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### No Jail In UBS Tax Evasion Case

The IRS's success with the [2009](#) and [2011](#) offshore amnesty programs doesn't mean everyone came forward. There are still cases involving undisclosed accounts and income in the pipeline. Plainly, the IRS and Justice Department are still pursuing the marketing and promotion of such activities. See [Offshore Tax-Avoidance and IRS Compliance Efforts](#).



If anything, the climate of enforcement seems more active in the wake of the voluntary compliance programs. But the punishment for those convicted can vary substantially. Take the sentence handed out to [Renzo Gadola](#), at one time a senior banker at [UBS](#) (where he worked from 1995 to 2008) advising well-healed Americans how to hide money overseas. See [Ex-UBS banker turned songbird pressures Swiss banks](#).

Mr. Gadola received five years probation after pleading guilty to conspiracy to defraud the U.S. After he was arrested in 2010, Mr. Gadola cooperated with U.S. officials, providing an insider's view of Swiss financial institutions. The cooperation of insiders is a key part of the U.S. government's strategy.

Mr. Gadola turned over names of bankers and participated in recorded conversations that helped reveal the role Swiss cantonal banks play. Although Mr. Gadola could have been sentenced to 16 months in prison,

his request for leniency was supported by statements he will continue cooperating with authorities after sentencing. U.S. authorities relish the assistance of someone like Mr. Gadola.

In fact, the U.S. government believes there are still tens of thousands of Americans using Swiss banks to avoid paying billions in taxes. The initial focus may have been UBS, but in 2009, UBS paid \$780 million to settle U.S. criminal charges that it helped approximately 17,000 American clients with \$20 billion in assets hide accounts from the IRS. UBS agreed to disclose 4,450 client names and ended its U.S. cross-border banking business.

The widening criminal investigation involves scores of Swiss banks and international banks with Swiss operations including [Credit Suisse](#), [HSBC Holdings PLC](#) and [Basler Kantonalbank](#). See [Credit Suisse to Turn Over Data on Some U.S. Accounts](#). The smaller cantonal banks were thought to be more discreet, used by Mr. Gadola and others to evade scrutiny for their clients. That's where insiders in the business are key and nationality doesn't seem to matter.

In January, U.S. officials also arrested [Christos Bagios](#), a senior private banker at Credit Suisse and formerly with UBS. Mr. Bagios is accused of helping up to 150 U.S. clients hide as much as \$500 million from the IRS while at UBS. Another former UBS banker, [Martin Lack](#)—Mr. Gadola's business partner after Gadola left UBS—was indicted in August for selling offshore tax evasion services. A Swiss national, Mr. Lack remains a fugitive.

For more, see:

[Ex-UBS Banker Gadola Earned Leniency In Tax Case, U.S. Says](#)

[Credit Suisse Bankers In U.S. Tax Probe Said To Seek Dismissal Of Charges](#)

[Credit Suisse Disclosing U.S. Client Data After IRS Request](#)

[IRS Criminal Investigations On Rise](#)

[Latest Foreign Account Prosecution Fuels Fears](#)

[“Quiet” Foreign Account Disclosure Not Enough](#)

[It’s Not Too Late To Disclose Foreign Accounts](#)

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