



*United States Attorney  
Southern District of New York*

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**FORMER UBS CLIENT PAYS \$20.8 MILLION PENALTY  
FOR HIDING OVER \$41 MILLION IN SWISS BANK ACCOUNTS**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that JULES ROBBINS, a former client of the Swiss Bank UBS AG ("UBS") who owned and operated watch distribution companies, was sentenced today by U.S. District Judge RICHARD J. HOLWELL to twelve months of probation for hiding from the Internal Revenue Service a UBS account that held nearly \$42 million. As part of a plea agreement, ROBBINS also paid a civil penalty of approximately \$20.8 million.

ROBBINS was one of seven U.S. taxpayers charged in the Southern District of New York on April 15, 2010, with filing false tax returns and related crimes for hiding Swiss bank accounts from the IRS. ROBBINS pled guilty that same day to filing five false tax returns.

According to the Information to which ROBBINS pled guilty, other documents filed in Manhattan federal court, and statements made in court:

Under federal law, when filing Individual Income Tax Returns, Form 1040, U.S. taxpayers are obligated to report their worldwide income. Additionally, taxpayers who have a financial interest in, or signature or other authority over, a financial account in a foreign country with an aggregate value of more than \$10,000 at any time during a particular year are required to file with the IRS a Report of Foreign Bank and Financial Accounts ("FBAR"), as indicated on Schedule B of Form 1040.

From at least 2000 to 2008, UBS helped U.S. taxpayers conceal their Swiss-based accounts and the income earned in those accounts from the IRS. UBS and the U.S. taxpayers, assisted by independent Swiss attorneys and financial advisers, hid these

assets from the IRS by listing sham offshore companies as the account holders of UBS accounts, when in fact the U.S. taxpayers actually owned and controlled the accounts. In February 2009, UBS entered into a deferred prosecution agreement with the United States, in which the bank admitted to helping U.S. taxpayers hide accounts from the IRS. As part of this agreement, UBS provided the U.S. Government with the identities of, and account information for, certain U.S. customers of UBS's U.S. cross-border banking business.

In 2000, ROBBINS used the services of a U.S.-educated Swiss attorney to set up a sham Hong Kong corporation which was listed as the holder of his account and to serve as the nominal head of the corporation. In fact, UBS internal documents specified that ROBBINS wanted to be "100% in charge" of investment decisions concerning his UBS accounts. ROBBINS also took numerous steps to conceal his interest in these accounts from the IRS, including having his Swiss attorney receive all of the correspondence relating to the account at his law firm in Switzerland. As of December 31, 2007, ROBBINS' UBS accounts collectively contained almost \$42 million.

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ROBBINS, 84, of Jericho, New York, pled guilty on April 15, 2010, to five counts of subscribing to false federal income tax returns. As part of his plea agreement with the Government, ROBBINS paid a civil FBAR penalty of \$20,833,345, an amount equal to 50 percent of the highest value of his UBS accounts as of December 31 for the years in which he failed to file FBARs.

Mr. BHARARA praised the work of the IRS and thanked the U.S. Department of Justice's Tax Division and the New York County District Attorney's Office for their significant assistance. He added that the investigation is continuing.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys DAVID B. MASSEY and E. DANYA PERRY are in charge of the prosecution.

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