

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :

INFORMATION

-v.- :

133 CRIM 216

EDMUND JOHN SEGGERMAN, :

Defendant. :

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COUNT ONE
(Conspiracy)

USDC SDNY
DOCUMENT
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The United States Attorney charges:

1. At all times relevant to this Information, the Internal Revenue Service ("IRS") was an agency of the United States Department of 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.

2. At all times relevant to this Information, EDMUND JOHN SEGGERMAN, the defendant, was a United States citizen who resided in Arlington, Virginia, and who maintained an undeclared Swiss bank account — that is, an account that was not properly disclosed and reported to the IRS.

3. A co-conspirator not named as a defendant herein was a lawyer based in Zurich, Switzerland (the "Swiss Lawyer"), who worked with EDMUND JOHN SEGGERMAN, the defendant, among others, in opening and maintaining undeclared Swiss and other foreign bank accounts, as well as entities, such as corporations and trusts, that

JUDGE GRIESA

nominally owned and controlled those accounts.

4. A co-conspirator not named as a defendant herein was Michael Little, a United Kingdom citizen, financial advisor, and, beginning in or around 2005, an attorney licensed to practice in the United Kingdom and New York. Little, a green card holder who maintained a law office in New York between 2005 and 2008, worked with members of EDMUND JOHN SEGGERMAN's family in implementing financial transactions and other schemes in order to surreptitiously transfer assets and funds from foreign entities and accounts, including undeclared Swiss bank accounts, to United States citizens and their U.S.-based bank accounts and entities.

5. A co-conspirator not named as a defendant herein was an accountant based in Cranford, New Jersey (the "New Jersey Accountant"), who, together with Michael Little and the Swiss Lawyer, assisted members of EDMUND JOHN SEGGERMAN's family in effectuating the surreptitious transfer of assets and funds from undeclared foreign bank accounts and entities into the United States without being detected by the IRS. Among the entities that the New Jersey Accountant, Michael Little, and others utilized in carrying out the surreptitious transfers was Steiner Productions, a United States partnership owned principally by another member of the SEGGERMAN family.

Estate Tax Obligations

6. Executors of estates have an obligation to file a United States Estate (and Generation-Skipping Transfer) Tax Return, IRS Form 706 ("Estate Tax Return"), generally within nine months of the death of a decedent. The estate tax is a tax imposed

on the transfer of the taxable estate of the decedent. Computation of the estate tax includes, among other things, ascertainment of the fair market value of everything, throughout the world, that the decedent owned or had an interest in at the date of death, including cash and securities, real estate, insurance, trusts, annuities, business interests, and other assets. The total value of all of these items constitutes the decedent's "gross estate." After determining the gross estate, certain deductions are allowed in arriving at the amount of the decedent's "taxable estate." These deductions may include mortgages and other debts, estate administration expenses, property that passes to surviving spouses, and qualified charities. For taxable estates in excess of \$3 million, estates of decedents who passed away during the 2001 tax year were required to pay a tax of \$1,290,800 for the first \$3 million of the taxable estate, plus 55% of any excess amount.

**Obligations Of United States Taxpayers
With Respect to Foreign Financial Accounts**

7. Citizens and legal residents of the United States who have income in any one calendar year in excess of a threshold amount ("U.S. taxpayers") are obligated to file a U.S. Individual Income Tax Return, Form 1040 ("Form 1040"), for that calendar year with the IRS. On Form 1040, U.S. taxpayers are obligated to report their income from any source, regardless of whether the source of their income is inside or outside the United States. In addition, on Schedule B of Form 1040, the filer must indicate whether "at any time during [the relevant calendar year]" the filer had "an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account." If the U.S. taxpayer answers that question in the

affirmative, then the U.S. taxpayer must indicate the name of the particular country in which the account is located.

8. Separate and apart from the obligation to file Forms 1040 that include all income, U.S. taxpayers and certain others who have a financial interest in, or signature authority over, a financial account in a foreign country with an aggregate value of more than \$10,000 at any time during a particular calendar year are required to file with the IRS a Report of Foreign Bank and Financial Accounts, Form TD F 90-22.1 ("FBAR"). The FBAR for any calendar year is required to be filed on or before June 30 of the following calendar year. In general, the FBAR requires that the U.S. taxpayer identify the financial institution with which the financial account is held, the type of account (either bank, securities, or other), the account number, and the maximum value of the account during the calendar year for which the FBAR is being filed.

