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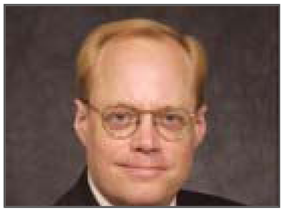

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British Lawyer Nabbed at JFK For Helping Americans Hide Swiss Accounts

Image via tibetanaltar.com

With the IRS success with UBS and breaking the back of foreign bank secrecy, it's no wonder many Americans have come forward to disclose foreign accounts and assets. See Is Closing Foreign Bank Accounts An Alternative To Disclosure? After historic 2009 and 2011 voluntary disclosure programs, the IRS announced a third program that is still gathering participants. See New IRS Offshore Amnesty Announced: Third Time's A Charm.

More globally, the IRS is implementing FATCA, something the Obama administration feels strongly about. See FBARs & FATCA Form 8938: Maddening Duplication? Despite significant foreign criticism, the system is changing the face of global financial reporting and disclosure. See 5 Nations Join U.S. In Tax Evasion Crackdown. Yet even with all this activity, there's more afoot. See FATCA Makes Banks Shut Out Americans.

As part of the carrot and stick of reform, the IRS and Justice Department are making examples of those who are not making amends. See No Jail

In UBS Tax Evasion Case. The latest example involves a British lawyer arrested on arrival at JFK. His alleged crime was helping wealthy Americans hide $10 million in Swiss accounts.

Federal authorities arrested Michael Little on charges he participated in an 11-year tax fraud scheme. A British lawyer, Little may have assumed he had nothing to fear. Residing in England, Little is also licensed to practice in New York.

His alleged crimes date to August of 2001. Upon the death of a client named Seggerman, Little met with his descendants at a New York hotel. Explaining there was $10 million of undeclared money, Little advised family members how to hide it from the IRS. See British attorney accused of keeping cash for family of ex-Fidelity Investments exec overseas.

He allegedly suggested ways to send money to the U.S. without alerting the IRS, including travelers checks and art and jewelry deals. With secrecy befitting Jason Bourne, they used code words for communicating:

- "FDA" for the IRS;
- "Beef" for money;
- "Lbs" for units of $1,000;
- "Small" for Michael Little;
- "Moxly" for the Swiss lawyer;
- "Leaky" was the Seggerman Family matriarch;
- "BG" was a New Jersey accountant;
- "Rusty nail" was a trust; and
- A "Refrigerator" was an account to hold or transfer funds.

Mr. Little's alleged scheme went on between 2001 and 2008. He even had a New Jersey accountant prepare false and fraudulent individual and corporate tax returns, the government claims. Little allegedly sent millions surreptitiously to the U.S. He allegedly arranged a sham mortgage to allow one family member to access approximately $600,000 in overseas assets.

Although Little lives principally in England, he maintains a residence in New York. He was charged with one count of conspiracy, carrying a maximum sentence of five years. Suzanne Seggerman previously pled guilty to conspiracy to defraud U.S. taxing authorities and to subscribing to false individual tax returns. She awaits sentencing.

As the U.S. enforcement efforts continue, this is probably not the last such case.

For more, see:

Living Abroad Sounds Idyllic-Until You Consider Taxes

Who Pays Tax On Joint Bank Accounts?

10 IRS Rules for Stress-Free Foreign Accounts

Can Foreign Account Nondisclosure Be A Conspiracy?

Is Closing Foreign Bank Accounts An Alternative To Disclosure?

How To Report Foreign Gifts And Bequests To IRS

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