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Somerset County, N.J., Man Pleads Guilty To Concealing Income From Undeclared Swiss And Indian Bank Accounts

FOR IMMEDIATE RELEASE

January 7, 2013

Agrees To Pay \$2.3M Penalty

NEWARK, N.J. – A Somerset County, N.J., man today admitted using corporations in the Cayman Islands and the British Virgin Islands to conceal hundreds of thousands of dollars he held in secret bank accounts in Switzerland and India, U.S. Attorney Paul J. Fishman and Assistant Attorney General Kathryn Keneally of the Justice Department's Tax Division announced.

Sanjay Sethi, 52, of Watchung, N.J., pleaded guilty today before U.S. District Judge Jose L. Linares in Newark federal court to an Information charging him with conspiracy to conceal assets in undeclared bank accounts from the IRS.

Sethi also failed to file a Report of Foreign Bank or Financial Accounts (FBAR) with respect to his foreign accounts. U.S. 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 returns. They must file an FBAR with the U.S. Treasury disclosing any financial account in a foreign country with assets in excess of \$10,000 in which they have a financial interest, or over which they have signature or other authority.

"Our criminal laws do not tolerate those who use foreign accounts to conceal their assets," U.S. Attorney Fishman said. "Cheating the government out of tax dollars hurts all honest taxpayers."

"This guilty plea serves as another warning to those who still think they can hide their assets offshore through the use of shell companies, nominees, and foreign bank accounts," said Assistant Attorney General Keneally. "On behalf of all honest taxpayers, we will continue to seek out and prosecute those who engage in these criminal activities."

According to documents filed in this case and statements made in court:

Sethi schemed with bankers from the United States, United Kingdom, and Switzerland to conceal his assets and income derived from those assets. He used nominee and shell companies formed in tax-haven jurisdictions to conceal his ownership and control of assets from the IRS. Sethi and his co-conspirators used bank accounts in the name of shell companies and nominees, and filed false and fraudulent tax returns with the IRS in order to conceal his ownership of the foreign accounts.

From 2001 to 2009, Sethi met with his co-conspirators and opened numerous undeclared bank accounts in India and Switzerland, and used shell companies to transfer millions of dollars to undeclared offshore accounts. The total tax loss to the Government was between \$80,000 and \$200,000.

The conspiracy to conceal assets count to which Sethi pleaded guilty is punishable by a maximum potential sentence of five years in prison and a fine of \$250,000, or twice the gain from the offense, together with the costs of prosecution. Sethi has agreed to file true and accurate tax returns and to pay to the IRS all taxes and penalties owed, in addition to the \$2.4 million penalty imposed for his failure to disclose the foreign accounts. Sentencing is scheduled for April 18, 2013.

Fishman credited Special Agents with IRS-Criminal Investigation, under the direction of Acting Special Agent in Charge Shantelle P. Kitchen, with the investigation leading to today's guilty plea.

FEMA

Federal Emergency Management Agency (FEMA) announced that federal disaster aid has been made available to the State of New Jersey.

FEMA is now accepting applications from residents and business owners who sustained losses in Atlantic County, Cape May County, Essex County, Hudson County, Middlesex County, Monmouth County, Ocean County and Union County.

Register online at

www.disasterassistance.gov, by web-enabled mobile device atm.fema.gov or by calling 1-800-621-FEMA(3362) or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free telephone numbers will operate from 7 a.m. to 10 p.m. EDT seven days a week until further notice.



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The government is represented by Trial Attorney Michael C. Vasiliadis of the Department of Justice Tax Division and Assistant U.S. Attorney Joseph Mack of the U.S. Attorney's Office Healthcare and Government Fraud Unit.

13-010

Defense counsel: Bryan Skarlatos and Amy Walsh Esqs., New York

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