**The Estate of The New York Businessman and the Plan to
Hide and Maintain Estate Assets in Undeclared Foreign Accounts**

9. In or about May 2001, a prominent New York businessman (the "Businessman"), who was the father of EDMUND JOHN SEGGERMAN, the defendant, passed away, leaving an estate valued in excess of approximately \$24 million – more than half of which was maintained in undeclared foreign bank and financial accounts. Pursuant to a plan established with EDMUND JOHN SEGGERMAN, the defendant, the Swiss Lawyer, Michael Little, and other co-conspirators known and unknown, including various members of EDMUND JOHN SEGGERMAN's family, and in an attempt to conceal the true value of the Businessman's taxable estate, the Businessman arranged for his surviving

spouse — a co-executor of the Businessman's estate — to receive after the Businessman's death approximately \$5 million from the undeclared foreign bank and financial accounts. This \$5 million was in addition to a substantial amount of United States-based money and property left to the Businessman's surviving spouse by the Businessman through his will and certain trusts. The Businessman also arranged for five of his children — four of whom were also co-executors of his estate — each to inherit approximately \$1.6 million from the aforementioned foreign bank and financial accounts.

10. As a result of the successful implementation of the aforementioned plan to hide assets, the Estate Tax Return that was signed by EDMUND JOHN SEGGERMAN and other executors, and filed with the IRS in connection with the administration of the Businessman's estate, fraudulently omitted over \$12 million in estate assets — \$5 million maintained in foreign entities and accounts by the Swiss Lawyer and Michael Little on behalf of the Businessman's surviving spouse, and over \$7 million that was maintained in foreign entities and bank accounts, to be divided equally among EDMUND JOHN SEGGERMAN and four of her siblings and then directed or maintained pursuant to their wishes.

Statutory Allegations

11. From in or about 2001 through in or about 2009, in the Southern District of New York and elsewhere, EDMUND JOHN SEGGERMAN, the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate and agree together and with each other to defraud the United States and an agency thereof,

to wit, the IRS, and to commit offenses against the United States, to wit, violations of Title 26, United States Code, Section 7206(1).

Objects of the Conspiracy

12. It was part and an object of the conspiracy that EDMUND JOHN SEGGERMAN, the defendant, and others known and unknown, willfully and knowingly did defraud the United States of America and the IRS by impeding, impairing, defeating, and obstructing the lawful governmental functions of the IRS in the ascertainment, evaluation, assessment, and collection of income and estate taxes.

13. It was further a part and an object of the conspiracy that EDMUND JOHN SEGGERMAN, the defendant, and others known and unknown, willfully and knowingly would and did make and subscribe and cause others to make and subscribe U.S. Individual Income Tax Returns, Forms 1040, which returns contained and were verified by written declaration that they were made under the penalties of perjury, and that the defendant and his co-conspirators did not believe to be true and correct as to every material matter, in violation of Title 26, United States Code, Section 7206(1).

14. It was further a part and object of the conspiracy that EDMUND JOHN SEGGERMAN, the defendant, and others known and unknown, including various members of the Businessman's family, willfully and knowingly would and did subscribe to a false Estate Tax Return, which return contained and was verified by a written declaration that it was made under the penalties of perjury, and which EDMUND JOHN SEGGERMAN, the defendant, and others did not believe to be true and correct as to every

material matter, in violation of Title 26, United States Code, Section 7206(l).

Overt Acts

15. On or about August 8, 2001, EDMUND JOHN SEGGERMAN, the defendant, met with the Swiss lawyer, Michael Little, three of his siblings, and others at a hotel in New York, New York, to discuss the inheritance of undeclared foreign bank accounts by EDMUND JOHN SEGGERMAN, the defendant, his mother, and his siblings.

16. On or about October 24, 2003, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2002, which he made and subscribed under penalties of perjury, in that he failed to report his financial interest in at least one foreign bank account.

17. On or about October 18, 2004, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2003, which he made and subscribed under penalties of perjury, in that he failed to report his financial interest in at least one foreign bank account.

