

IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF FLORIDA

IN THE MATTER OF THE TAX  
LIABILITIES OF: JOHN DOES,

Case No.

United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited (“BBIL”) or Belize Bank Limited (“BBL”), or Belize Corporate Services Limited (“Belize Corporate Services”), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Bank of America, National Association or Citibank, National Association

**UNITED STATES’ *EX PARTE* PETITION FOR LEAVE TO SERVE “JOHN DOE”  
SUMMONSES**

The United States of America, by and through undersigned counsel, hereby petitions this Court for an order approving the issuance of two Internal Revenue Service “John Doe” summonses to Citibank, N.A., and Bank of America, N.A., for correspondent account information related to Belize Bank International Limited (BBIL), Belize Bank Limited (BBL), or Belize Corporate Services, collectively the Belize entities. In support, the United States avers as follows:

1. This *ex parte* proceeding is commenced pursuant to §§ 7402(a), 7609(f) and 7609(h) of the Internal Revenue Code (26 U.S.C.), for leave to serve Internal Revenue Service “John Doe” summonses on Citibank, N.A., and Bank of America, N.A.

2. Bank of America may be found within the jurisdiction of this Court and maintains an office at 701 Brickell Avenue, Miami, Florida.

3. Citibank may be found within the jurisdiction of this Court and maintains an office at 201 Biscayne Boulevard, Miami, Florida.

4. The IRS has launched a compliance initiative to investigate United States taxpayers who directly or indirectly hold or held interests in, or have signature or other authority over, undisclosed financial accounts at Belize Bank International Limited and Belize Bank Limited or who used Belize Corporate Services to obscure their interest in undisclosed financial accounts. Belize Bank International Limited and Belize Bank Limited maintain or maintained correspondent accounts at Bank of America and Citibank. Belize Corporate Services used Belize Bank International Limited or Belize Bank Limited’s correspondent account at Bank of America. The taxpayers being investigated have not been or may not be complying with U.S. internal revenue laws requiring the reporting of foreign financial accounts, and income earned on those accounts.

5. In furtherance of this investigation, the IRS seeks permission to issue under the authority of § 7602 of the Internal Revenue Code, administrative “John Doe” summonses to Bank of America and Citibank. A copy of the proposed summonses are attached as Exhibits 10 and 11 to the Declaration of Michael Frazier, Internal Revenue Agent assigned as Technical Specialist in the Internal Revenue Service’s Offshore Compliance Initiatives Program.

6. The “John Doe” summonses relate to the investigation of an ascertainable group or class of persons, that is, United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited (“BBIL”) or Belize Bank Limited (“BBL”), or Belize Corporate Services Limited (“Belize Corporate Services”), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Bank of America, National Association or Citibank, National Association.

7. There is a reasonable basis for believing that such group or class of persons may fail, or may have failed, to comply with one or more provisions of the internal revenue laws.

8. The information sought to be obtained from the examination of the records or testimony (and the identity of the persons with respect to whose tax liabilities the summons has been issued) is not readily available from other sources.

9. In support of this Petition, the United States submits the Declaration of Michael Frazier, the exhibits attached thereto, and a supporting memorandum.

Dated: September 15, 2015

Respectfully submitted,

CAROLINE D. CIRAOLO  
Acting Assistant Attorney General

s/ William E. Farrior  
WILLIAM E. FARRIOR  
S.D. Fla. Bar No. A5501479  
Trial Attorney, Tax Division  
U.S. Department of Justice  
P.O. Box 14198  
Washington, D.C. 20044  
202-616-1908 (v)  
202-514-4963 (f)  
William.E.Farrior@usdoj.gov

Of Counsel:

WIFREDO A. FERRER  
United States Attorney

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United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited (“BBIL”) or Belize Bank Limited (“BBL”), or Belize Corporate Services Limited (“Belize Corporate Services”), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Bank of America, National Association or Citibank, National Association

**UNITED STATES’ MEMORDANDUM IN SUPPORT OF ITS *EX PARTE* PETITION  
FOR LEAVE TO SERVE “JOHN DOE” SUMMONSES**

The United States of America submits this memorandum in support of its petition for an order approving the issuance of two Internal Revenue Service “John Doe” summonses to Citibank, N.A., and Bank of America, N.A., for correspondent account information related to Belize Bank International Limited (BBIL), Belize Bank Limited (BBL), or Belize Corporate Services, collectively the Belize entities. Pursuant to 26 U.S.C. § 7609(h), the Court’s determination to approve issuance of John Doe summonses “shall be made *ex parte* and shall be

made solely on the petition and supporting affidavits.” Thus, the pleadings filed in this proceeding will not be served upon any person or entity and no other filings are permitted from other persons or entities. Accordingly, this matter is ripe for the Court’s consideration. The United States requests that the Court review the petition and supporting documents and enter the proposed order at the Court’s earliest opportunity.

