

Swiss Bank to Pay \$10.7M Penalty to U.S. in Tax Evasion Case

By Meghan Genovese

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Swiss-based private bank LLB Verwaltung, formerly known as “Liechtensteinische Landesbank (Schweiz) AG,” will pay a \$10.7 million penalty to the United States as part of an agreement with the U.S. Justice Department.

According to a statement of facts agreed to by the parties, LLB-Switzerland and some of its employees, including members of the bank’s management, conspired with a Swiss asset manager and U.S. clients to conceal clients’ assets and income from the IRS through various means, including using Swiss bank secrecy protections and nominee companies set up in tax haven jurisdictions.

Under the terms of the non-prosecution agreement, announced Aug. 5 by DOJ, LLB-Switzerland also agreed to cooperate in any related criminal or civil proceedings in return for the DOJ’s agreement not to prosecute the company for tax-related criminal offenses committed by LLB-Switzerland.

“This resolution is another step forward in the Department of Justice’s pursuit of tax evaders, who use foreign bank accounts to commit criminal activity, and those institutions, who enable such criminal tax activity,” Richard E. Zuckerman, principal deputy assistant attorney general, said in a statement. “The Department is dedicated to holding both financial institutions and individual offenders accountable for tax evasion.”

At its peak, LLB-Switzerland had approximately one hundred U.S. clients holding nearly \$200 million in assets. The majority of those accounts were in the names of nominee entities.

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