18. On or about December 1, 2004, with the assistance of his brother and the Swiss lawyer, EDMUND JOHN SEGGERMAN, the defendant, transferred and caused to be transferred approximately \$60,000 to himself from his undeclared Swiss bank account, disguising the transfer as a loan from EDMUND JOHN SEGGERMAN's brother.

19. On or about October 21, 2005, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2004, which he made and subscribed under penalties of perjury, in

that he failed to report his financial interest in at least one foreign bank account.

20. On or about February 28, 2006, with the assistance of his brother and the Swiss lawyer, EDMUND JOHN SEGGERMAN, the defendant, transferred approximately \$58,700 to himself from his undeclared Swiss bank account, disguising the transfer as a loan from EDMUND JOHN SEGGERMAN's brother.

21. On or about October 22, 2006, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2005, which he made and subscribed under penalties of perjury, in that he failed to report his financial interest in at least one foreign bank account.

22. On or about October 15, 2007, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2006, which he made and subscribed under penalties of perjury, in that he failed to report his financial interest in at least one foreign bank account.

23. On or about October 2, 2008, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2007, which he made and subscribed under penalties of perjury, in that he failed to report his financial interest in at least one foreign bank account.

24. On or about September 7, 2009, EDMUND JOHN SEGGERMAN, the defendant filed and caused to be filed a fraudulent U.S. Individual Income Tax Return, Form 1040, for tax year 2008, which he made and subscribed under penalties of perjury, in

that he failed to report his financial interest in at least one foreign bank account.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Subscribing to a False Estate Tax Return)

The United States Attorney further charges:

25. On or about August 2, 2002, in the Southern District of New York and elsewhere, EDMUND JOHN SEGGERMAN, the defendant, willfully and knowingly did make and subscribe an Estate Tax Return that pertained to the estate of his father, who died on May 19, 2001, which return contained and was verified by the written declaration of EDMUND JOHN SEGGERMAN that it was made under penalties of perjury, and which return EDMUND JOHN SEGGERMAN did not believe to be true and correct as to every material matter, in that EDMUND JOHN SEGGERMAN omitted, on line 1, "Total gross estate less exclusion," more than \$10 million held in funds and assets held in foreign bank accounts that his father owned, controlled, and had a financial interest in at the time of his death, whereas as EDMUND JOHN SEGGERMAN then and there well knew and believed, the aforementioned funds and assets held in the foreign accounts should have been included on the Estate Tax Return as part of the decedent's total gross estate.

(Title 26, United States Code, Section 7206(1);
Title 18 United States Code, Section 2.)

COUNT THREE

(Subscribing to False U.S. Individual Income Tax Returns)

The United States Attorney further charges:

26. On or about the filing dates set forth below, in the Southern District of New York and elsewhere, EDMUND JOHN SEGGERMAN, the defendant, willfully and knowingly did make and subscribe U.S. Individual Income Tax Returns, Forms 1040, for the calendar years set forth below and filed on or about the dates indicated below, which returns contained and were verified by the written declaration of SEGGERMAN that they were made under penalties of perjury, and which returns SEGGERMAN did not believe to be true and correct as to every material matter, in that SEGGERMAN failed, on Schedule B, Part II, line 7a, to report that he had an interest in, or signatory or other authority over, bank, securities, and other financial accounts in Switzerland, whereas, as SEGGERMAN

then and there well knew and believed, he had an interest in, and signatory or other authority over, bank, securities, and other financial accounts in Switzerland:

| Tax Year | Approximate Date of Filing |
|----------|----------------------------|
| 2002 | October 24, 2003 |
| 2003 | October 18, 2004 |
| 2004 | October 21, 2005 |
| 2005 | October 22, 2006 |
| 2006 | October 15, 2007 |
| 2007 | October 2, 2008 |
| 2008 | September 7, 2009 |

(Title 26, United States Code, Section 7206(1);
Title 18 United States Code, Section 2.)



PREET BHARARA
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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UNITED STATES OF AMERICA

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Defendant.**

INFORMATION

13 Cr.

18 U.S.C. § 371; 26 U.S.C. § 7206(1).

PREET BHARARA
United States Attorney.

3/21/13

PHD Inf + Waiver of Ind
AUSA Ivan Okita pres. DA
Edmund Seggerman pres. w/att'y
Reuben Miller. DA plead M/G to Fed
DA ROR. surr Trial Proc 3/20/13

Mark Judge Piche