### **INTRODUCTION**

In an effort to evade their federal tax obligations, U.S. taxpayers often place assets and income in undisclosed foreign bank accounts in countries known for their financial secrecy. In some cases, taxpayers use shell entities to serve as the nominal owners of these accounts with the hope of further obscuring their interests. Taxpayers who fail to report foreign accounts or the income placed in such accounts are nevertheless liable for federal income taxes. In addition, using these practices to evade one’s reporting and tax obligations is illegal, and taxpayers who do so face the prospect of substantial penalties and criminal prosecution. While the taxpayers employing such tactics are notoriously — and intentionally — difficult to track, they cannot hide their activity completely. Critically, their activities are often reflected in the records of the foreign banks’ correspondent bank account. Foreign banks maintain so-called correspondent accounts at U.S. banks to conduct transactions involving U.S. currency. The United States now seeks this Court’s permission to issue two John Doe summonses to obtain records related to such correspondent accounts from U.S. banks and use these records to identify delinquent U.S. taxpayers.

BBIL and BBL are related banks based in Belize that market their ability to provide secret banking services to foreign residents. Belize Corporate Services is a related corporate service provider that has marketed its ability to set up Belize corporate entities, used to hide the

identity of account owners. As detailed below, the IRS knows — from interviews, voluntary disclosures, and records of criminal prosecutions — that U.S. taxpayers have used the Belize entities to set up and maintain undisclosed accounts to evade their U.S. tax obligations.

Additionally, the IRS is aware that BBIL and BBL maintained correspondent bank accounts at Citibank and Bank of America to conduct transactions involving U.S. currency. Belize Corporate Services used BBIL and BBL's correspondent account at Bank of America to accept payment from clients. The IRS has strong reason to believe that records of these correspondent accounts will reveal the identities of unknown delinquent taxpayers.

The United States brings this *ex parte* proceeding under § 7609(f) and (h) of the Internal Revenue Code (26 U.S.C.) for leave to serve John Doe summonses on Citibank and Bank of America. The John Doe summonses seeks records of the Belize entities' United States correspondent accounts. The "John Does" whose identities are sought by these summonses are taxpayers who used the Belize entities to conceal their income and assets in foreign accounts from the U.S. government. The issuance of the summonses is warranted here because (i) the summonses relate to an ascertainable group or class of persons comprised of U.S taxpayer-clients of the Belize entities; (ii) there is a reasonable basis for believing these U.S. taxpayers failed to comply with internal revenue laws; and (iii) information sufficient to establish these U.S. taxpayers' identities is not readily available to the IRS from other sources. In support of this petition, the United States submits this memorandum, the declaration of IRS Revenue Agent Michael Frazier ("Frazier Decl."), and the attached exhibits.

## BACKGROUND

### **I. U.S. Tax Laws Require Disclosing Foreign Financial Accounts and Paying Applicable U.S. Taxes**

United States taxpayers with gross income in excess of a minimum threshold amount in any one calendar year are required to file a U.S. Individual Income Tax Return, IRS Form 1040, with the IRS that reports the taxpayer's income from all sources worldwide. *See* 26 U.S.C. § 61; Frazier Decl., ¶ 70. U.S. taxpayers must also disclose on their Form 1040 direct or indirect financial interests in, or signature authority over, any foreign financial account and the country in which any such account was located. I.R.M. § 4.26.16.3.3(3)(A); Frazier Decl., ¶ 71; *see also* 26 U.S.C. § 6038D; 31 C.F.R. § 103.56(g). Further, U.S. taxpayers with any such foreign bank account that had an aggregate value of \$10,000 or more at any time during a particular calendar year are required to file a Report of Foreign Bank and Financial Accounts Form TD F 90-22.1 ("FBAR") with the Department of the Treasury. 31 U.S.C. § 5314; 31 C.F.R. § 1010.350; Frazier Decl., ¶ 72. These FBARs require the U.S. taxpayer completing them to identify the financial institution that held the foreign account, the type of the account (either bank, securities, or other), the account number, and the maximum value of the account during the calendar year at issue. Foreign bank accounts that are not reported to the IRS are known as undisclosed offshore accounts.

