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Tax News

IRS Accuses 3 Swiss Bankers of Abetting Tax Evasion

Three Swiss bankers were charged last Tuesday by the IRS for helping wealthy American taxpayers avoid paying taxes on more than \$1.2 billion of taxable income. Following the same modus operandi of offshore tax evasion in the past, this money was stashed in secret bank accounts overseas. This accusation is the latest indictment in the long-drawn battle the IRS is waging against offshore tax evasion.

Federal prosecutors in Manhattan allege that the three bankers, who are all based in Switzerland, helped start and maintain dozens of undeclared Swiss bank accounts in 2008 and 2009. The identity of the bank is not immediately known. Apparently, this was done to recoup business lost by UBS Bank of Switzerland and another Swiss bank after the IRS cracked down on tax evasion in UBS that resulted in UBS bank paying a hefty fine of \$780 million and being compelled to disclose personal banking details of more than 4,000 of their American customers suspected of dodging taxes to the IRS.

Since the IRS crackdown in 2009, UBS and the other Swiss bank has stopped servicing undeclared Swiss accounts. US prosecutors alleged the three bankers who were charged on Tuesday had used names of bogus offshore companies and foundations to open accounts in order to avoid detection. At the same time, they also communicated with the US taxpayers through their personal email accounts. Local Media Company Issued Lien by IRS

Local media company Sorensen Pacific Broadcasting was issued a lien by the IRS on grounds that the company has failed to pay more than a quarter of a million dollars in taxes on their employees' withholding. According to the lien, since 2009 Sorensen owes more than \$290,000 in Social Security for its employees.

A lien is a claim by the creditor (which is the IRS) on property of the debtor due to the debts owed. In this case, the lien is to protect the interest of the government on unpaid taxes and serves as a notice to the public that the debtor (which is Sorensen Pacific Broadcasting) owes taxes. At the same time, a lien is also a notice to other creditors that the government has a claim on the property. A copy of the lien was lodged at the Department of Land Management.

The lien indicates that social security had not been paid for four tax periods in 2009, one tax period in 2010 and two tax periods in 2011. Sorensen's President Rex Sorensen confirmed that the company has made a payment plan with the IRS to settle their unpaid taxes. According to Sorensen, the company did not pay Social Security because he was injured at the time and was not at the company to ensure the payments were made.