

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 16-
 :
 v. :
 : 18 U.S.C. § 371
 SAUL HYATT :

INFORMATION

The defendant having waived in open court prosecution by indictment and any challenge based on venue, the United States Attorney for the District of New Jersey charges:

Background

At all times relevant to this Information:

1. Defendant SAUL HYATT, a resident of Weston, Connecticut, was in the business of purchasing and selling duty-free alcohol and tobacco overseas.
2. Centennial Group, Inc. (“Centennial Group”) was registered as a Panamanian corporation and was used by defendant SAUL HYATT to purchase and sell alcohol and tobacco products.
3. Co-conspirator #1 was a resident of Studio City, California and was one of defendant SAUL HYATT’s business partners.
4. A tobacco and alcohol broker based in New York (“Broker #1”) acted as a broker for defendant SAUL HYATT in the purchase and sale of duty-free alcohol and tobacco products.
5. A warehouse located in the Foreign Trade Zone in Florida (“Warehouse #1”) warehoused alcohol products purchased by Centennial Group.

6. A supplier of tax and duty-free tobacco, wine, and spirits (“Supplier #1”) with headquarters in Maryland and warehouse operations in Florida, sold alcohol products to Centennial Group.

7. A customs bonded warehouse located in North Bergen, New Jersey (“Warehouse #2”) warehoused tobacco products purchased by Centennial Group and freight forwarded these products to purchasers in foreign countries.

Internal Revenue Service

8. The Internal Revenue Service (the “IRS”) was an agency of the United States Department of the Treasury responsible for administering and enforcing the tax laws of the United States and collecting the taxes owed to the Treasury of the United States by its citizens.

9. United States citizens and residents had an obligation to report to the IRS on Schedule B of a U.S. Individual Income Tax Return, Form 1040, whether that individual had a financial interest in, or signature authority over, a financial account in a foreign country during a particular year by checking “Yes” or “No” in the appropriate box and identifying the country where the account was maintained. United States citizens and residents also had an obligation to report all income earned from foreign financial accounts on their tax returns.

10. United States citizens and residents who had a financial interest in, or signature authority over, one or more financial accounts in a foreign country with an aggregate value of more than \$10,000 at any time during a calendar year were required to file with the Department of the Treasury for that calendar year a Report of Foreign Bank and Financial Accounts on Form TD F 90-22.1 (“FBAR”). The FBAR for a particular calendar year was due by June 30 of the following calendar year.

11. An “undeclared bank account” was a financial account maintained in a foreign country that was required to be, but was not, reported to the United States government on a tax return or an FBAR.

The Conspiracy to Defraud the United States

12. From at least in or about 2006 through at least in or about 2012, in the District of New Jersey, and elsewhere, the defendant,

SAUL HYATT,

did knowingly and willfully conspire, combine, confederate, and agree with other individuals, including Co-conspirator #1, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Department of the Treasury to ascertain, compute, assess, and collect income taxes.

Object of the Conspiracy

13. The object of the conspiracy was for defendant SAUL HYATT and his co-conspirators to conceal from the IRS the existence, ownership, and income connected to HYATT’s undeclared bank accounts in Panama.

Means and Methods of the Conspiracy

Alcohol Products Scheme

14. It was part of the conspiracy that defendant SAUL HYATT, Co-conspirator #1, and Broker #1 purchased and sold duty-free alcohol products and each received one-third of the profit from these transactions.

15. It was a further part of the conspiracy that defendant SAUL HYATT caused Centennial Group to purchase on credit duty-free alcohol products from Supplier #1.

16. It was a further part of the conspiracy that at the direction of defendant SAUL HYATT, these alcohol products were sent to Warehouse #1 after being purchased.

17. It was a further part of the conspiracy that Broker #1 thereafter arranged for the sale of these alcohol products to buyers located outside of the United States.

18. It was a further part of the conspiracy that upon receipt of proceeds from the sale to his buyers, Broker #1 deducted his profits, and sent the remainder to Warehouse #1's bank account.

19. It was a further part of the conspiracy that after Warehouse #1 deducted its fee, defendant SAUL HYATT directed Warehouse #1 to wire the remaining funds to a bank account in Panama (the "Panamanian Account"). These remaining funds represented the profits of defendant SAUL HYATT and Co-conspirator #1, as well as payment for Supplier #1.

Tobacco Products Scheme

20. It was part of the conspiracy that defendant SAUL HYATT, Co-conspirator #1, and Broker #1 purchased and sold duty-free tobacco products and each received one-third of the profit from these transactions.

21. It was a further part of the conspiracy that defendant SAUL HYATT caused Centennial Group to purchase on credit duty-free tobacco products from Supplier #1.

22. It was a further part of the conspiracy that after purchase and at the direction of defendant SAUL HYATT, these tobacco products were then sent to Warehouse #2.

23. It was a further part of the conspiracy that Broker #1 thereafter arranged for the sale of these tobacco products to buyers located outside of the United States and caused the goods to be shipped to its customers by Warehouse #2.

24. It was a further part of the conspiracy that upon receipt of payment from his overseas customers, Broker #1 paid Warehouse #2 for its warehousing and transportation services. At the direction of defendant SAUL HYATT, Broker #1 thereafter wired to the Panamanian Account the remaining funds, which represented the profits of defendant SAUL HYATT and Co-conspirator #1, as well as payment for Supplier #1.

Overt Acts

25. In furtherance of the conspiracy and to effect its unlawful object, defendant SAUL HYATT and his co-conspirators committed, and caused to be committed, the following overt acts in the District of New Jersey and elsewhere:

a. On or about March 13, 2006, \$360,000, a portion of which was profits from the tobacco products scheme described above, was wired from a bank account in the name of Broker #1 to the Panamanian Account;

b. On or about January 14, 2008, \$200,272, a portion of which was profits from the alcohol products scheme described above, was wired from a bank account in the name of Warehouse #1 to the Panamanian Account;


c. On or about April 1, 2010, \$95,793.88 was wired from the Panamanian Account to a corporate bank account in Greensboro, North Carolina, and was ultimately used by defendant SAUL HYATT in connection with the purchase of a Mercedes-Benz from a dealership in Connecticut;

d. On or about November 22, 2011, \$99,493, a portion of which was profits from the tobacco products scheme described above, were wired from a bank account in the name of Broker #1 to the Panamanian Account;

e. On or about January 31, 2012, \$171,828.83, a portion of which was profits from the alcohol products scheme described above, was wired from a bank account in the name of Warehouse #1 to the Panamanian Account; and

f. On or about March 7, 2012, \$98,400, a portion of which was profits from the tobacco products scheme described above, was wired from a bank account in the name of Broker #1 to the Panamanian Account.

All in violation of Title 18, United States Code, Section 371.



PAUL J. FISHMAN
United States Attorney