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## JUSTICE NEWS

### Deputy Attorney General James M. Cole Speaks at Press Conference Announcing Guilty Plea in Credit Suisse Offshore Tax Evasion Case

Washington, D.C. ~ Monday, May 19, 2014

After an exhaustive, multi-year investigation into the use of illegal offshore bank accounts at Credit Suisse, today we have announced an historic guilty plea by the bank and the largest monetary penalty of any criminal tax case ever.

Today's guilty plea is an appropriate resolution, given the duration and breadth of Credit Suisse's conduct. Credit Suisse engaged in serious wrongdoing, first, when it aided and abetted U.S. tax evasion, and then when it failed to take immediate steps to remedy this conduct and cooperate in our investigation. Today Credit Suisse has admitted that conduct and faces significant consequences for it. Its agreement to pay fines and restitution in excess of 2 and a half billion dollars reflects both the significance of the problem at the bank and the bank's acceptance of responsibility for it.

Credit Suisse is taking the appropriate steps to put its criminal conduct behind it and move toward a new era of compliance. Through this guilty plea and Credit Suisse's civil resolutions with the Securities and Exchange Commission, the Federal Reserve, and the New York Department of Financial Services, Credit Suisse has committed to working with U.S. law enforcement and banking regulators in order to ensure that its wrongdoing remains in the past. We acknowledge Credit Suisse's efforts in this regard, and I expect that as the Bank moves forward, it will continue on its new path of compliance with U.S. tax laws.

In coming to today's resolution, we are mindful that guilty pleas by a bank can have impacts far beyond the parties to the plea. This plea demonstrates that the Department of Justice and bank regulators are prepared hold banks and their relevant employees accountable while being mindful of the impacts on depositors and the American public. The coordination required for this result can take considerable time, as in this case, but it is work that we deem important.

In several public statements, I have promised additional public developments with respect to the Department's investigations into the use of secret offshore bank accounts in Switzerland and elsewhere, and one of those developments has come to pass with today's plea. But there have been many other notable actions in the past few months in our ongoing efforts to combat the use of foreign bank accounts to evade U.S. taxes. Eight individuals affiliated with Credit Suisse have been indicted by the United States Attorney's office for the Eastern District of Virginia for their role in conspiring to assist U.S. clients in concealing their income and assets from the IRS. Two of them have pleaded guilty in recent weeks. In January 2013, Wegelin Bank, another Swiss bank, pled guilty to conspiracy to evade taxes. We have targeted 13 other Swiss banks for similar conduct. Just recently, a Swiss asset management firm, Swisspartners Group, entered into a multi-million-dollar settlement with the U.S. Attorney's Office for the Southern District of New York, and produced account files of its clients. We have also had over 100 Swiss banks come forward as part of a program we put in place with the support of the Swiss government. Under this program, these banks, which were not under investigation, will pay penalties for the violations of US law that were committed at their institutions, and provide us with information that will lead to the identification of their US clients who evaded paying their taxes. We also have had over 43,000 US taxpayers enter into the IRS voluntary disclosure program and pay over \$6 billion in back taxes and penalties to the United States Treasury.

The Department is committed to robust enforcement in the offshore area, not just in Switzerland, but wherever in the world it is found. We have taken public actions in India, Israel, Luxembourg, the Cayman Islands and several other Caribbean countries. And we are engaged in law enforcement actions around the world that are not yet public. The Department's approach to investigating and prosecuting these cases is multi-faceted, and we are committed to using the many law enforcement tools at our disposal – from grand jury subpoenas to John Doe summonses, to whistleblowers and cooperating witnesses – to gather information and evidence to identify wrongdoers and hold them to account.



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While today's action is a significant milestone in our law enforcement efforts, our work in the offshore area is far from done, and we expect additional public actions in this area in the coming months.

Today I commend the efforts of the Tax Division led by Assistant Attorney General Kathryn Keneally, and the U.S. Attorney's Office for the Eastern District of Virginia, led by U.S. Attorney Dana Boente. I also applaud the work and support of the Internal Revenue Service, especially intensive investigative efforts of the Criminal Investigation Division, led by Chief Richard Weber. We also appreciate the efforts of the Swiss government and banking regulators in reaching a just result and bringing the Credit Suisse matter to a close.

I would now like to turn things over to Assistant Attorney General of the Tax Division, Kathryn Keneally, who will provide additional comments on today's action and our law enforcement efforts in the offshore area.



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