

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 15-80143-HURLEY/HOPKINS**

UNITED STATES OF AMERICA ,

Plaintiff,

v.

WILLIAM J. REILLY,

Defendant.

STIPULATED FACTUAL PROFFER IN SUPPORT OF THE GUILTY PLEA

COMES NOW, the United States of America, by and through its undersigned Assistant United States Attorney, and the defendant together with his attorney, and stipulate that the following shall constitute the underlying factual basis for entry of a guilty plea to count one of the indictment in this case:

The defendant, **WILLIAM J. REILLY**, hereby acknowledges the Government could prove beyond a reasonable doubt, and admits his role in the following:

From on or about April 15, 1999, the exact date being unknown, through on or about January 25, 2010, in the Southern District of Florida and elsewhere, the defendant, **WILLIAM J. REILLY**, did willfully attempt to evade and defeat the payment of a large part of the income tax due and owing by him to the United States of America for the calendar years 1997, 1999, 2001, 2002, and 2004 through 2007, in the amount of approximately \$1,501,724, by committing at least one affirmative act of evasion including, among other things, concealing and attempting to conceal from the IRS the nature, extent and location of his income, assets, and liabilities and by placing

funds and property in the names of nominees.

The Internal Revenue Service (IRS) was an agency within the Department of the Treasury responsible for administering and enforcing the tax laws of the United States and collecting taxes owed to the Treasury of the United States by its citizens and other entities.

Defendant **WILLIAM J. REILLY** was an attorney and member of the New York Bar who owned William J. Reilly, Esq. P.C., a law firm through which **REILLY** practiced securities law. **REILLY**'s law firm operated in New York City until sometime in 1998, when **REILLY** moved his family and his law practice to Boca Raton, Florida.

From 1992 through 1997, **REILLY** worked as the outside securities counsel for Quigley Corporation and was paid, in part, with options to purchase stock in the Quigley Corporation. During most of this time, Quigley stock was trading at or around ten cents per share. In 1996 and 1997, Quigley stock rose precipitously, up to as high as \$37.00 per share, due to media coverage of the efficacy of "Cold-Eeze" zinc tablets, which were manufactured on behalf of the Quigley Corporation. In 1997, **REILLY** exercised some of his stock options and caused stocks valued at \$2,312,250 to be issued to himself and \$1,182,643 of stock to be issued in the name of his wife. In October and November 1997, **REILLY** sold some of the Quigley shares for more than \$1.6 million.

From October 1997 through January 1998, shortly after exercising his Quigley stock options, **REILLY** acquired significant assets, including two residences in Boca Raton, Florida, a residence in Chittenden, Vermont, and ocean front property in Portsmouth, Rhode Island. **REILLY** then began to construct a home on the Portsmouth land. Only one of these assets, a Boca Raton residence, was titled in **REILLY**'s name.

On or about April 15, 1998, **REILLY** filed a 1997 U.S. Individual Income Tax Return in which he reported a tax due and owing of \$1,432,598. **REILLY** paid approximately \$173,749 of his 1997 tax liability. **REILLY** made no payment on this liability after April 17, 1998.

On or about May 17, 1999, **REILLY** purchased a ten acre parcel of land located across the road from his Chittenden, Vermont home. **REILLY** used a shell company to hold title to this land.

On March 13, 2000, Reilly incorporated Doylestown Partners, Inc. (Doylestown) with the State of New York Department of State. Shortly thereafter, **REILLY** caused the Portsmouth land to be transferred to Doylestown. Doylestown was a shell corporation which only functioned as a nominee for **REILLY**.

On or about October 16, 2000, **REILLY** filed his 1999 U.S. Individual Income Tax Return and reported tax due and owing of \$119,496. **REILLY** made no payments on this tax liability.

On or about April 17, 2001, **REILLY** purchased a 2001 Jaguar XJ8 in the name of a nominee.

On May 11, 2001, the Certificate of Occupancy was issued for the Portsmouth home, indicating that **REILLY**'s construction of the two story 5,653 square foot single family home was complete. This home was subsequently appraised for \$1.7 million.

On or about February 12, 2002, **REILLY** purchased a 2002 Chevrolet Suburban with funds drawn on accounts held by his law firm and Doylestown. **REILLY** titled this vehicle under a nominee name.

