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## IRS Finally Pierces the Swiss Banking Veil

**In a blow to tax cheats, Switzerland's largest bank agrees to divulge the names of those suspect of using offshore accounts to evade U.S. taxes.**

In the world of tax cheats, the news doesn't get much bigger.

UBS, the largest bank in Switzerland, agreed to provide to the U.S. government with the names of those it suspects of using its accounts to evade paying taxes in the United States. The unprecedented move comes after UBS agreed to pay \$780 million to settle an investigation of its activities.

Federal prosecutors suspected UBS helped American clients evade as much as \$300 million a year in taxes from 2002 to 2007.

How many names of wealthy American tax cheats UBS will provide in this newest measure is unclear. However, according to a lawsuit the Department of Justice filed against UBS in Miami, as many as 52,000 U.S. customers hid their UBS accounts from the government in violation of tax laws.

According to a UBS document filed with that Miami lawsuit, as of the mid-2000s, those secret accounts held about \$14.8 billion in assets.

"At a time when millions of Americans are losing their jobs, their homes and their health care, it is appalling that more than 50,000 of the wealthiest among us have actively sought to evade their civic and legal duty to pay taxes," said John A. DiCicco, Acting Assistant Attorney General for the Justice Department's Tax Division, in a statement at the time of the lawsuit's filing.

"It is time for those who are trying to hide from the IRS to rethink their actions. The Department of Justice is committed to do all that it can to aid the IRS in locating those who would seek to hide behind secret accounts and in holding them accountable under the federal tax laws."

For those using offshore accounts to evade taxes, this should be among the final warnings that they are not safe. Even the wealthiest of tax cheats, the ones using the Swiss banks whose records many considered impenetrable by the U.S. government, are now at risk of total exposure and prosecution by the IRS and the Department of Justice.

While the news is certainly surprising, it isn't shocking.

For several years, the IRS has been moving more and more aggressively toward tax cheats who use offshore accounts to hide their assets. Many tax cheats once used offshore accounts linked to credit cards that then were employed to purchase goods and services in the United States — seemingly a way of keeping money off the IRS's books.

That, of course, stopped working once the IRS forced MasterCard to turn over records of those customers whose cards were linked to offshore accounts.

At this point, now that the largest Swiss bank is cooperating with the federal government, there are no safe havens for tax cheats. It's time to turn yourself in.

"Taxpayers should talk to a tax professional and come forward under our voluntary disclosure process," said IRS Commissioner Doug Shulman. "Having the IRS find you could mean a much heavier price than coming forward on your own."

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