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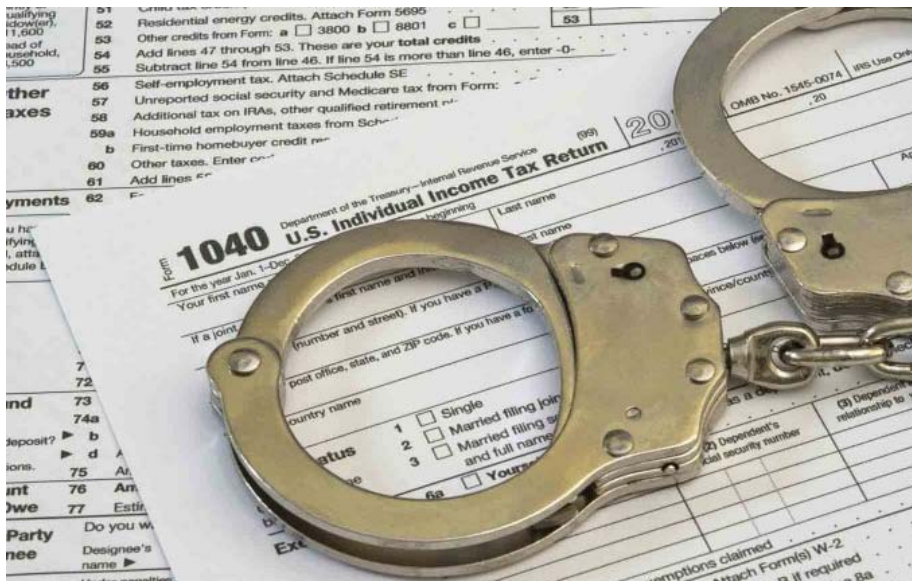
THE TAX LAWYER

TAXES 6/23/2016

Swiss Banker Pleads Guilty To U.S. Tax Evasion As IRS Hunts Offshore Accounts

America's civil and criminal crackdown on offshore accounts continues, as a former Credit Suisse banker plead guilty helping U.S. taxpayers evade income taxes. Michele Bergantino, 48, a fugitive since 2011, is a citizen of Italy and a resident of Switzerland. That might make U.S. tax charges seem remote. But as a banker for Credit Suisse AG on its North American desk, he helped Americans conceal foreign accounts and evade U.S. taxes. The fact that he was not physically in the U.S. did not insulate him.

Bergantino admitted that from 2002 to 2009, as a relationship manager for Credit Suisse in Switzerland, he participated in a wide-ranging conspiracy to help U.S. taxpayers evade income taxes with Swiss accounts. Bergantino oversaw a portfolio of accounts owned by U.S. taxpayers that grew to approximately \$700 million. Bergantino admitted that the tax loss associated with his criminal conduct was more than \$1.5 million.



Among the steps he took to assist clients in hiding their Swiss accounts were:

- assuring them that Swiss bank secrecy laws would prevent Credit Suisse from disclosing their undeclared accounts to U.S. law enforcement;
- discussing business with clients only when they traveled to Zurich to meet him; structuring withdrawals from their undeclared accounts by sending multiple checks, each in amounts below \$10,000, to clients in the United States;
- facilitating the withdrawal of large sums of cash by U.S. customers from their Credit Suisse accounts at Credit Suisse offices in the Bahamas, in Switzerland, particularly the Credit Suisse branch at the Zurich airport and at a financial institution in the United Kingdom;
- holding clients' mail from delivery to the United States; issuing withdrawal checks from Credit Suisse's correspondent bank in the United States; and
- taking actions to remove evidence of a U.S. client's control over an account because the U.S. client intended to file a false and fraudulent income tax return.

Bergantino understood that some U.S. clients concealed their ownership by holding accounts in the names of nominee tax haven entities, foreign partnerships, trusts, corporations or foundations. Bergantino also admitted traveling to the United States approximately one to two times a year to meet with clients, taking careful steps to conceal the purpose of his visits from U.S. law enforcement. He used private couriers to send clients' account statements to the U.S. hotels where he stayed, so that he would not be caught traveling with clients' statements in his possession.

In addition, Bergantino obtained "travel" account statements for each client he intended to visit which were devoid of Credit Suisse's logo and account or customer identification information. He even used business cards that Credit Suisse provided bearing only his name and office number, omitting the Credit Suisse name or logo. On entering the United States, Bergantino provided misleading information regarding the nature and purpose of his visit to U.S. Customs and Border Protection authorities.

Other bankers have also faced U.S. tax charges. In fact, two of Bergantino's co-defendants, [Andreas Bachmann](#) and [Josef Dörig](#), pleaded guilty to the superseding indictment in 2014 and were sentenced on March 27, 2015. Credit Suisse pleaded guilty in May 2014 for conspiring to aid and assist

taxpayers in filing false returns and was sentenced in November 2014 to pay \$2.6 billion in fines and restitution. In contrast, [Raoul Weil](#), a former top UBS banker, was [acquitted of tax evasion](#). He was the highest-ranking Swiss banker prosecuted in the U.S. crackdown, but was acquitted.

Bergantino faces up to five years in prison, plus penalties and restitution. In 2009, UBS paid a \$780 million fine, while Credit Suisse Group AG's main bank subsidiary pleaded guilty and paid a \$2.6 billion penalty. With prosecutions and tens of thousands of Americans stepping forward to pay taxes, penalties, and interest, the IRS has collected billions.

Today, almost no offshore account or trust is safe. Already many countries are implementing broad disclosure policies, even Russia and China. For Americans who fail to step forward, the IRS and Department of Justice warn of their vast resources. The IRS and Justice Department may not be scorching the earth, but they aren't far off. Offshore accounts and the income and penalties associated with them have accounted for billions of dollars flowing to the IRS over the last five years. And it isn't over yet.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.