### **II. Offshore Banking and the Use of Correspondent Accounts**

Correspondent banking is the provision of banking services by one bank to another bank which allows banks to conduct business and provide services for their customers in countries where the banks have no physical presence. Frazier Decl., ¶ 13; Steven Mark Levy, *Federal Money Laundering Regulation: Banking, Corporate and Securities Compliance* § 15.01 Correspondent Banking and Money Laundering (2013). Accordingly, banks that are licensed in a foreign country and have no office in the United States can provide services in the United States to their customers by opening a correspondent account with an existing U.S. bank. Frazier Decl., ¶ 13. Correspondent accounts can also serve as a means of moving funds from the United



States into the foreign respondent bank. Foreign banks with existing correspondent accounts may allow other foreign banks to use those accounts, allowing multiple foreign banks to gain access to U.S. dollar accounts, U.S. wire transfer systems, and other financial services available in the United States through a single correspondent account. *Id.* ¶ 14. Correspondent accounts through which foreign banks other than the account holder gain access to the U.S. market are known as “nested” correspondent accounts. *Id.*

### **III. The Belize Entities’ Involvement with Undeclared Offshore Accounts**

#### **A. BBIL and BBL’s Correspondent Account**

BCB Holdings Limited is a publicly-traded financial-services holding company based in Belize. Frazier Decl, ¶ 30. According to BCB Holding Limited’s 2010 annual report, BCB consisted of four subsidiaries: (1) Belize Corporate Services, which is incorporated and based in Belize and provides corporate services to clients both domestically (in Belize) and internationally; (2) British Caribbean Bank International Limited, which is incorporated and based in Belize and provides offshore banking services to international clients; (3) Belize Bank Limited (“BBL”), which is incorporated and based in Belize and focuses on domestic commercial and retail banking in Belize; and (4) British Caribbean Bank Limited, which operates banks in the Turks and Caicos Islands. *Id.* at ¶ 22. BCB Holdings Limited later changed the name of British Caribbean Bank International Limited to Belize Bank International Limited (BBIL) and spun-off or de-merged from British Caribbean Bank Limited. *Id.* at ¶ 23.

During the time period January 1, 2006 through December 31, 2014, the Belize entities used correspondent accounts at Citibank and Bank of America. Agent Frazier reviewed IRS files and publicly available data and determined that BBIL and BBL used an account at Bank of America ending in 6053. Frazier Decl., ¶¶ 56-57. Bank of America maintains its headquarters in Charlotte, NC, and maintains an office, among other places, at 701 Brickell Avenue, Miami,

Florida. Though BBL focuses on Belizean clients and BBIL focuses on international clients, it is necessary to investigate both banks because Agent Frazier's investigation has revealed that the banks historically comingle their names, operations, and marketing. *Id.* at ¶ 57. Agent Frazier's investigation also revealed that BBIL and Belize Corporate Services used another account at Bank of America ending in 6058 beginning in 2011 or 2012. *Id.* at ¶ 58. Publically available information additionally revealed that BBIL and BBL maintain a correspondent account at Citibank. *Id.* at ¶ 59. Citibank maintains its headquarters in New York, and maintains an office, among other places, at 201 Biscayne Boulevard, Miami, Florida.

Through their correspondent relationships, BBIL, BBL, and users of their correspondent accounts such as Belize Corporate Services, could wire funds from Belize to their correspondent accounts at Bank of America and Citibank in the U.S., and in turn, wire funds from the correspondent accounts to other accounts within the U.S. or overseas. *Id.* at ¶ 60. BBIL and BBL also had the ability to issue checks drawn on the correspondent accounts at Bank of America and Citibank. *Id.* Checks drawn on a correspondent account function like any check drawn on an account at a U.S. financial institution and could be deposited, or cashed for U.S. dollars, at other financial institutions. *Id.* A correspondent account might also serve as a means of moving funds from the U.S. into a foreign respondent bank—BBIL and BBL in this case. *Id.* Based on the IRS's experience, the IRS reasonably believes that the Belize entities used their correspondent accounts to provide offshore banking services to U.S. taxpayers, who the IRS believes may have failed to report the existence of their foreign bank accounts and income to the IRS and the Department of the Treasury.

**B. U.S. Taxpayers Used the Belize Entities to Avoid Disclosing Their Foreign Accounts**

The IRS's experience suggests that numerous unknown U.S. taxpayers may be using the Belize entities and their correspondent accounts to avoid disclosing offshore accounts and associated taxable income. In the IRS's experience, U.S. taxpayers hold undisclosed foreign accounts in order to conceal their income from the IRS. *Id.* at ¶ 81. Indeed, there is a direct correlation between unreported income and the lack of visibility of that income to the IRS. *Id.* at ¶ 81. For example, when a third-party pays income to a taxpayer and does not report the taxpayer's income to the IRS, the taxpayer-recipient of that income is far less likely to report the income herself. *Id.* Belize is a financial secrecy jurisdiction whose banking laws permit U.S. residents to establish accounts without disclosure of information about such accounts to the public or the IRS. *E.g., United States v. Milligan*, 371 F. Supp. 2d 1127, 1128 (D. Arizona 2005); Staff of Senate Commission on Governmental Affairs, Crime and Secrecy, 98th Cong., 1st Sess., *The Use of Offshore Banks and Companies* 5-6 (Comm. Print 1983); Frazier Decl. ¶ 19.

