

The United States Government indicted a Swiss financial adviser for allegedly conspiring with more than sixty U.S. taxpayers to hide more than US\$184 million in Swiss bank accounts, and to evade U. S. taxes on the income on such accounts.

This case indicates that the U.S. Government continues to prosecute intermediaries who help U.S. persons evade U.S. taxes.

According to the press release by the Department of Justice, Beda Singenberger, a Swiss citizen residing in Zurich, operated a wealth management and tax advisory business, Sinco Truehand AG.

Prior to 2001, some of Singenberger's U.S. clients had accounts at banks in Switzerland which were undeclared in the United States. In 2001, when the U.S. Qualified Intermediary (QI) program was implemented, those Swiss Banks entered into QI agreements with the U.S. Government.

The press release states:

In furtherance of this conspiracy, in 2001, when the Swiss banks at which Singenberger helped his U.S. taxpayer clients hide accounts voluntarily agreed with the IRS to obtain documents concerning the identity of the beneficial owners of accounts at those banks, and to withhold and pay over to the IRS taxes on transactions in those accounts, Singenberger created sham entities under the laws of countries other than the United States to hide from the IRS the Swiss accounts and the income generated in them.

At that time, Singenberger allegedly created for his U.S. clients "sham entities" ("foundations" and "Establishments" in Liechtenstein and corporations in Hong Kong), in order to conceal the ownership by U.S. persons of accounts at those Swiss banks.

The press release by the US Department of Justice discusses Singenberger's actions:

Singenberger prepared, and provided to the various Swiss banks, IRS forms that falsely and fraudulently stated under penalties of perjury that the owners of the undeclared accounts maintained at various Swiss banks were not U.S. persons. At the same time that Singenberger was submitting IRS forms (or their equivalent) to banks falsely indicating that the sham entity was the real owner of the Swiss bank account, he was also submitting a form required under Swiss law, called a "Form A," that truthfully stated that a U.S. taxpayer was the actual owner of the account. In truth and in fact, however, Singenberger knew that the real owner of the undeclared accounts was a U.S. person, a fact that reflected on documents contained within the files of various Swiss banks.

In 2008, when it became public that UBS, one of the Swiss banks at which Singenberger helped his U.S. taxpayer clients hide their accounts, was under investigation by law enforcement in the United States, and was therefore in danger of having to identify U.S. taxpayers who had accounts at that bank, Singenberger helped his U.S taxpayer clients to move their accounts from UBS to other Swiss banks. Each of these other Swiss banks engaged in conduct substantially similar to UBS, but unlike UBS, did not have a physical presence or office in the United States.

The United States had previously indicted Swiss bankers and Swiss attorneys for helping U.S. persons evade U.S. income taxes.