OFFSHORE COMPLIANCE INITIATIVE

One of the Tax Division's top litigation priorities is combatting the serious problem of non-compliance with our tax laws by U.S. taxpayers using secret offshore bank accounts. Increased technical sophistication of financial instruments and the widespread use of the internet have made it easy to move money around the world. According to a 2008 Senate report, the use of secret offshore accounts to evade U.S. taxes costs the Treasury at least $100 billion annually.

In recent years, the Tax Division, working closely with United States Attorneys' offices, has seen groundbreaking success in addressing the use of foreign financial accounts to evade United States taxes and reporting requirements. The division's current offshore program began in 2008, with the investigation of UBS AG, Switzerland's largest bank. As a result of that investigation, in February 2009, UBS entered into a deferred prosecution agreement (DPA) and admitted guilt on charges of conspiring to defraud the United States by impeding the IRS, exited the business of providing banking services to U.S. customers with undeclared accounts, and paid $780 million in fines, penalties, interest, and restitution. As part of the DPA and a 2009 agreement negotiated among the US, UBS, and the Swiss government to settle a civil summons enforcement proceeding brought by the Tax Division, the IRS has received account information about thousands of the most significant tax cheats among the U.S. taxpayers who maintain secret Swiss bank accounts.

In January 2013, the U.S. Attorney's Office in the Southern District of New York secured the guilty plea of Wegelin Bank, the oldest private bank in Switzerland and the first foreign bank to plead guilty to felony tax charges. The bank admitted to conspiring to defraud the United States by helping U.S. account holders hide assets from the IRS in undeclared accounts. A federal district court has also authorized the IRS to issue a "John Doe" summons that will allow the United States to determine the identity of U.S. taxpayers who may hold accounts at Wegelin and other banks based in Switzerland to evade federal income taxes.

The Tax Division has opened investigations into numerous additional offshore banks located in Switzerland, India, Israel and elsewhere. From 2008 through April 2013, the Tax Division has charged over 30 banking professionals and 60 account holders, thus far resulting in five convictions after trial and 55 guilty pleas, including 2 trial convictions and 16 guilty pleas in the first four months of 2013 alone.

These investigations are expanding into other countries. In April 2013, a federal district court authorized the IRS to issue a "John Doe" summons seeking information about U.S. taxpayers who may hold undeclared offshore accounts at CIBC FirstCaribbean International Bank (FCIB), a Barbados-based bank with branches across the Caribbean. The summons, issued to Wells Fargo N.A., seeks records of U.S. taxpayers and financial institutions that used FCIB's United States correspondent account at Wells Fargo to evade taxes.

As the Division's investigations focus on an ever-widening circle of banks and others who would assist U.S. taxpayers in attempting to hide income and assets from the United States, those who would use secret offshore bank accounts are running out of places to hide. The Tax Division is committed to using every tool available in its efforts to identify, investigate, and prosecute these wrongdoers. For example, a growing number of district and circuit courts are upholding subpoenas to account holders for foreign financial records over Fifth Amendment objections, based on the requirements under Title 31 that such records be maintained. Prosecutors have also made effective use of subpoenas on U.S.-based correspondent accounts of foreign banks to obtain vital evidence in tax prosecutions.
An essential part of the Tax Division's mission is to encourage voluntary compliance with the tax laws. In addition to the specific deterrence that results from the Division's enforcement efforts in connection with unreported foreign financial accounts, these prosecutions have triggered remarkable general deterrence. The publicity surrounding the Tax Division's enforcement efforts, operating alongside the Internal Revenue Service's Offshore Voluntary Disclosure Initiatives, have resulted in an unprecedented number of taxpayers—over 38,000 since 2009—voluntarily disclosing to the IRS their previously hidden foreign accounts and agreeing to pay billions of dollars in back taxes, interest and penalties to the U.S. Treasury. As a result, these enforcement efforts not only remedy past wrongdoing, but also bring into the system tax revenue from taxpayers who become compliant going forward.

