

Press Release

MIAMI BEACH HOTEL DEVELOPERS SENTENCED FOR TAX FRAUD

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FOR IMMEDIATE RELEASE

Father, Son Concealed More than \$150 Million in Assets; Failed to Report \$49 Million in Income

Mauricio Cohen Assor, 77, and his son, **Leon Cohen-Levy**, 46, each with residences in Miami Beach, Fla., were sentenced today after having been convicted of conspiring to defraud the United States and filing false tax returns. U.S. District Judge William J. Zloch sentenced both Mauricio Cohen Assor and his son, Leon Cohen-Levy, to 120 months' imprisonment. Cohen Assor was ordered to pay restitution in the amount of \$9,379,849 and Cohen-Levy was ordered to pay \$7,761,959 in restitution. Both defendants have been detained since their arrest on April 15, 2010.

After a month-long trial, a Fort Lauderdale federal jury found the two guilty of conspiring to defraud the United States and filing false tax returns. According to court records, the father and son concealed more than \$150 million in assets, including Miami Beach mansions, yachts, luxury automobiles, and bank accounts containing tens of millions of dollars. The defendants also failed to report more than \$49 million in income to the Internal Revenue Service.

U.S. Attorney Wifredo A. Ferrer stated, "American taxpayers who seek anonymity and shelter behind foreign bank accounts in tax haven jurisdictions are simply running out of places to hide. Those who evade their income tax obligations will be found and will be held accountable for their actions."

"Honest taxpayers who will soon be filing their tax returns should be comforted by the outcome of this case because it shows that no one is above our nation's tax laws," said John A. DiCicco, Acting Assistant Attorney General for the Justice Department's Tax Division. "The Justice Department will aggressively prosecute anyone who tries to cheat our country by hiding assets or income outside its borders."

"As the defendants in this case have learned, hiding income and assets offshore is not tax planning; it's tax fraud," said Victor Song, Chief, IRS Criminal Investigation. "The IRS is vigorously pursuing unreported income in hidden offshore accounts. We urge citizens to consider whether tax fraud is worth the price of going to jail. The smart choice is to use the IRS voluntary disclosure program to get right with the U.S. government."

According to court documents and trial testimony, the two men and their co-conspirators used nominees and shell companies formed in tax haven jurisdictions, including the Bahamas, the British Virgin Islands, Panama, Liechtenstein and Switzerland, to conceal their assets and income from the IRS. To further conceal their assets and income from the IRS, the defendants also provided false documents to banks, opened bank accounts in the names of nominees, titled their personal residences and luxury vehicles in the name of shell companies, filed false and fraudulent tax returns, failed to file other tax returns, suborned perjury in a civil matter pending before the New York Supreme Court by directing individuals to testify falsely under oath, and induced other individuals to make false statements to federal law enforcement agents. Among the nominees used by the defendants were their

personal secretary and their limousine driver.

According to court documents and trial testimony, Mauricio Cohen Assor and Leon Cohen-Levy were the developers and owners of several residential hotels known by the trade name Flatotel International. Flatotel had locations in France, Spain, Brussels, and New York City. In 2000, the defendants sold their New York hotel and generated proceeds of \$33 million. The defendants directed that the sale proceeds be transferred to a bank account at HSBC in Switzerland that was opened in the name of a Panamanian bearer share company. 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 and trial testimony, among the assets and income the Cohens concealed from the IRS were a \$45 million investment portfolio, a condominium at Trump World Tower in New York City that was worth as much as \$10 million, the personal residence of Mauricio Cohen Assor on Fisher Island in Miami Beach worth approximately \$20 million, the personal residence of defendant Leon Cohen Levy in Miami Beach worth approximately \$26 million, the personal residence of the daughter of Mauricio Cohen Assor in Bal Harbor, Fla., commercial properties valued in excess of \$55 million in Miami Beach, luxury vehicles, including a Rolls Royce Phantom, a Porsche Carrera GT, a Bentley, a Ferrari Testarossa, a BMW Z8, a Dodge Viper, a limousine and a \$1.2 million helicopter.

Wifredo A. Ferrer, U.S. Attorney for the Southern District of Florida, Acting Assistant Attorney General John DiCicco, and Victor Song, Chief, IRS Criminal Investigation commended the investigative efforts of the IRS agents involved in this case, as well as Assistant United States Attorney Jeffrey A. Neiman and Tax Division Trial Attorney Mark F. Daly and Senior Litigation Counsel Kevin M. Downing.

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

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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