

Former DF&TR executive Saul Hyatt admits IRS offences

The United States Department of Justice (USDOJ) has reported that Saul Hyatt, 53, has pleaded guilty to conspiring to conceal assets and income from the sale of duty free alcohol and tobacco worth more than \$1.5m from the Internal Revenue Service (IRS).



Former DF&TR executive Hyatt pleaded guilty before US District Judge Freda L. Wolfson of the District of New Jersey to concealing this income in an undeclared Panamanian bank account for his own benefit. In a detailed statement from the USDOJ, Hyatt – a former duty free industry executive – has now been ordered to make ‘full restitution to IRS’ by paying a Civil Penalty of more than \$850,000.

A formal statement released by the USDOJ said: “According to documents filed with the court, Hyatt conspired with another individual in the United States and others to conceal his assets and income derived from the sale of duty-free alcohol and tobacco products.

TOBACCO AND ALCOHOL PRODUCTS

“To execute the scheme, Hyatt used a registered Panamanian corporation, Centennial Group, to buy and sell the duty free products. The alcohol shipped through a customs-bonded warehouse in the Foreign Trade Zone in Fort Lauderdale, Florida.

“The tobacco products, Chinese-brand cigarettes sold under the names ‘Chung Hwa’ and ‘Double Happiness,’ passed through a customs-bonded warehouse in North Bergen, New Jersey. From 2006 to 2012, Hyatt directed that \$1,627,832 in profits from the sale of duty free alcohol and tobacco products be wired to his undeclared bank account in Panama.

“Hyatt repatriated money from the Panamanian bank account to buy a Mercedes Benz SL 550R automobile and to pay for \$19,000 in interior design goods and services.”



The Trenton Court House in New Jersey handles cases for and on behalf of prosecutions and investigations related to the Internal Revenue Service; the Federal Bureau of Investigation; US Secret Service; Immigration and Naturalization Service; US Marshals Service; the Bureau of Alcohol, Tobacco, and Firearms; and the Drug Enforcement Administration.

The USDOJ added that Hyatt 'failed to report income earned on his Panamanian account', and 'failed to file an FBAR for the years at issue' [*FBAR: Report of Foreign Bank and Financial Accounts-Ed*]. The USDOJ added: "Hyatt admitted that this scheme resulted in a tax loss of \$521,986."

"Concealing income and assets offshore is not tax planning," said Special Agent in Charge Jonathan D. Larsen of IRS-Criminal Investigation, Newark Field Office. "Plain and simple, this is international tax fraud."

"The facts in this case are clear. Mr. Hyatt earned income through the sale of duty free alcohol and tobacco products and intentionally had over \$1.6 million of profits wired into an undeclared offshore bank account in Panama."

MAXIMUM SENTENCE IS FIVE YEARS PRISON

"Today's plea shows how determined we are at the IRS and Department of Justice in uncovering this type of international tax fraud and putting a stop to it."

The USDOJ added that Judge Wolfson has now set sentencing for January 6, 2017 where Hyatt faces a statutory maximum sentence of five years in prison, as well as a term of supervised release and monetary penalties.

"Hyatt has agreed to file true and accurate tax returns and to pay the IRS all taxes and penalties owed, in addition to paying an \$854,465.50 penalty for failure to disclose his foreign accounts," said the USDOJ.

For more information from the much longer statement issued by The United States Department of Justice on September 21, click here: <https://www.justice.gov/opa/pr/connecticut-man-pleads-guilty-concealing-income-undeclared-panamanian-bank-account>