

## **Banks: Criminal Collusion to Avoid Responsibility/Liability**

by Lynnley Browning via stele - Reuters *Tuesday, Jun 14 2011, 11:05pm*

international / injustice/law / other press

### **Swiss, US in talks on tax probe settlement**

*While people suffer oppressive debt and ever increasing taxes, Banking and Financial elites OPENLY engage in criminal activity -- how does it feel, suckers?*

*Goldman Sachs' Carbon Tax, anyone?*

*HOLD THE BASTARDS ACCOUNTABLE!*

The United States and Switzerland are in advanced talks on a multibillion-dollar deal that would let several Swiss and European banks join a common settlement and avoid potential U.S. prosecution for helping wealthy Americans dodge taxes, senior persons briefed on the matter said. As part of the agreement under discussion, known as a global resolution, U.S. government agencies would invite the banks to pay a fine, exit their undeclared offshore banking businesses for Americans, and turn over client names to the Internal Revenue Service (IRS) and the Justice Department.

In exchange, the agencies would drop an ongoing investigation into the banks.

Three current and former government officials briefed on the matter described the possible agreement but spoke on condition of anonymity on Thursday, citing the wide-ranging investigation of Swiss and European banks by the two agencies.

It could not immediately be determined which banks could be invited to participate in the global resolution.

While U.S. and Swiss authorities were still working out the details, an announcement of a settlement could come as early as July, these persons said.

The fines involved could collectively total several billion dollars, they said.

Banks that "opt out" of the deal could face heightened scrutiny from U.S. authorities, including a possible legal summons for client names from the IRS and tougher scrutiny by the Justice Department.

A resolution would signal another strong blow to the Swiss tradition of client confidentiality, whose laws date to 1934 but whose tradition goes back centuries.

Unlike the United States, the Swiss traditionally distinguish between tax evasion, which they do not consider a criminal matter, and tax fraud, which they do.

A global resolution would also mark a shift in how U.S. officials treat foreign banks suspected of helping wealthy Americans to evade taxes.

WIDE PROBE FOLLOWED UBS CASE

In 2009, UBS AG (UBSN.VX) (UBS.N) averted indictment over its undeclared offshore private banking services by agreeing to pay \$780 million, admitting to criminal wrongdoing and turning over about 255 client names, later agreed by the two sides at an additional 4,450.

Since then, the Justice Department has been conducting a broad criminal investigation of a number of Swiss banks, bankers, and third-party intermediaries suspected of helping scores of wealthy American clients evade taxes.

Companies involved in that probe include Credit Suisse (CSGN.VX), the second-largest bank in Switzerland; HSBC (HSBA.L), Europe's largest bank; Julius Baer, a private bank based in Zurich; and Basler Kantonalbank, a Swiss cantonal bank in Basel, Switzerland.

The aftermath of the UBS probe vaulted a number of bankers into the crosshairs of the Justice Department.

Christos Bagios, a senior Credit Suisse private banker, was arrested and charged, in court papers unsealed last February, with conspiracy and fraud. The authorities learned of Bagios from Renzo Gadola, a former UBS private banker who left the bank to form RG Investment Partners, an investment advisory firm in Zurich.

Gadola, who was charged last December with conspiracy to defraud the United States, provided information to prosecutors about his work with Basler Kantonalbank, according to court papers.

Gadola's cooperation cast light for the first time on the role of Swiss cantonal banks in working with major Swiss banks to help clients evade taxes.

At the same time, the IRS is poring over a "roadmap" to Swiss bankers and their intermediaries. The map has been provided by thousands of Americans who have come forward to reveal their hidden offshore accounts under two voluntary programs in exchange for reduced fines and penalties.

Now, based on the flood of criminal actions and information gleaned, both U.S. and Swiss authorities are interested in resolving the wide-ranging probe in one fell swoop, not bank-by-bank, the senior persons said.

#### DEAL "MAKES SENSE": LAWYER

"From the voluntary disclosure program, we know that the United States has evidence to indict international, regional, and cantonal Swiss banks and bankers," said Jeffrey Neiman, a former federal prosecutor who worked on the UBS case.

"We also know that Switzerland does not want to be dealing with the American justice system for the next decade. Throw in the fact that Switzerland will not extradite its own citizens for any crime, let alone a tax crime, and we come to a conclusion that a global resolution makes sense on both sides of the Atlantic," said Neiman, now in private practice in Fort Lauderdale, Florida.

David Walker, a spokesman for Credit Suisse in New York, declined to comment. Juanita Gutierrez, a spokeswoman for HSBC in New York, declined to comment. Jan Vonder Muehll, a spokesman for Julius Baer, declined to comment.

Calls and emails to Basler Kantonalbank and James Nason, a spokesman for the Swiss Bankers Association, an industry trade group in Basel, were not immediately returned.

Michael Ambuehl, a top Swiss official who is in charge of the country's international tax matters, has made numerous trips to Washington D.C. in recent months in an effort to hammer out a deal, the senior sources said.

At a conference in Washington organized by the Organization for Economic Cooperation and Development (OECD) this week, a senior IRS official said it planned to move against "one or more banks in the next month or so."

It was not immediately clear how that enforcement action fits in with the global resolution, and an IRS official declined on Thursday to comment.

*(Additional reporting by Kevin Drawbaugh, editing by Matthew Lewis)*

© 2011 Thomson Reuters.

### **Corporatist Corruption Works Like This: Black Money -- A Frontline special**

<http://www.reuters.com/article/2011/06/10/us-usa-taxes-swiss-idUSTRE75940920110610>

---

Cleaves Alternative News. <http://cleaves.lingama.net/news/story-2554.html>