



*United States Attorney
Southern District of New York*

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**PRESIDENT OF HARTSDALE LOCKSMITH AND GARAGE DOOR BUSINESSES
PLEADS GUILTY IN U.S. COURT TO ATTEMPTED TAX EVASION**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, announced that ZION COHEN pleaded guilty today in White Plains federal court to attempting to evade his income taxes for the years 2000 and 2001. According to the felony Information and statements made during COHEN's guilty plea before United States Magistrate Judge MARK D. FOX: :

ZION COHEN was the President and 100-percent shareholder of three Subchapter S corporations located in Hartsdale, New York: Hartsdale Locksmith, Inc., Elite Locksmith, Inc. and Elite Garage Doors, Inc. Hartsdale Locksmith provided locksmith services to customers located in the Hartsdale, New York, area, while Elite Locksmith provided locksmith services to customers located outside of the Hartsdale area, and Elite Garage Doors provided garage door sales and repair services to customers both in and outside of the Hartsdale area.

According to the Information, during the years 2001 and 2002, COHEN maintained bank accounts in the names of Elite Locksmith and Elite Garage Doors at Chase Bank, and an account in the name of Hartsdale Locksmith at the Bank of New York. During the same period, he maintained a bank account in the name of Hartsdale Locksmith at Chase Bank, and a bank account in the name of Elite Locksmith at HSBC Bank. COHEN caused payments from customers of Hartsdale Locksmith, Elite Locksmith and Elite Garage Doors to be deposited into all five accounts, but only provided his tax return preparer with bank records relating to the first three. As a result of COHEN's concealment of the Chase Bank and HSBC accounts, corporate tax returns filed by COHEN for Hartsdale Locksmith, Elite Locksmith and Elite Garage Doors for 2000 and 2001 omitted a substantial amount of the gross receipts and ordinary income of these entities.

As a result of the understatement of the ordinary income on the corporate income tax returns, COHEN's 2000 and 2001 U.S. Individual Income Tax Returns (Forms 1040) substantially understated his taxable income by more than \$550,000 in total, and understated his tax liability by nearly \$200,000 for these two years combined. In pleading guilty to these offenses, COHEN also admitted to attempting to evade his 1999 individual income taxes in the same manner, and failing to pay employment taxes on nearly \$700,000 in wages paid to his employees, resulting in additional tax harm to the government of nearly \$200,000.

COHEN pleaded guilty to one count of attempted evasion of his 2000 and 2001 individual income taxes. He faces up to 5 years in prison, a fine of the greater of \$250,000 or twice the gross gain or loss from the offense, and up to 3 years of supervised release. The case was assigned to United States District Judge STEPHEN C. ROBINSON for sentencing.

Mr. GARCIA praised the investigative work of the Internal Revenue Service, Criminal Investigation Division, and thanked them for their assistance in this case.

Special Assistant United States Attorney ANDREW KAMEROS is in charge of the prosecution

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