Based on the IRS's experience with undisclosed offshore accounts and jurisdictions such as Belize, Agent Michael Frazier began an investigation to determine if unknown taxpayers were using the Belize entities to evade their U.S. taxes. As part of his investigation, Agent Frazier visited the websites of BBL and BBIL. He noted that those websites advertised BBIL's ability to provide undisclosed accounts to non-Belize residents. Frazier Decl., ¶ 36. Agent Frazier also visited the website of Belize Corporate Services. Frazier Decl., ¶¶ 25-34. The Belize Corporate Services website stated that it was "Belize's leading international financial service provider" and that as of March 2010, it had "over 16,400 companies under management." *Id.* at ¶¶ 25, 27. The Belize Corporate Services website advertised a number of products and services, which in the

IRS's experience are attractive to U.S. taxpayers seeking to hide offshore accounts, including setting up confidential Belizean corporations, virtual office services, and nominee director services. *Id.* at ¶¶ 28-32.

Agent Frazier additionally reviewed IRS records of corporate service provider audits. Taxpayers use corporate service providers to set up structures designed to disguise beneficial ownership in foreign assets. *Id.* at ¶ 38. Agent Frazier reviewed IRS examination files of other corporate service providers known to or suspected of assisting taxpayers in hiding assets from the IRS. Agent Frazier reviewed the IRS's files of "Service Provider-1," that provided offshore services to clients. *Id.* at ¶ 39. Agent Frazier's research revealed multiple instances where clients of Service Provider-1 incorporated a Belize corporation using the services of Belize Corporate Services as the registrar or nominee director, using the address of BBL as the corporate address of the Belize corporation and setting up offshore bank accounts at BBIL nominally owned by the Belize corporation or other foreign entities. Such structures concealed the client's ownership of accounts held in foreign banks.

Agent Frazier reviewed the IRS's files regarding "Service Provider-2." *Id.* at ¶ 40. Agent Frazier learned of situations involving the provision of nominee directors, the formation of offshore companies and offshore trusts in Belize and other foreign jurisdictions, offshore bank, brokerage and precious metal accounts, and other administrative services such as mail forwarding. *Id.* These situations included instances where Service Provider-2 made payments or deposits to BBIL using wire transfers and credit cards and used the services of Belize Corporate Services to incorporate Belizean IBCs. *Id.* The formation of these offshore entities was part of a package of services that included the foreign corporation's ownership of bank accounts at BBIL. *Id.*

Agent Frazier reviewed IRS files regarding “Service Provider-3,” including emails and billing invoices for various services. *Id.* at ¶ 41. Service Provider-3 provided its clients with bearer shares, certificates of incumbency, articles of incorporation, nominee director services, and the formation of offshore entities in Belize and other jurisdictions. *Id.* Service Provider-3 also offered mail forwarding services to clients. *Id.* These documents demonstrated Service Provider-3 was billed for the services of Belize Corporate Services to incorporate Belizean corporations and usage of BBIL’s address on corporate documents. *Id.* The formation of these offshore entities was part of a package of services that included the foreign corporation’s ownership of bank accounts and the use of mail forwarding to conceal the ownership of the accounts. *Id.*

Agent Frazier additionally reviewed IRS records from voluntary disclosure programs. The IRS operated three voluntary disclosure programs allowing certain U.S. taxpayers with undisclosed offshore accounts to disclose such account in exchange for potential avoidance of criminal prosecution among other things. *Id.* at ¶¶ 42-45. Agent Frazier’s review revealed at least 20 different voluntary disclosure submissions relating to at least 23 previously undisclosed accounts at BBIL or BBL. *Id.* at ¶ 46. Agent Frazier confirmed that these disclosures involved taxpayers who failed to report taxable income associated with their accounts at BBIL and BBL. *Id.* Agent Frazier additionally personally interviewed five taxpayers, referred to as Taxpayers 1-3 and 5-6, who made voluntary disclosures.