On or about August 22, 2003, **REILLY** filed his 2001 U.S. Individual Income Tax Return and reported tax due and owing of \$33,048. **REILLY** made no payments on this tax liability.

On or about March 18, 2004, **REILLY** filled his 2002 U.S. Individual Income Tax Return which reported tax due and owing of \$44,072.16. **REILLY** made no payments on this tax liability.

On or about November 1, 2006, **REILLY** filed his 2004 U.S. Individual Income Tax Return which reported tax due and owing of \$16,185. **REILLY** attempted to make one \$3,285 payment on his 2004 tax liability via check on or about April 15, 2005, but the check bounced.

On or about November 6, 2006, **REILLY** filed his 2005 U.S. Individual Income Tax Return which reported tax due and owing of \$10,077. **REILLY** made one \$80 payment on his 2005 tax liability on April 17, 2006.

On or about October 23, 2008, **REILLY** filed his 2006 U.S. Individual Income Tax Return which reported tax due and owing of \$24,777. **REILLY** made no payments on this tax liability.

On or about October 23, 2008, **REILLY** filed his 2007 U.S. Individual Income Tax Return which reported tax due and owing of \$25,296. **REILLY** made no payments on this tax liability.

From 2005 through 2010, **REILLY** used his law firm's bank accounts and the Doylestown bank accounts to receive personal income, to transfer funds into his personal accounts, and to pay personal expenses directly, including his Visa credit card account, his children's private school and college tuition, support for his daughter's equestrian business, vehicle payments, mortgage payments on the Portsmouth mansion, contributions to his son's political campaign, and more than \$50,000 in tickets for sporting events and concerts. **REILLY** also caused clients and others who owed money to **REILLY** to pay monies to shell corporations controlled by **REILLY** or to pay **REILLY**'s personal expenses directly.

Defendant **WILLIAM J. REILLY** admits that the taxes due and owing to the IRS, excluding interest and penalties and carryback losses in tax years 1998, 2000, and 2003, for the tax years 1997 through 2007, which he willfully evaded are, at least, as follows:

1997--	\$1,230,101.00
1999--	\$ 119,496.00
2001--	\$ 33,048.00
2002--	\$ 43,796.00

2004--	\$ 16,185.00
2005--	\$ 9,025.00
2006--	\$ 24,777.00
2007--	\$ 25,296.00

Defendant **WILLIAM J. REILLY** is entering a plea of guilty to count one of the indictment, which charges the defendant with evasion of tax payment for the tax years 1997, 1999, 2001, 2002, and 2004 through 2007, in violation of Title 26, United States Code, Section 7201.


The elements of this offense are:

- (1) The defendant owed a substantial amount of income tax;
- (2) The defendant engaged in affirmative acts constituting an attempt to evade the payment of the tax; and
- (3) Wilfulness.

Defendant **WILLIAM J. REILLY** admits that from on or about April 15, 1999, the exact date being unknown, through on or about January 25, 2010, in the Southern District of Florida and elsewhere, he willfully evaded the payment of a substantial amount of income tax, as described above, in violation of Title 26, United States Code, Section 7201.

Defendant **WILLIAM J. REILLY** admits that the statements contained in this Proffer are true are correct and agree that the United States can use them for any purpose, whether he pleads guilty or not, including as evidence in a case-in-chief against him in any trial. The Defendant specifically waives any rights he may otherwise have under Federal Rule of Evidence 410 and Rule 11 of the Federal Rules of Criminal Procedure. The defendant further acknowledges that he has reviewed this statement and the rights he is waiving with his attorney and is satisfied with the representation of his attorney in this matter.

Defendant **WILLIAM J. REILLY** is pleading guilty to count one of the indictment in case number 15-80143-HURLEY/HOPKINS because his is, in fact, guilty as charged.

Date: 2-11-16 By: 
WILLIAM J. REILLY
DEFENDANT

Date: 2-11-16 By: 
~~PETER B. BERGMAN~~ **ANDREW S. FELDMAN**
ATTORNEY FOR WILLIAM J. REILLY

ACCEPTED:

WIFREDO A. FERRER
UNITED STATES ATTORNEY

Date: 2/29/2016 By: 
ELLEN L. COHEN
ASSISTANT UNITED STATES ATTORNEY