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**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**

Preet Bharara, the United States Attorney for the Southern District of New York, and Charles R. Pine, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), announced the indictment today of three Swiss bankers, MICHAEL BERLINKA, URS FREI, and ROGER KELLER, for conspiring with U.S. taxpayers and others to hide more than \$1.2 billion in assets from the IRS. These assets were hidden in undeclared accounts of U.S. taxpayers at the Swiss bank ("Swiss Bank A") where BERLINKA, FREI, and KELLER worked as client advisers. The case has been assigned to U.S. District Judge Jed S. Rakoff.

According to the Indictment filed today in Manhattan federal court:

BERLINKA, FREI, and KELLER worked as client advisers at the Zurich branch of Swiss Bank A, which provides private banking, asset management, and other services to clients around the world. BERLINKA, FREI, and KELLER began working at the bank in 2008, 2006, and 2007 respectively.

During their time at Swiss Bank A, BERLINKA, FREI, and KELLER allegedly conspired with various U.S. taxpayers and others to hide from the IRS both the existence of certain Swiss bank accounts, as well as the income they generated. In particular, BERLINKA, FREI, and KELLER opened and serviced dozens of undeclared accounts for U.S. taxpayers in 2008 and 2009, in an effort to capture business lost by UBS AG ("UBS") and another large international Swiss bank ("Swiss Bank B") in the wake of widespread news reports that the IRS was investigating UBS for helping U.S. taxpayers evade taxes and hide assets in Swiss bank accounts. After the reports, both UBS and Swiss Bank B stopped servicing undeclared accounts for U.S. taxpayers.

To capitalize on the business lost by UBS and Swiss Bank B and to otherwise increase the assets under management at Swiss Bank A, and fees earned from those assets, BERLINKA, FREI, KELLER, and other client advisers allegedly told various U.S. taxpayer-clients that their undeclared accounts at Swiss Bank A would not be disclosed to the United States authorities because Swiss Bank A had a long tradition of bank secrecy. The defendants and other client

advisers at Swiss Bank A also told their U.S. taxpayer-clients that the bank was less vulnerable to United States law enforcement pressure because, unlike UBS, the bank did not have offices outside Switzerland. Members of Swiss Bank A's senior management participated in some of these sales pitches to U.S. taxpayer-clients who were fleeing UBS. Additionally, to further the conspiracy, BERLINKA, FREI, KELLER, and/or other client advisers allegedly took steps that included the following:

- They opened and serviced undeclared accounts for U.S. taxpayer-clients in the names of sham corporations and foundations formed under the laws of Liechtenstein, Panama, Hong Kong, and other jurisdictions for the purpose of concealing the identities of the U.S. taxpayer-clients from the IRS;
- They received and retained at Swiss Bank A documents that falsely declared that the sham entities were the beneficial owners of certain accounts, when in fact, the accounts were owned by U.S. taxpayers;
- They permitted certain U.S. taxpayer-clients to open and maintain undeclared accounts at Swiss Bank A using code names and numbers to minimize references to the actual names of the U.S. taxpayers on Swiss bank documents;
- They ensured that account statements and other mail for U.S. taxpayer-clients were not mailed to them in the United States; and
- They sometimes communicated with U.S. taxpayer-clients using their personal email accounts to reduce the risk of detection by law enforcement.

U.S. taxpayers are required to report the existence of any foreign bank account on their federal income tax returns if it holds more than \$10,000 at any time during a given year, as well as any income it earns. By 2010, the collective maximum value of the assets in undeclared accounts beneficially owned by U.S. taxpayer-clients of BERLINKA, FREI, KELLER, and other client advisers at Swiss Bank A was more than \$1.2 billion, with many accounts holding in excess of \$10,000 in any one year.

\* \* \*

BERLINKA, FREI, and KELLER, 41, 51, and 47, respectively, reside in Switzerland. The defendants each face a maximum term of five years in prison, a maximum term of three years of supervised release, and a fine of the greatest of \$250,000, or twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss to the victims.

Mr. Bharara praised the outstanding efforts of IRS-CID in the investigation, which he noted is ongoing. He also thanked U.S. Department of Justice's Tax Division for their significant assistance in the investigation.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys David B. Massey, Daniel W. Levy, and Jason H. Cowley are in charge of the prosecution.

The charges and allegations contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.