“Taxpayer 1” was the owner of a cargo-brokerage company. *Id.* at ¶ 48. In an interview with Agent Frazier, he admitted owning a Belizean corporation, which a corporate service provider formed for him. Taxpayer-1 used his Belizean corporation to open an account at BBIL through its website and at another Belize bank. Taxpayer-1 used the accounts to receive wire

transfers from customers of his business. In order to hide the account, Taxpayer-1 requested that statements and other account information not be mailed to his U.S. address. Taxpayer-1 accessed the account remotely and used part of the funds to invest in real estate and construct a vacation home in Belize. Although Taxpayer-1 was the beneficial owner of the Belizean corporation and its bank accounts, he did not report the Belizean corporation, the ownership of the accounts, or the receipt of the income directed to his account on his U.S. tax returns until he made his voluntary disclosure to the IRS.

Agent Frazier interviewed “Taxpayer-2” who is a consultant in the petroleum and energy industries. *Id.* at ¶ 49. With the assistance of Belize Corporate Services, Taxpayer-2 set up a Belizean corporation to receive consulting income from his international clients. Through the Belizean corporation, Taxpayer-2 established a bank account at BBIL, which was funded with consulting income generated by his foreign clients. Taxpayer-2 had signatory authority, beneficial ownership, and control over the funds in the account at BBIL. Taxpayer-2 did not report the income, or the ownership of the account, on his U.S. tax returns. He also did not report his ownership of the Belizean IBC on Form 5471 until he participated in the IRS’s voluntary disclosure program.

Agent Frazier interviewed “Taxpayer-3,” who with “Taxpayer-4”<sup>1</sup> set up a bank account in the Bahamas in the early 1990s to hide funds from possible malpractice claims related to Taxpayer-3’s medical practice. *Id.* at ¶ 50. Subsequently, in 2005, Taxpayer-3 and Taxpayer-4 traveled to Belize on a vacation and set up an account at BBL, transferring funds from their

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<sup>1</sup> Taxpayer-4 is married to Taxpayer-3 and was the joint owner of the relevant offshore bank accounts and filed a joint return with Taxpayer-3. Agent Frazier only interviewed Taxpayer-3.

Bahaman account to the Belizean account.<sup>2</sup> They had joint signatory authority over the account, and Taxpayer-3 requested the bank to hold all mail related to the account. Monies in the BBL account were invested in certificates of deposit. Neither the Bahamian or Belizean bank accounts, nor their earnings, were reported on Taxpayer-3 and Taxpayer-4's U.S. tax returns until their participation in the IRS's voluntary disclosure program.

Agent Frazier interviewed "Taxpayer-5" who is a maritime lawyer who established a Belizean corporation to provide ship registration and brokerage services to international clients. *Id.* at ¶ 51. Taxpayer-5 opened an account at BBIL in the name of the Belizean corporation using his U.S. passport and bank references from the United States. Taxpayer-5 opened the BBIL account remotely and managed the BBIL account via telephone. Taxpayer-5 funded the BBIL account through a wire transfer from U.S.-based accounts and through wire transfers of proceeds from his ship registration and brokerage service business. Taxpayer-5 had beneficial ownership of and complete control over the funds in the BBIL account, yet Taxpayer-5 did not report the Belizean corporation on Form 5471, nor did he report the BBIL account or any associated income on his U.S. tax returns until he made his voluntary disclosure to the IRS.

Finally, Agent Frazier interviewed "Taxpayer-6," who was a client of Service Provider-2, and was referred to Belize Corporate Services by Service Provider-2. Belize Corporate Services helped Taxpayer-6 set up a Belizean corporation with accounts at BBIL and a Swiss bank and offered him nominee director services, which he declined. The accounts were in the name of the

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<sup>2</sup> This account was identified as being held at BBL. Agent Frazier believes this account was likely held at BBIL rather than BBL. At the time this account was opened, both banks used the same location and operational staff. Because the distinction is primarily a legal one, it is likely that the bank staff did not explain the distinction to Taxpayer-3 or Taxpayer-4 when the account was opened.

Belizean corporation, which Taxpayer-6 controlled. These accounts held monies transferred from Taxpayer-6's previously undisclosed bank account in Jersey. The BBIL account included income that was not disclosed or taxed on Taxpayer-6's U.S. tax returns prior to Taxpayer-6's participation in the Service's offshore voluntary disclosure initiative.

