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New York Art Consultant Indicted For Tax Crimes Over Offshore Accounts

A [New York art consultant](#), Ms. Lacy Doyle, 59, has been indicted for obstructing the administration of the internal revenue laws and subscribing to a false tax return. Ms. Doyle was arrested and appeared before U.S. Magistrate Judge Ronald L. Ellis. Prosecutors claim that the serious allegations relate to her establishment and maintenance of [at least six secret, undeclared bank accounts](#) in Switzerland and France.

Ms. Doyle has quite an art pedigree. She was formerly an art adviser at the Museum of Modern Art's Art Advisory Service, European Promotion Director at Artforum International Magazine in Paris and Milan, and Assistant Director at Barbara Toll Fine Arts, New York. She has lectured on modern and contemporary art for the Metropolitan Museum of Art, the Guggenheim Museum, Christie's International Auction House, New York University's Graduate Visual Arts Administration Program and others.



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Her tax woes are only beginning with [this indictment](#). But as not infrequently occurs in such cases, there is quite a back story. Prosecutors claim that Ms. Doyle was assisted by others in this endeavor. They included Beda Singenberger, a Swiss citizen who ran a financial advisory firm. But the story really starts with the death of Ms. Doyle's father in 2003. In 2003, her father died and secretly left an inheritance of over \$4 million to his daughter. She was appointed as the executor of her father's estate.

Then, she made court filings that prosecutors now claim falsely stated—under penalty of perjury—that the total value of her father's estate was under \$1 million. Prosecutors say that, in truth, the value of the estate was more than four times that amount. And this is where the offshore enablers allegedly came in. The Swiss financial adviser Beda Singenberger allegedly helped Ms. Doyle to establish and maintain undeclared bank accounts in Switzerland. The alleged purpose? To hide the accounts from the IRS.

Prosecutors claim that in 2006, Ms. Doyle, with Singenberger's assistance, opened an undeclared Swiss bank account to deposit the secret inheritance from her father. The indictment says that her account was opened in the name of a sham foundation formed under the laws of Lichtenstein to conceal her ownership. As of December 31, 2008, the account held assets valued at approximately \$3,548,380.

The indictment claims that Ms. Doyle used this sham entity to conceal her ownership from the IRS. The feds also say that she deliberately failed to report the accounts and the income they generated to the IRS. In 2010, the sham foundation she allegedly controlled was re-domiciled from Lichtenstein to Panama. That kind of movement also looks bad, suggesting willfulness.

As of May 31, 2010, the sham foundation had assets of approximately \$3,151,961.37. For each of the calendar years from 2004 through 2009, the indictment claims that Ms. Doyle willfully failed to report on her tax returns her interest in the undeclared accounts and the income generated in those accounts. For each of these years, Ms. Doyle also failed to file a Report of Foreign Bank and Financial Accounts ([FBAR](#)).

FBARs penalties can be quite serious, even if only civil penalties are at stake. And the potential criminal penalties for FBAR violations can be even worse than the penalties for tax charges. In recent years, the IRS and prosecutors like to go after advisers too. On July 21, 2011, Mr. Singenberger was charged with conspiring with U.S. taxpayers and others to defraud the United States, evade U.S. income taxes, and file false U.S. tax returns. He remains at large.

This is only an indictment, of course, and must be proven in court. But if Ms. Doyle is convicted, her punishment could be severe. She faces one count of obstructing and impeding the due administration of the IRS laws. That charge carries a maximum sentence of three years in prison. Then, she faces one count of subscribing to a false and fraudulent U.S. individual income tax return. That charge too carries a maximum sentence of three years in prison.

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