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Client Alert

Another UBS Client Pleads Guilty to Hiding Off-Shore Assets

New Jersey businessman, Mr. Juergen Homann, has become the fifth UBS client to plead guilty to various tax related violations as a result of the IRS investigation into unreported offshore accounts. Mr. Homann admitted to concealing over Five Million Dollars (\$5,000,000) in Swiss bank accounts. Specifically, Mr. Homann failed to file a Foreign Bank Account Report (the "FBAR") form notifying the IRS of his offshore accounts and failed to list the income generated from such accounts on his individual tax returns.

Mr. Homann faces a maximum of five (5) years in federal prison and is presently scheduled to be sentenced in January 2010. He has already agreed to pay approximately Three Million Dollars (\$3,000,000), representing half of the highest value of the unreported account as a result of his failure to file the FBAR. In addition, he may still be assessed hundreds of thousands of dollars in fines because of certain other related tax violations.

In a surprising link, Mr. Homann divulged that he had been advised by his Swiss

lawyer, Mr. Matthias Rickenbach, who has been involved with some of the other individuals who have already pled guilty to similar tax violations arising out of the UBS investigation. Mr. Rickenbach himself has been indicted for conspiring to defraud the United States. Apparently, as more individuals are prosecuted by the IRS, the greater the disclosure of the names of partners, bankers, lawyers and advisers who unlawfully assisted in concealing offshore accounts. We anticipate that the initial Four Thousand Five Hundred (4,500) names to be disclosed by UBS, as discussed in a prior Client Alert, will result in the investigation and prosecution of several more related, but undisclosed, parties.

Our Firm is intimately involved in monitoring these events and will continue to provide you with pertinent updates as more information becomes available. If you have any questions about the matters covered in this Client Alert, or wish to schedule a private consultation, please call Terrence A. Oved, Esq. of Oved & Oved LLP by telephone at 212.226.2376 or contact by email at terry@ovedlaw.com.

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