In addition to reviewing the voluntary disclosures, Agent Frazier researched public records of criminal proceedings in the United States in which the defendants used secret accounts at BBIL (or possibly BBL) and concealed criminal proceeds. Frazier Decl., ¶53. Agent Frazier identified four cases involving improper uses of accounts at BBIL to hide assets. In one example, the United States District Court for the District of Oregon sentenced John Anthony Williams to 51 months in prison for multiple counts including wire fraud, mail fraud, and money laundering. *United States v. Williams*, No. 03-cr-60104 (D. Ore. Feb. 14, 2005). Williams was a financial advisor and estate planner who defrauded one of his elderly clients out of more than \$400,000. Frazier Decl., ¶53; *see also United States v. Williams*, 441 F.3d 716, 719-20 (9th Cir. 2006). In an attempt to hide his actions, Williams formed an offshore company in Belize, opened a bank account at BBIL, and wire transferred the stolen funds to the account. In Agent Frazier's experience, persons who use undisclosed foreign bank accounts to hold the proceeds of criminal or fraudulent activity also use these accounts to conceal income from the Service. Frazier Decl., at ¶ 54.

### **C. The IRS's Current Investigation**

To further its pending investigation and the identification of U.S. taxpayers who failed to disclose private offshore accounts, the IRS is seeking to issue summonses that will allow it to identify U.S. taxpayer-clients of the Belize entities who have not disclosed the existence of their



offshore accounts, nor reported income earned on those accounts. The “John Doe” class, therefore, is as follows:

United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited (“BBIL”), Belize Bank Limited (“BBL”), or Belize Corporate Services Limited (“Belize Corporate Services”), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Bank of America, National Association or Citibank, National Association

Summonses, attached as Exhibit 10 and 11 to the Frazier Decl. As discussed below, the summonses and their “John Doe” class are authorized and appropriate under Sections 7609(f) and (h) of the Internal Revenue Code, 26 U.S.C. § 7609.

#### **ARGUMENT**

One of the primary functions of the IRS is to review and audit tax returns submitted by U.S. taxpayers to ensure that all applicable taxes have been paid. Accordingly, § 7601 of the Internal Revenue Code requires the Secretary of the Treasury to “cause officers or employees of the Treasury Department to proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax.” 26 U.S.C. § 7601. To aid the IRS in carrying out this function, § 7602 authorizes the Secretary to summon records and testimony that may be relevant or material to an investigation. 26 U.S.C. § 7602. Specifically, § 7602, from which the IRS derives its principal information-gathering powers, authorizes the IRS:

[f]or the purpose of ascertaining the correctness of any return, making a return where none has been made, [or] determining the liability of any person for any internal revenue tax . . . [t]o summon . . . any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax . . . , or any other person the Secretary may deem proper, to

appear . . . and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry.

In passing Section 7602, Congress intended “to provide the Secretary with broad latitude to adopt enforcement techniques helpful in the performance of his tax collection and assessment responsibilities.” *United States v. Euge*, 444 U.S. 707, 715 n.9 (1980). Indeed, the Supreme Court has noted that section 7602 forms the “centerpiece” of the IRS’s “expansive information-gathering authority.” *United States v. Arthur Young & Co.*, 465 U.S. 805, 816 (1984); *see United States v. Clarke*, 134 S. Ct. 2361, 2367 (2014) (“And such an investigatory tool, we have recognized, is a crucial backstop in a tax system based on self-reporting.”). “Under 26 U.S.C. § 7602, the IRS has wide latitude to issue a summons for investigatory purposes.” *Reiserer v. United States*, 479 F.3d 1160 1166 (9th Cir. 2007) (*citing United States v. Jose*, 131 F.3d 1325, 1327 (9th Cir. 1997) (*en banc*)). ““To establish a need for judicial enforcement, this showing need only be minimal . . . . [T]he statute must be read broadly in order to ensure that the enforcement powers of the IRS are not unduly restricted.”” *Jose*, 131 F.3d at 1327-28 (*quoting Liberty Fin. Servs. v. United States*, 778 F.2d 1390, 1392 (9th Cir. 1985)); *see also Arthur Young*, 465 U.S. at 816 (“the very language of § 7602 reflects . . . a congressional policy choice *in favor of disclosure* of all information relevant to a legitimate IRS inquiry. In light of this explicit statement by the Legislative Branch, courts should be chary in recognizing exceptions to the broad summons authority of the IRS.”)

The IRS’s authority to issue “John Doe” summonses to banks or other depositories to discover the identity of individuals who may have failed to disclose all of their income was expressly recognized by the Supreme Court in *United States v. Bisceglia*, 520 U.S. 141 (1975), and later codified in Section 7609(f), which provides:

Any summons . . . which does not identify the person with respect to whose liability the summons is issued may be served only after a court proceeding in which the Secretary establishes that –

- (1) the summons relates to the investigation of a particular person or ascertainable group or class of persons,

- (2) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any provision of any internal revenue law, and
- (3) the information sought to be obtained from the examination of the records or testimony (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources.

