer who held an undeclared account in Switzerland at UBS and/or other Swiss banks, and who failed to make a timely voluntary disclosure to the IRS as part of the IRS's Voluntary Disclosure Program.

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REISS, 60, faces a maximum term of five years in prison, a maximum term of three years of supervised release, and to any victim.

SINGENBERGER is alleged to have helped U.S. taxpayers hide more than \$184 million at various Swiss banks. The case against him is pending. The charge and allegations contained in the Indictment of SINGENBERGER are merely accusations, and he is presumed innocent unless and until proven guilty.

Mr. BHARARA praised the outstanding efforts of IRS-CID in the investigation, which he noted is ongoing. Mr. BHARARA also thanked U.S. Department of Justice's Tax Division for their assistance in the investigation.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys DANIEL W. LEVY, DAVID B. MASSEY, and JASON H. COWLEY are in charge of the prosecution.

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