



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

**FOR IMMEDIATE RELEASE
JULY 9, 2009**

**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**IRS
JOSEPH FOY
PUBLIC INFORMATION OFFICE
(212) 436-1032**

**FORMER ACCOUNTING FIRM PARTNER PLEADS GUILTY TO
TAX SHELTER FRAUD**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, PATRICIA J. HAYNES, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service ("IRS"), Criminal Investigation Division, and JOHN A. DiCICCO, the Acting Assistant Attorney General for the Tax Division of the Department of Justice, announced that ROBERT S. GREISMAN, a former tax partner at the BDO Seidman accounting firm, pleaded guilty today to three counts of a Superseding Indictment that charges him with conspiracy to defraud the United States in connection with tax shelter transactions involving clients of his firm and of the law firm Jenkins & Gilchrist ("J&G"); tax evasion in connection with a multimillion-dollar tax shelter that GREISMAN helped sell to a client of his firm; and a corrupt endeavor to obstruct and impede the due administration of the internal revenue laws.

According to the Superseding Indictment and statements made during his guilty plea proceeding before United States District Court Judge WILLIAM H. PAULEY III in Manhattan federal court:

From 1998 through 2008, GREISMAN, a Certified Public Accountant and attorney, was a partner in the Chicago office of BDO Seidman. During that time, from 1998 through 2004, GREISMAN was a manager of the Firm's "Tax Solutions Group" ("TSG"), the activities of which were devoted to designing, marketing, and implementing high-fee tax strategies, including tax shelters, for wealthy clients. GREISMAN, together with other TSG partners,

including MICHAEL KEREKES, ADRIAN DICKER, and CHARLES BEE, all of whom have pleaded guilty to related tax charges, designed, marketed, and implemented two different tax shelters with the Chicago office of the law firm Jenkins & Gilchrist and with an international bank in New York.

GREISMAN knew that the tax shelter transactions would be allowed by the IRS only if there was a reasonable possibility of a profit. GREISMAN also knew that, given the costs and fees to the clients, and the nature and duration of the transactions, the tax shelters had no reasonable possibility of resulting in a profit. In addition, GREISMAN knew that the clients who purchased the tax shelter had no non-tax business reasons for entering into the transactions, and that the fees were set as a percentage of the tax loss sought by the clients. To make it appear that the tax shelter clients had the requisite business purpose and that there was a possibility of profit, GREISMAN and his co-conspirators reviewed and approved the use of a legal opinion letter issued by J&G that contained false and fraudulent representations purportedly made by the clients about their motivations for entering into the transactions.

GREISMAN and other TSG members also developed a consulting agreement containing false and fraudulent statements to disguise the fact that the fees clients would be charged by BDO Seidman were solely for the tax shelters. GREISMAN and his co-conspirators caused the clients to file false and fraudulent tax returns incorporating the supposed tax shelter benefits. GREISMAN coordinated the provision of information to the IRS in the course of audits of BDO tax shelter clients, including bogus paperwork that contained false descriptions of the clients' motivations for entering into the transactions. In addition, GREISMAN assisted certain clients in providing false testimony to the IRS, when those clients were audited and questioned by the IRS. In total, the fraudulent tax shelters implemented by GREISMAN, BDO Seidman, J&G, and the financial institution that assisted them, caused clients to report over one billion dollars in false and fraudulent tax losses, resulting in the evasion of over \$200 million in taxes.

GREISMAN also specifically admitted criminal responsibility based on the sale by BDO of a tax shelter known as the "short option" transaction to one client, who was charged fees of approximately \$513,000 by BDO Seidman and \$230,000 by J&G. The short option tax shelter purportedly generated losses sufficient to offset the taxes due on \$9 million of income the client had received. In fact, the short option transaction had the reasonable possibility only to net a profit of \$90,000, thus resulting in no potential profit to the client. The client

nonetheless filed tax returns with the IRS reporting false and fraudulent losses purportedly generated from the short options shelter, thereby evading a substantial amount of taxes that he would otherwise have had to pay.

GREISMAN, 58, who resides in Deerfield, Illinois, pleaded guilty to one count of conspiracy to defraud the IRS, one count of tax evasion and one count of a corrupt endeavor to obstruct and impede the due administration of the internal revenue laws -- Counts One, Eight, and Twenty-One of the Superseding Indictment against him. GREISMAN faces a maximum sentence of five years in prison on each of Counts One and Eight and three years in prison on Count Twenty-One. On each count, he also faces a maximum fine of the greatest of \$250,000 or twice the gross gain or gross loss from the offense. Restitution to the IRS can be imposed on all the charges.

GREISMAN is the fourth BDO Seidman tax partner who has pleaded guilty in connection with the investigation. CHARLES BEE, a former Vice-Chairman of BDO Seidman and TSG Member, pleaded guilty on June 3, 2009, to related conspiracy, evasion, and perjury charges. MICHAEL KERESKES, a principal of BDO Seidman and also a former member of BDO's TSG and Tax Opinion Committee, pleaded guilty on February 13, 2009, to related conspiracy and tax evasion charges. ADRIAN DICKER, a former Vice-Chairman of BDO Seidman and TSG member, pleaded guilty on March 17, 2009, to conspiracy and evasion charges as well.

GREISMAN is scheduled to be sentenced on October 23, 2009, by Judge PAULEY.

Mr. DASSIN thanked the IRS and the Department of Justice Tax Division for their efforts in this case. Mr. DASSIN added that the investigation is continuing.

Assistant United States Attorney STANLEY OKULA and Trial Attorney NANETTE L. DAVIS from the Department of Justice Tax Division are in charge of the prosecution.

09-207

###