26 U.S.C. § 7609(f). The Court's determination as to whether the IRS has met the requirements under Section 7609(f) for the issuance of a "John Doe" summons "shall be made *ex parte* and shall be made solely on the petition and supporting affidavits." 26 U.S.C. § 7609(h)(2).

Here, the Court should authorize the issuance of the summonses because all three statutory prerequisites have been met. First, the summonses relate to the investigation of an ascertainable group or class of persons, namely U.S. taxpayers who held an interest in accounts at BBIL or BBL or who established or maintained accounts with the assistance of Belize Corporate Services. Second, there is a reasonable basis for believing that U.S. taxpayers who held an interest in any such accounts failed to declare the account and/or the income related to it to the IRS, thereby violating one or more provisions of the internal revenue laws. Third, the information sought is not readily available to the IRS from other sources.

#### **I. The Investigation Concerns an Ascertainable Class**

The summonses here clearly relate to an investigation of an ascertainable group of people, which the summonses define as individuals having authority over accounts at BBIL or BBL or accounts established or maintained with the assistance of Belize Corporate Services during the tax years 2006 through 2014. *See* Frazier Decl., Ex. 10, 11. This is sufficient to establish that the summonses relate to an ascertainable group of persons.

Numerous cases have endorsed the service of a John Doe summons seeking information on almost identical classes. *E.g., In re Tax Liabilities of John Does (UBS AG)*, No. 1:08-mc-

21864 (S.D. Fla. Jul. 1, 2008).<sup>3</sup> In the *UBS AG* case, this court approved the issuance of an IRS John Doe summons for records in furtherance of investigation into the identity of unknown taxpayers having signature or other authority over accounts at the Swiss bank. In the process, this court (and each of the courts listed in note 3) found that a class of John Does, substantially similar to the class here, was ascertainable. *See also In re Tax Liabilities of John Does Who from January 1, 2005 through December 31, 2010, Transferred Real Property in the State of California*, No. 2:10-mc-00130, 2011 WL 6302284, at \*2 (E.D. Cal. Dec. 15, 2011) (holding that IRS investigation related to an ascertainable group of people where the summons “squarely particularize[d] the individuals sought from the general public” by identifying the class as California residents who between 2005 and 2010 were involved in certain real property transfers for little or no consideration); *In re Tax Liabilities of John Does*, No. 03-22793-CIV, 2003 WL 22953182, at \* 1 (S.D. Fla. Oct. 30, 2003) (holding that IRS investigation related to an ascertainable group of people where summons identified class as U.S. taxpayers who between 1997 and 2003 sold credit insurance policies where the policies were reinsured with entities in the Turks and Caicos Islands). Here, similarly, the IRS has established that the investigation underlying the summonses relate to an “ascertainable group or class of persons.” 26 U.S.C. § 7609(f).

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<sup>3</sup> *See also In re Tax Liabilities of John Does (Sovereign Management & Legal, Ltd.)*, No. 1:14-mc-417 (S.D.N.Y. Dec. 19, 2014); *In re Tax Liabilities of John Does (Butterfield Bank)*, No. 1:13-mc-377 (S.D.N.Y. Nov. 12, 2013); *In re Tax Liabilities of John Does (Zurcher Kantonalbank)*, No. 1:13-mc-378 (S.D.N.Y. Nov. 7, 2013); *In re Tax Liabilities of John Does (First Caribbean Int’l Bank)*, No. 3:13-cv-1938 (N.D. Cal. Apr. 29, 2013); *In re Tax Liabilities of John Does (Wegelin & Co.)*, No. 1:13-mc-21 (S.D.N.Y. Jan. 29, 2013); *In re Tax Liabilities of John Does (HSBC India)*, No. 4:11-cv-1686 (N.D. Cal. Apr. 7, 2011).

**II. There is a Reasonable Basis to Believe that the Unknown Persons May Fail, or May Have Failed, to Comply with the Internal Revenue Laws**

The IRS has a reasonable basis to believe that the unknown individuals who comprise the group of persons set forth in the summonses failed or may have failed to comply with provisions of the internal revenue laws. When enacting § 7609(f), Congress did “not intend to impose an undue burden on the [IRS] in connection with obtaining a court authorization to serve this type of summons.” H. Rep. No. 940658, 94th Cong., 1st Sess., at 311. Accordingly, to meet the “reasonable basis” prong, the IRS need only show that a transaction has occurred that is “of such a nature as to be reasonably suggestive of the possibility that the correct tax liability with respect to that transaction may not have been reported.” *Id.* Courts, therefore, have interpreted this requirement narrowly as intended only “to prevent the Service from exercising its summons power in an arbitrary or quixotic manner.” *In re Tax Liabilities of John Does, Members of the Columbus Trade Exchange in the Years 1977 and 1978*, 671 F.2d 977, 980 (6th Cir. 1982).