Offshore Compliance Initiative News
Indictments, Pleas, Sentencings, and Other Developments

July 16, 2015
Justice Department Announces Three Banks Reach Resolutions under Swiss Bank Program

July 9, 2015
Justice Department Announces Two Banks Reach Resolutions under Swiss Bank Program

July 2, 2015
Swiss Bank Reaches Resolution under Justice Department's Swiss Bank Program

June 26, 2015
Swiss Bank Reaches Resolution under Justice Department's Swiss Bank Program

June 19, 2015
Two More Banks Reach Resolutions Under Justice Department's Swiss Bank Program

June 9, 2015
Two More Banks Reach Resolutions under Justice Department's Swiss Bank Program

June 3, 2015
Two More Banks Reach Resolutions Under Justice Department's Swiss Bank Program

May 28, 2015
Four Banks Reach Resolutions Under Department of Justice Swiss Bank Program

May 15, 2015
Finter Bank Zurich AG Reaches Resolution under Department of Justice Swiss Bank Program

May 8, 2015
Vadian Bank AG Reaches Resolution Under Department of Justice Swiss Bank Program

March 31, 2015
Swiss Asset Manager Pleads Guilty in Federal Court to Conspiring with U.S. Taxpayers to Evade Federal Income Taxes and File False Tax Returns

March 30, 2015
Acting Assistant Attorney General Caroline D. Ciraolo Delivers Remarks at Pen and Pad Announcing First Resolution in Swiss Bank Program

March 30, 2015
Acting Associate Attorney General Stuart F. Delery Delivers Remarks at Pen and Pad Announcing First Resolution in Swiss Bank Program
March 30, 2015
BSI SA of Lugano, Switzerland, is First Bank to Reach Resolution Under Justice Department’s Swiss Bank Program

February 18, 2015
New York Man Residing in the Hamptons Pleads Guilty to Obstructing Internal Revenue Service for Concealing Swiss Bank Accounts

February 2, 2015
California Doctor Pleads Guilty to Failing to Report Foreign Account at Bank Leumi in Luxembourg

December 22, 2014
Tax Return Preparers Convicted of Assisting Wealthy Clients Hide Millions in Secret Offshore Accounts at Israeli Banks

December 22, 2014
Bank Leumi Admits to Assisting U.S. Taxpayers in Hiding Assets in Offshore Bank Accounts

November 21, 2014
Credit Suisse Sentenced for Conspiracy to Help U.S. Taxpayers Hide Offshore Accounts from Internal Revenue Service

November 18, 2014
Manhattan U.S. Attorney Announces Charges Against Kentucky Resident for Maintaining Secret Swiss Bank Accounts

October 20, 2014
New Hampshire Man Pleads Guilty to Filing False Tax Return

October 3, 2014
Caribbean-Based Investment Advisor and Attorney Sentenced for Using Offshore Accounts to Launder and Conceal Funds

September 5, 2014
Caribbean-Based Investment Advisor Sentenced for Using Offshore Accounts to Launder and Conceal Funds

July 11, 2014
Caribbean-Based Investment Advisors and Attorney Plead Guilty to Using Offshore Accounts to Launder and Conceal Funds

June 5, 2014
June 5, 2014 Comments about the Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks

May 28, 2014
Jury Finds Miami Man Owes Civil Penalties for Failing to Report Swiss Bank Account

May 28, 2014
Connecticut Man Who Used Offshore Accounts Sentenced to Prison for Tax Evasion and Conspiracy

May 23, 2014
Alaska Plastic Surgeon Indicted on Tax Evasion Charges for Concealing Bank Accounts in Panama and Costa Rica

May 19, 2014
Remarks as Prepared for Delivery by Assistant Attorney General for the Tax Division Kathryn Keneally Announcing Guilty Plea in Credit Suisse Offshore Tax Evasion Case
May 19, 2014
Remarks as Prepared for Delivery by Deputy Attorney General James M. Cole Announcing Guilty Plea in Credit Suisse Offshore Tax Evasion Case

May 19, 2014
Remarks as Prepared for Delivery by Attorney General Eric Holder Announcing Guilty Plea in Credit Suisse Offshore Tax Evasion Case

May 19, 2014
Credit Suisse Pleads Guilty to Conspiracy to Aid and Assist U.S. Taxpayers in Filing False Returns

May 9, 2014
Florida Doctor Sentenced for Federal Tax Crimes

May 7, 2014
Wyoming Businessman Sentenced to Prison for Using Concealed Caribbean Bank Account in Tax Evasion Scheme

April 30, 2014
California Banker Charged with Helping U.S. Taxpayers Conceal Secret Israeli Bank Accounts

April 30, 2014
Swiss Offshore Tax Evasion Enabler Pleads Guilty

March 24, 2014
U.S. and Canadian Citizens Charged with Using Offshore Accounts and Foreign Nominee Entities to Launder $200,000

March 21, 2014
Former President of Russian Steel Producer's US Subsidiary Indicted for Hiding Assets in Secret Swiss Bank Accounts

