

TIME IS running out



Local attorney warns window for Tax Amnesty is rapidly closing

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Special Projects Editor

In the past, attorney Lawrence S. “Larry” Horn helped three or four clients a year with voluntarily disclosing an offshore bank account. In the last four years, however, he’s worked with more than 150 clients on it.

Horn, a senior partner of the law firm of Sills Cummis & Gross in Newark and a former federal prosecutor, says his increased client base reflects a new and serious crackdown by the U.S. Department of Justice and Internal Revenue Service that began in 2009 with a landmark probe of Swiss banking giant UBS, Switzerland’s largest bank.

“Treasuries these days are starved, and governments want their fair share,” he says. “The generations-old Swiss bank secrecy is over.”

Moreover, late in 2010, the U.S.’s pursuit of offshore tax evaders expanded to include three of Israel’s largest banks, Bank Hapoalim, Bank Leumi, and Mizrahi-Tefahot, representing a new shift from Switzerland to the Jewish state.

“No one wants to be a client of mine — the target of an IRS



criminal investigation,” Horn says. “Usually I defend clients in these actions; now I’m counseling them. If they are prudent and punctual, they can avoid investigation and prosecution.”

Under a program known as the Offshore Voluntary Disclosure Initiative, clients can participate in tax amnesty. Since 2009, more than 33,000 U.S. taxpayers have avoided prosecution by voluntarily disclosing their undeclared foreign accounts. Any account over \$10,000 is included.

Time is growing short, though, Horn says. That’s

because he expects a dozen banks worldwide, including Credit Suisse Group, Switzerland’s second largest bank; Julius Baer Group; HSBC Holdings; and the three Israeli banks, Bank Hapoalim, Bank Leumi, and Mizrahi-Tefahot; to work with the U.S. government in the next year to pay millions of dollars in fines, but more importantly, turn over names of U.S. taxpayers. Once a name is released to the U.S. government, that taxpayer can no longer apply for tax amnesty.

“I’m helping a significant number of MetroWest citizens in properly navigating the intricate maze of the IRS Tax Amnesty program,” Horn says. “If a taxpayer does not disclose their offshore account, I guarantee you the bank will disclose it to the IRS.”

“MetroWest families with accounts in Israel or Switzerland need to promptly navigate a final resolution with the IRS on all issues of disclosure. The IRS is very, very serious about this.”

Horn and his wife, Jackie, are active members of the Jewish community; they are long-standing members of Temple B’nai Or in Morristown. Jackie is a past regional president of Women’s American ORT.

Reasons to enter Offshore Voluntary Disclosure Initiative

- ▶ YOU NEVER HAVE TO LOOK OVER YOUR SHOULDER
- ▶ EASE OF REPATRIATION OF FUNDS
- ▶ YOU NEVER HAVE TO LOOK OVER YOUR SHOULDER
- ▶ ESTATE PLANNING
- ▶ YOU NEVER HAVE TO LOOK OVER YOUR SHOULDER
- ▶ FOREIGN ACCOUNT TAX COMPLIANCE ACT
- ▶ YOU NEVER HAVE TO LOOK OVER YOUR SHOULDER

Likely consequences of not entering Offshore Voluntary Disclosure Initiative

- ▶ PROSECUTION
- ▶ 24-30 MONTHS IN FEDERAL PRISON
- ▶ CONFISCATORY TAX PENALTIES
- ▶ LOSS OF PROFESSIONAL LICENSES
- ▶ POTENTIAL DEPORTATION
- ▶ TIME AWAY FROM FAMILY AND BUSINESS
- ▶ SOCIAL OSTRACISM OF FAMILY

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