

The United States Attorney's Office

## Southern District of Florida

### Press Release

#### UBS CLIENT CHARGED WITH FILING FALSE TAX RETURN

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April 2, 2009

##### FOR IMMEDIATE RELEASE

##### *Boca Raton Resident Hid Income and Assets in Secret Swiss Bank Account*

Steven Michael Rubinstein, of Boca Raton, Florida, has been charged, via criminal complaint, with filing a false income tax return, the Justice Department and Internal Revenue Service (IRS) announced today. Rubinstein made his initial appearance before Magistrate Judge Barry S. Seltzer in Ft. Lauderdale, Florida. The court ordered Rubenstein be temporarily detained, pending a bond hearing scheduled for Tuesday, April 7, 2009 at 10:00 a.m. before Magistrate Judge Seltzer.

According to court records, Rubinstein is a chartered accountant who works for an international company that assists clients to build, buy, and sell yachts. On or about April 9, 2008, Rubinstein filed a U.S. Individual Income Tax Return Form 1040 for tax year 2007 which he signed under the penalties of perjury. The tax return failed to report that Rubinstein had an interest in, or signature authority over, a financial account at UBS in Switzerland. Additionally, Rubinstein failed to report the income he earned on any UBS Swiss bank accounts.

According to court records, Rubinstein was the beneficial owner of UBS accounts in the name of Hybridge International, Ltd., a nominee British Virgin Island corporation. From 2001 through 2008, it is alleged that Rubinstein communicated with bankers at UBS via email, telephone, and in person about the purchase and sale of securities worth more than 4.5 million Swiss Francs, the conversion of investments from United States dollars to British Pounds, the deposit and transfer of funds into and out of the UBS Swiss accounts, and the repatriation of approximately \$3 million into the United States to purchase property and build Rubinstein's personal residence in Boca Raton. Additionally, it is alleged that Rubinstein deposited and sold more than \$2 million in South African Krugerrands through his UBS Swiss bank accounts.

In February 2009, UBS entered into a [deferred prosecution agreement](#) in which the bank admitted to helping U.S. taxpayers hide accounts from the IRS. As part of their agreement, UBS agreed to provide the United States government with the identities of, and account information for, certain United States customers of UBS's cross-border business.

R. Alexander Acosta, United States Attorney for the Southern District of Florida, stated, "On February 19, 2009, we reached an agreement with UBS that included, for the first time, the disclosure of the identities of taxpayers that were illegally using Swiss bank accounts to evade U.S. taxes. Today is the first of the prosecutions resulting from that disclosure, but it will not be the last. It is our duty to those who pay their legal share of taxes to ensure that others do not use offshore schemes to evade payment of their taxes."

"Six weeks ago, through the efforts of the Department of Justice and the Internal Revenue Service, UBS, the largest bank in Switzerland, admitted to illegally helping United States citizens evade their income taxes, and disclosed names of individual taxpayers. We expect that this prosecution is just the first of the prosecutions that will be brought, as we continue to review the information we have received from all sources," said Acting Assistant Attorney General John A. DiCicco of the Justice Department's Tax Division. "The Tax Division is committed to helping the IRS to ferret out and hold accountable taxpayers who are hiding assets in undisclosed foreign accounts."

"Combating offshore tax evasion has been and will continue to be one of the IRS's top priorities," said IRS Commissioner Doug Shulman. "Today's actions show the IRS is committed to pursuing people hiding income offshore. Anyone in this situation needs to immediately come in through our voluntary disclosure process before it's too late. It's better to come clean now instead of waiting and facing a heavier price later."

Acting Assistant Attorney General DiCicco U.S. Attorney Acosta commended the investigative efforts of the IRS agents involved in this case. The prosecution is being handled by Senior Litigation Counsel Kevin M. Downing and Trial Attorney Michael P. Ben'Ary of the Tax Division, and Assistant U.S. Attorney Jeffrey A. Neiman.

United States citizens who have an interest in, or signature or other authority over, a financial account in a foreign country with assets in excess of \$10,000 are required to disclose the existence of such account on Schedule B, Part III of their individual income tax return.

More information about the Justice Department's Tax Division and its enforcement efforts is available at <http://www.usdoj.gov/tax/>.

Attachments:

[Complaints And Affidavit \(PDF\)](#)

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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