

UBS cleint was tax evading

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[UBS Client Pleads Guilty to Filing False Tax Return, Hid \\$8 Million in Secret Swiss Bank Accounts \(2009-07-28\).](#)

Jeffrey P. Chernick, of Stanfordville, N.Y., pleaded guilty today to charges of filing a false tax return, the Justice Department and Internal Revenue Service (IRS) announced. Chernick, who owns a corporation which represents toy manufacturers in China and Hong Kong, appeared today before Judge James I. Cohn in Ft. Lauderdale, Fla., and accepted responsibility for concealing more than \$8 million in Swiss bank accounts.

According to court documents, from 2002 through 2008, Chernick discussed his offshore accounts with this former UBS banker and other Swiss financial service providers. These meetings took place in the United States at various locations, including hotels in New York City. During these meetings, Chernick, the Swiss bankers and Swiss financial service providers would discuss Chernick's investments held in his offshore accounts, as well as the payment of fees for banking services rendered by Hong Kong and Swiss financial service providers. In July 2008, despite Chernick's concerns about the ongoing investigation into the activities of UBS, a Swiss financial service provider convinced Chernick not to disclose his offshore accounts, not to file amended returns, and not to pay to the IRS any additional taxes that were due and owing.

According to court documents, in order to have access to the millions of dollars Chernick concealed offshore, he utilized credit cards linked to his offshore Swiss bank accounts which he used to make large purchases while traveling abroad. Additionally, with the assistance of Swiss bankers and other financial service providers, Chernick set up a sham \$700,000 loan between Simba and a second Hong Kong entity in order to repatriate funds into the United States to purchase property adjacent to his home in New York.

I think that makes UBS a knowing participant in tax fraud.

And they still have a banking licence.

Why?