March 18, 2014
California Attorney Sentenced to Prison in Scheme to Hide Millions in Secret Swiss Accounts at UBS AG and PICTET & CIE

March 12, 2014
Swiss Banker Pleads Guilty to Conspiring with U.S. Tax Evaders, Other Swiss Bankers and Bank Management

February 27, 2014
Portola Valley, Calif., Man Sentenced to Prison for Failure to Report Foreign Bank Accounts Held at UBS

January 13, 2014
Court Rejects Banking Associations’ Challenge to Regulations Addressing Offshore Tax Avoidance

December 12, 2013
First Deadline Approaches for Participation in the Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks

November 12, 2013
Court Authorizes IRS to Issue Summonses for Records Relating to U.S. Taxpayers with Offshore Bank Accounts

November 5, 2013
Comments on Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks

November 4, 2013
Los Angeles Businessman Pleads Guilty to Conspiring to Defraud the United States by Concealing Israeli Bank Accounts
October 18, 2013
Additional Charges Brought Against Tax Preparers Previously Charged with Helping Clients Hide Millions in Offshore Israeli Banks

August 29, 2013
California Businessman Pleads Guilty to Conspiracy to Conceal Israeli Bank Accounts

August 29, 2013
United States and Switzerland Issue Joint Statement Regarding Tax Evasion Investigations

July 17, 2013
California Businessman Pleads Guilty to Concealing Foreign Bank Account at Israeli Bank on His Tax Return

July 1, 2013
Maryland Businessman Pleads Guilty to Concealing Foreign Bank Account at Israel-Based Bank on His Tax Return

June 28, 2013
Former Swiss Banker Pleads Guilty to Failure to Report Foreign Bank Account

June 13, 2013
Wyoming Couple Indicted for Tax Evasion

April 30, 2013
Court Authorizes Service of John Doe Summons Seeking the Identities of U.S. Taxpayers with Offshore Accounts at CIBC FirstCaribbean International Bank

April 12, 2013
California Businesswoman Agrees to Plead Guilty to Conspiracy to Conceal Israeli Bank Accounts

April 12, 2013
Arizona Businessmen and California Attorney Convicted for Hiding Millions in Secret Foreign Bank Accounts at UBS AG and Pictet & CIE

March 4, 2013
Swiss Bank Sentenced in Manhattan Federal Court for Conspiring to Evade Taxes

February 27, 2013
Middlesex County, N.J. Man Admits Tax Evasion and Concealing $1.2M in Income in Undeclared Indian Bank Accounts

January 30, 2013
California Man Pleads Guilty to Failure to Report Foreign Bank Accounts at UBS

January 8, 2013
South Florida Woman Pleads Guilty to Failing to Disclose Income from Swiss Bank Accounts and Agrees to $21 Million Penalty

January 7, 2013
Somerset County, N.J., Man Pleads Guilty to Concealing Income from Undeclared Swiss And Indian Bank Accounts

January 3, 2013
Swiss Bank Pleads Guilty in New York City Federal Court to Conspiracy to Evade Taxes

July 30, 2012
California UBS Clients Sentenced to Prison for Hiding Assets in Secret Bank Accounts Around the World
June 15, 2012  
Three Tax Return Preparers Charged with Helping Clients Evade Taxes by Hiding Millions in Secret Accounts at Two Israeli Banks

May 30, 2012  
South Florida Retired Businessman Pleads Guilty to Failing to Disclose Assets Held in Swiss Banks

February 2, 2012  
Swiss Bank Indicted on U.S. Tax Charges

January 30, 2012  
UBS Clients and Tax Attorney Indicted in Phoenix for Hiding Assets in Secret Foreign Bank Accounts

January 3, 2012  
Manhattan U.S. Attorney Charges Three Swiss Bankers with Conspiring to Hide More Than $1.2 Billion in U.S. Taxpayer Accounts from the IRS

December 7, 2011  
Client of UBS and Swiss Cantonal Bank Indicted for Conspiracy to Defraud the IRS

November 17, 2011  
HSBC India Client Indicted for Tax Evasion and Failing to Report Foreign Bank Accounts

August 3, 2011  
UBS Client Pleads Guilty to Filing False Tax Return

August 2, 2011  
Former UBS Banker Charged with Helping U.S. Taxpayers Use Secret Swiss Bank Accounts to Evade U.S. Taxes

July 21, 2011  
Swiss International Bank's Former Head of North America Offshore Banking, Others Charged with Conspiracy

July 21, 2011  
Swiss Financial Advisor Indicted for Conspiring with More Than 60 U.S. Taxpayers to Hide More Than $184 Million in Swiss Bank Accounts

