

Home » Briefing Room » Justice News

JUSTICE NEWS**Department of Justice**

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Miami Beach Hotel Developers Charged with Conspiring to Defraud United States

Allegedly Concealed More Than \$45 Million in Offshore and Domestic Nominee Bank Accounts

WASHINGTON - Mauricio Cohen Assor and his son, Leon Cohen-Levy, each with residences in Miami Beach, Fla., have been charged in a criminal complaint with conspiring to defraud the United States, the Justice Department and the Internal Revenue Service (IRS) announced today. Both defendants were arrested in New York City this morning after a complaint was issued yesterday. A detention hearing is scheduled for Friday in New York.

According to court documents, Mauricio Cohen Assor and Leon Cohen-Levy were the developers and owners of several residential hotels known by the trade name Flatotel. In 2000, the defendants sold one of their New York hotels and generated proceeds of \$33 million. The income earned from the sale of the hotel was never reported on United States tax returns by the Cohens or by any of their related entities.

According to court documents, the Cohens made extensive use of nominee entities formed in tax haven jurisdictions, including the Bahamas, the British Virgin Islands, Panama, Liechtenstein and Switzerland, in order to defraud the United States. As part of the conspiracy, the Cohens used foreign nominee entities to conceal their income and assets from the IRS, failed to file U.S. income tax returns, filed false income tax returns, falsified tax reporting forms, and caused the fraudulent preparation of false IRS forms to disguise their beneficial ownership in bank accounts held in nominee names.

According to court documents, Cohen Assor caused an account to be opened in the name of Whitebury Shipping Time-Sharing Ltd., a British Virgin Islands corporation. The account was opened at a private bank affiliated with a large international banking firm. According to IRS documents, Whitebury was the beneficial owner of the account opened in the nominee name. However, internal bank documents stated that Mauricio Cohen Assor was the true owner of the account. At its height, the Whitebury bank account had assets in excess of \$45 million. From tax years 2003 through 2007, the Whitebury account generated at least \$3.5 million of gross income. None of this income was reported to the IRS by the defendants.

According to court documents, the Cohens used another bank account in the name of their business, American Leisure Resorts, to pay for personal expenses and purchase luxury items for themselves and their family members. The Cohens used these funds to pay for their mortgage,

their living expenses, a \$67,000 Dodge Viper automobile, a \$188,000 Bentley automobile and \$700,000 worth of other vehicles.

A criminal complaint merely alleges that a crime has been committed, and a defendant is presumed innocent until proven guilty beyond a reasonable doubt. If convicted, the Cohens each face a maximum of 5 years in prison and a maximum fine of \$250,000.

Acting Assistant Attorney General John DiCicco and Jeffrey H. Sloman, U.S. Attorney for the Southern District of Florida, commended the investigative efforts of the IRS agents involved in this case, as well as Senior Litigation Counsel Kevin M. Downing and Trial Attorneys Mark F. Daly and John E. Sullivan of the Tax Division, and Assistant U.S. Attorney Jeffrey A. Neiman, who are prosecuting the case.

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

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Tax Division