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## Three Indicted of Tax Evasion using UBS

Three men who are former UBS clients, were indicted on charges of hiding millions of dollars in taxable income from the IRS using their offshore accounts. Two of the three, Stephen M. Kerr and Michael Quiel, ran capital venture firms while the third is former San Diego lawyer, Christopher M. Rusch. Rusch was arrested January 29 after being expelled from Panama at the behest of the US government. The charges against Kerr and Quiel were for filing false tax returns in 2007 and 2008 and for failing to file Reports of Foreign Bank and Financial Accounts (FBAR) for those years.

Kerr ran capital venture firm CCN Worldwide Inc, hid more than \$5.6 million in offshore accounts from the IRS in 2007. Similarly, Quiel who ran Legend Advisory Corp, had more than \$2.6 million in taxable assets hidden in offshore accounts also in 2007. On the other hand, prosecutors revealed in the indictment that Rusch had signature authority over these accounts held by Kerr and Quiel, and helped facilitate their transactions. He also serviced others at UBS and a Panamanian bank.

Using a trust account he controlled, Rusch facilitated the transfer of money from Kerr and Quiel out of the US into their Swiss bank accounts and back again. Some of the money was used by Rusch to fund the purchase of a Colorado golf course for Kerr through a Panamanian entity he (Rusch) controlled.

Kerr and Quiel are not the first neither will they be the last that the IRS will charge in their efforts to catch tax evaders. Over the last few years, at least 40 US clients of various offshore banks including UBS and Credit Suisse Group AG, Switzerland's two biggest banks, London-based HSBC Holding Plc, Europe's biggest bank and other banks have been charged by the IRS on tax evasion-related charges. They also have charged at least 24 bankers, advisers and attorneys.

All three individuals, Kerr, Quiel and Rusch have been charged with conspiring to defraud the IRS. Rusch's legal representative said Rusch will vigorously fight to defend his innocence and expects to be cleared of these charges.