



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
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**FORMER BDO SEIDMAN PARTNER PLEADS GUILTY TO
INVESTMENT FRAUD AND TAX SHELTER CHARGES**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced today that MARK BLOOM pleaded guilty in Manhattan federal court to investment fraud charges, and to obstructing the administration of the Internal Revenue Laws in connection with fraudulent tax shelters he helped market while a partner at BDO Seidman, LLP ("BDO"), a major international accounting firm.

According to the five-count Information to which BLOOM pleaded guilty before United States District Judge JOHN G. KOELTL:

From at least July 2001 through February 2009, BLOOM defrauded investors in North Hills Fund ("NHF"), an investment partnership he managed with over \$30 million in assets. In a Private Placement Memorandum and in marketing materials he provided to investors, BLOOM represented that NHF was a "fund of funds," and would invest in diversified hedge funds in order to eliminate the risk of the stock market and achieve a return of approximately twelve percent. In fact, BLOOM invested NHF funds in a manner contrary to what he told investors. BLOOM also misappropriated at least \$20 million from NHF, which he used for personal expenditures, including the purchase of a luxury apartment in Manhattan, the renovations of a Westhampton property, and the purchase of jewelry and art.

In 2001, BLOOM, a Certified Public Accountant, also re-joined BDO, where he had previously been a partner. BLOOM was specifically recruited by BDO's then-CEO to join the firm's Tax Solutions Group ("TSG"), where he would sell tax shelters. These tax shelters were used by wealthy clients of BDO to eliminate or substantially reduce taxes on significant income or gains, and generated tax benefits that far outweighed the costs to enter into the tax shelters. BLOOM, pursuant to a guaranteed \$1 million annual compensation package, marketed these tax shelter

products to his clients knowing that they lacked economic substance and that they were not done for non-tax business purposes. BLOOM also evaded his own tax obligations through the use of tax shelters for the tax years in 2001, 2002, and 2003.

BLOOM, 57, of New York, New York, pleaded guilty to one count of securities fraud (Count One), one count of mail fraud (Count Two), one count of wire fraud (Count Three), one count of money laundering (Count Four), and one count of corruptly endeavoring to obstruct and impede the due administration of the Internal Revenue Laws (Count Five). BLOOM faces a maximum penalty of 20 years in prison for each of Counts One through Three, 10 years in prison for Count Four, and 3 years in prison for Count Five. He also faces a maximum fine of \$5 million or twice the gross gain or loss from the crime for Count One and \$250,000 or twice the gross gain or loss from the crime for Counts Two through Five.

As part of his plea agreement, BLOOM agreed to forfeit \$20 million, representing the proceeds obtained as a result of the charged securities, mail, and wire fraud offenses, and all of his right, title, and interest in numerous items of real and personal properties, including the Westhampton property, a sports boat, two Steinway pianos, jewelry and art.

Mr. DASSIN praised the investigative work of the Federal Bureau of Investigation in this case, and thanked the United States Securities and Exchange Commission, the United States Commodity Futures Trading Commission, the Internal Revenue Service, and the Department of Justice Tax Division for their assistance.

Assistant United States Attorneys JESSICA A. ROTH, JOHN J. O'DONNELL, STANLEY OKULA, and AMY LESTER, and Trial Attorney NANETTE L. DAVIS from the Department of Justice Tax Division are in charge of the prosecution.

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