
From: Richard Joslin <[REDACTED]>
Sent: Friday, March 28, 2014 8:06 PM
To: Jeffrey Epstein
Subject: FW: GSCO IMY accounts

Summary: 2012 taxable income on 1040 overstated by \$250K (ordinary)

From: Richard Joslin
Sent: Friday, March 28, 2014 4:05 PM
To: Thomas Turrin ([REDACTED]); Abel Goce
Subject: GSCO IMY accounts

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See screenshot below that shows BRH ownership of AP Professionals which owns Apollo Operating Group. BRH Holdings LP has a 98- prefix (a foreign partnership). Foreign partnerships are assigned EIN's with a 98 prefix http://www.irs.gov/irm/part21/irm_21-007-013r.html <http://www.irs.gov/irm/part21/irm_21-007-013r.html>. AP Professional Holdings, L.P., an exempted limited partnership formed under the laws of the Cayman Islands, <http://www.sec.gov/Archives/edgar/data/1411494/000119312513204748/d532543dex101.htm> <<http://www.sec.gov/Archives/edgar/data/1411494/000119312513204748/d532543dex101.htm>> The foreign partnerships are non-withholding partnership for purposes of Sec 1441 (they have not elected with the IRS to be treated as a withholding foreign partnership for US tax purposes).

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AP Professionals has an account at GSCO. Since AP professionals is a non-withholding foreign partnership and since the owner of AP Professionals (BRH) is also a non-withholding partnership, GSCO is reporting income directly to the US owners of BRH. This is accomplished by AP professional issuing a W-8 IMY to GSCO and giving GSCO the W-8-IMY of BRH which reflects the US owners of BRH. GSCO issues 1099's directly to US owner. We know that BRH is owned by BFP LP (not LDB). The BRH K-1 was picked up by BFP but this 1099 was reported directly on LDB's 1040 (should have been BFP pro forma K1 (if not reported by BRH)). The AP Professional LP income was picked up by BRH Holdings. I confirmed with Apollo.

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Summary: GSCO 1099s issued under LEON BLACK IMY-AP PROFESSIONAL HOLDINGS LP were reported twice in 2012 – once on LDB 1040 and once on K-1 for BFP LP.

Taxable income overstated by ~ \$250K.

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Accounts:



The pages upload to portal of the 1099 for 681-58001-5 have been left out – I can't see for certain but likely also IMY-AP PROFESSIONAL HOLDINGS LP

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Oddly I don't see these GSCO accounts for AP Professional are reported on 1040 for 2011 but they are reported in 2010 (in addition to other GSCO accounts) and 2009 Very small amounts in those years.

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