

DAILY BUSINESS REVIEW

OFFSHORE TAX HAVENS 80-year-old inherited UBS account from husband

Irritated judge frees woman caught up in IRS crackdown

by John Pacenti
jpacenti@alm.com

An irritated federal judge blasted the Justice Department on Thursday for prosecuting an 80-year-old Palm Beach woman who inherited \$43 million in a foreign bank account.

Senior U.S. District Judge Kenneth Ryskamp sentenced Mary Estelle Curran to probation for a year before immediately suspending it and suggesting a presidential pardon was in order.

The judge said he was obligated to put her on probation at a minimum for her guilty plea to making false declarations under penalty of perjury.

"You were put on probation for about five seconds," he said before terminating it. Curran walked out of the courthouse with no other sentencing obligations than payment of \$200 in court costs.

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MELANIE BELL

Mary Estelle Curran, left, leaves the courthouse with her daughter-in-law, Charlotte Curran. The elder Curran was sentenced to "about five seconds" of probation.

FROM PAGE A1

IRS: Woman required to pay \$22 million reporting penalty

She was caught in the crossfire during an Internal Revenue Service crackdown on offshore tax havens initially targeting Switzerland's UBSAG and its U.S. clients.

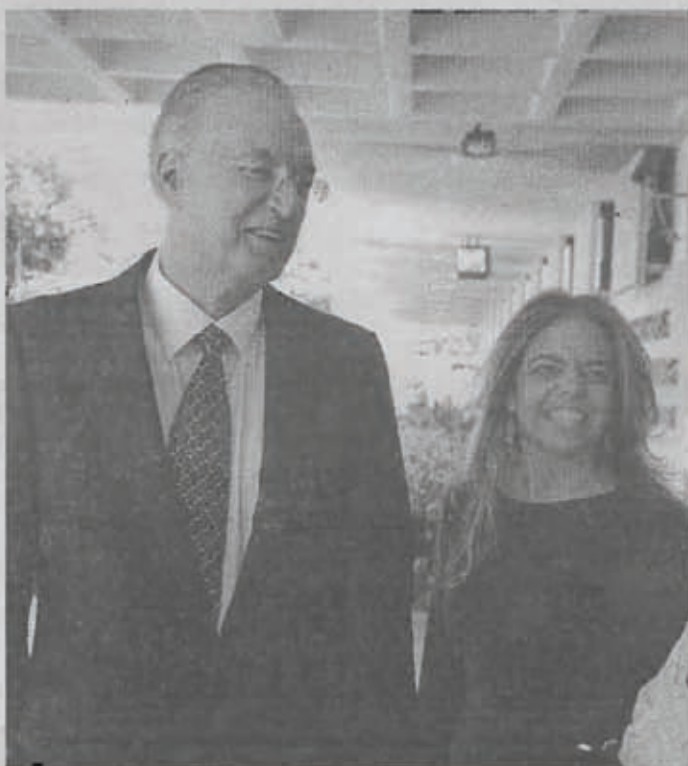
Defense attorney Roy Black, a partner at Black, Srebnick, Kornspan & Stumpf in Miami, said in an interview before sentencing that she already had instructed her lawyers and accountants to disclose the accounts before a voluntary disclosure program was announced by the IRS. But by then, the Justice Department had forced UBS to reveal the identities of 4,450 U.S. account holders, among them Curran, Black said.

Before sentencing, she paid \$667,716 in overdue income taxes from 2001 to 2008 plus \$1.3 million in interest and penalties. She also was required to pay a foreign bank account reporting penalty of \$21.6 million.

In the criminal case, Curran faced 30 to 37 months in prison under federal guidelines for making false declarations under penalty of perjury. The law carries a statutory maximum sentence of 10 years.

The former UBS client pleaded guilty in the largest tax avoidance case since 2008 and joined about 50 people who have been prosecuted by the Justice Department for hiding assets in foreign bank accounts.

About 38,000 taxpayers filed amended federal income tax returns as part of a disclosure and amnesty program from 2009 to 2012, netting the U.S. Treasury more than \$4 billion.



MELANIE BELL

Defense attorneys Roy Black and Jackie Perczek defended their 80-year-old client, who faced up to 37 months in jail.

'TRAGIC SITUATION'

Ryskamp, noting the civil fine and the amnesty program, asked Mark Daly, a tax division senior litigation counsel, "Did it ever occur to the government that the case should have been dismissed, to

an arduous process.

"I think Judge Ryskamp took a very close look at the case. I think he saw that 38,000 people were given complete immunity, yet she was selected for prosecution," Black said. "I think it struck a chord with him that it was unfair."

Black said his client's late husband inherited money in the UBS account in 1982 and expanded it through investments. Curran was unaware of the account until her husband died in 2000. She had not handled her finances until her husband's death. Her last job was 50 years before as a department store clerk.

"She was the classic 1950s housewife," Black said. "She thought the money had nothing to do with the U.S."

Black said Curran didn't work after her marriage but did lots of "hard volunteer work" with disabled children with Down syndrome and neurological disorders.

He said he tried to avoid criminal

let it go?"

Daly said the government has to draw lines when deciding which cases to prosecute and didn't have discretion.

"The government has a lot of discretion, and the government decided it had to make a felon out of this woman," the judge said.

He called the case "a real tragic situation."

The judge advised Black to petition the president for a pardon, and "if the government didn't join in on it, I think it's just spiteful."

Black said he never heard a judge make such strong statements and would have to speak to his client about seeking a pardon because it's

OFFSHORE VOLUNTARY DISCLOSURE PROGRAM 2009-2012

Disclosures: 38,000

Value: \$4.4 billion

Penalty: Half of the account balance

charges for three years, and his client was always willing to pay the \$21 million civil penalty.

"Of course our tax system works as a voluntary system by frightening the hell out of everyone," Black said.

A sentencing memorandum prepared by Black and law partner Jackie Perczek spelled out Curran's fairy tale life, including how her husband, Mortimer, turned away from his dream as an artist in Paris to return to Montreal and become a financier. The couple later moved to Palm Beach and became beyond frugal, according to the memorandum.

Curran recently replaced an old Ford Taurus with a standard shift Toyota Corolla because her son wanted her to have a car with air bags. "Mrs. Curran wanted a Toyota without a radio, but the dealer told her that all cars nowadays come with a radio," the attorneys wrote.

In recent weeks, the 80-year-old defendant drove three dry runs to the federal courthouse in West Palm Beach to ensure she wouldn't get lost and miss her appointment with justice. She ended up coming to court Thursday in the company of a daughter-in-law.

Swiss banks that offered secret accounts have settled cases against them with deferred prosecution agreements. UBS paid a record \$780 million to settle charges, and Wegelin & Co., another targeted bank, agreed to pay \$74 million.

John Pacenti can be reached at (305) 347-6638.



Ryskamp