June 28, 2011  
HSBC India Client Indicted for Filing False Tax Returns and Failing to Report Foreign Bank Account

June 20, 2011  
California UBS Clients Plead Guilty to Hiding Assets in Secret Swiss Bank Account

May 24, 2011  
New Jersey UBS Client Sentenced for Failing to Report More Than $1 Million in Swiss Bank Account

May 23, 2011  
New Jersey UBS Client Sentenced for Failing to Report More Than $750,000 in Swiss Bank Account

May 19, 2011  
Bank Director Charged with Hiding Foreign Assets

April 13, 2011  
New York Woman Pleads Guilty to Filing a False Tax Return; Did Not Report Her HSBC India Bank Account Held $8.3 Million

April 11, 2011  
New Jersey Businessman Pleads Guilty to Conspiring to Conceal Offshore Bank Accounts from the IRS
April 7, 2011
Justice Department Asks Court to Allow IRS to Seek HSBC India Bank Account Records

March 14, 2011
UBS Client Sentenced in San Diego for Hiding Assets in Secret Bahamian and Swiss Bank Accounts

March 8, 2011
Former Ohio Man Pleads Guilty to Failing to Report His Foreign Bank Account at UBS in Switzerland

March 4, 2011
Former UBS Client Sentenced for Hiding Millions in Offshore Bank Accounts

February 23, 2011
Four Swiss Bankers Charged with Helping U.S. Taxpayers Use Secret Accounts at Swiss Banks to Evade U.S. Taxes

February 4, 2011 - S.D. Florida
Miami Beach Hotel Developers Sentenced for Tax Fraud

December 22, 2010
Former UBS Banker Pleads Guilty to Helping American Client Conceal Assets Offshore

November 19, 2010
California UBS Client Indicted for Hiding Assets in Secret Swiss Bank Accounts

November 18, 2010
California UBS Client Charged with Hiding Assets in Secret Swiss Bank Account

July 15, 2010
Swiss Lawyer Indicted for Helping to Hide Swiss Bank Accounts and Monies Returned to U.S. Clients

May 26, 2010
Miami Beach Hotel Developers Indicted and Charged with Tax Fraud

April 23, 2010
Former UBS Client Sentenced for Hiding $10 Million in Offshore Bank Accounts

April 15, 2010
Miami Beach Hotel Developers Charged with Conspiring to Defraud United States

April 15, 2010
Seven UBS Clients Charged with Hiding Over $100 Million in Secret Swiss Bank Accounts to Defraud the IRS

April 13, 2010
Former UBS Client Pleads Guilty to Hiding Assets in Secret Offshore Bank Accounts

April 12, 2010
UBS Client Pleads Guilty to Failing to Report Over $1 Million in Swiss Bank Accounts

February 16, 2010
Virginia Doctor Pleads Guilty to Conspiracy Involving Undeclared Swiss Bank Account

February 4, 2010
Former UBS Client Pleads Guilty to Hiding $10 Million in Offshore Bank Accounts

November 17, 2009
Justice Department & IRS Announce Results of UBS Settlement & Unprecedented Response in Voluntary Tax Disclosure Program

October 5, 2009
Seattle Area UBS Client Pleads Guilty to Filing a False Tax Return
September 25, 2009
UBS Client Pleads Guilty to Failing to Report $6.1 Million in Swiss Bank Accounts

August 21, 2009
Former UBS Banker Sentenced to 40 Months for Aiding Billionaire American Evade Taxes

August 20, 2009
Swiss Banking Executive and Swiss Lawyer Charged with Conspiring to Defraud the United States

August 19, 2009
Remarks by IRS Commissioner Doug Shulman on UBS

August 19, 2009
U.S. Discloses Terms of Agreement with Swiss Government Regarding UBS

July 28, 2009
UBS Client Pleads Guilty to Filing False Tax Return, Hid $8 Million in Secret Swiss Bank Accounts

June 25, 2009
UBS Client Pleads Guilty to Filing False Tax Return

April 15, 2009
Department of Justice Asks Court to Serve Summons for Offshore Records

April 14, 2009
UBS Client Pleads Guilty to Filing False Tax Return Hid Assets Worth $3 Million in Secret Swiss Bank Account

April 2, 2009
UBS Client Charged with Filing False Tax Return

March 4, 2009

February 19, 2009
United States Asks Court to Enforce Summons for UBS Swiss Bank Account Records

February 18, 2009
UBS Enters into Deferred Prosecution Agreement