Here, based on the IRS’s experience, U.S. taxpayers have made use of offshore accounts such as the accounts maintained at BBIL or BBL or accounts established or maintained with the assistance of Belize Corporate Services to evade the reporting and payment of income taxes. *See Frazier Decl.*, ¶¶ 5-6, 48-52. There have been at least 20 voluntary disclosures made by U.S. taxpayers holding undisclosed accounts at BBIL or BBL where those taxpayers failed to report income related to those undisclosed accounts. *Id.* at ¶ 46. There have also been a number of criminal proceedings in the United States in which the defendants were proved or alleged to have used accounts at BBIL for tax evasion or as concealed repositories for the proceeds of the crime, and thus failed to report that concealed income. *Id.* at ¶ 53.

These facts plus the IRS’s experience with similar banking situations shows that U.S. taxpayers with accounts at BBIL or BBL or accounts established or maintained with the assistance of Belize Corporate Services may have failed to disclose those accounts, and report income related to them, as required by law. The IRS’s experience, moreover, demonstrates that there is a direct correlation between unreported income and the lack of visibility of that income

to the IRS. *Id.* at ¶ 81. Based on the IRS's experience, U.S. taxpayers have made use of offshore accounts such as the accounts maintained at BBIL and BBL through the Citibank and Bank of America correspondent accounts specifically to evade the reporting and payment of income taxes. *Id.* at ¶¶ 6-15. Agent Frazier's investigation also revealed that the Belize entities marketed their abilities to obscure the clients' identities from detection by the IRS. *See id.* at ¶¶ 24-34, 36.

Accordingly, this information is sufficient to establish that the IRS has a reasonable basis for investigating the group of unknown persons included in the Summons. *See, e.g., United States v. Kersting*, 891 F.2d 1407 (9th Cir. 1989); *United States v. Pittsburgh Trade Exchange, Inc.*, 644 F.2d 302, 306 (3d Cir. 1981) (IRS agent's testimony that transactions of the type the summoned party arranged for its clients were "inherently susceptible ... to tax error" sufficient to meet "reasonable basis" prong); *United States v. Ritchie*, 15 F. 3d 592, 601 (6th Cir. 1994) (clients' payment for legal services with large amounts of cash provided a reasonable basis to issue a "John Doe" summons). Here, as Agent Frazier's Declaration demonstrates, the IRS not only has a suspicion that the John Doe class includes U.S. taxpayers who are not complying with the law; it knows that the class very likely includes such violators.

### **III. The Information Sought About the "John Doe" Class Is Not Readily Available from Other Sources**

Finally, the information the IRS is seeking through the summonses is not readily available to it from any other sources. The identities of individuals is information that is not readily available to the IRS when those identities are known to third parties who "are not required to identify" them to the IRS. *United States v. Liebman*, 742 F.2d 807, 808 (3d Cir. 1984). In *Liebman*, the Third Circuit held that the IRS could not readily access the names of all clients of a law firm who deducted from their taxes legal fees paid in connection with the acquisition of certain tax shelters from any source other than the law firm itself, including the IRS's own tax records, because "taxpayers who deduct legal fees are not required to identify the recipients." *Id.* Here, the very need for the "John Doe" summons is premised on the fact that

U.S. taxpayer-clients of the Belize entities – although required to do so – failed to disclose the identity of their offshore bank accounts to the IRS and, therefore, remain unknown to the IRS.

The fact that the IRS was alerted to the existence of a class of persons reasonably likely to be violating internal revenue laws from one source does not establish that the identities of the individuals in that class are readily available to the IRS from that same source, as the Court found in *In re Tax Liabilities of John Does Who Sold Credit Insurance Policies*, 2003 WL 22953182, at \*1. In that case, an informant had alerted the IRS “to the existence of a class of persons engaged in transactions as subsidiaries of [American Bankers Insurance Group, Inc. (“ABIG”)] that are violative of internal revenue law.” *Id.* The court noted, however, that despite having been alerted to the existence of the class, the identity of the members of that class was “not readily available through a means other than from [ABIG] itself”. *Id.* Here, similarly, although the United States knows that a group of U.S. taxpayer-clients of the Belize entities who are in violation of internal revenue laws exists, the IRS cannot readily establish the identity of the members of that group of individuals from any source other than Citibank and Bank of America.

In some instances, tax treaties with foreign governments provide an alternate means of obtaining information about offshore accounts. However, the United States does not have a treaty with Belize that would permit the United States to obtain this information from a source within that country. United States Income Tax Treaties – A to Z, <http://www.irs.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties---A-to-Z>.

Courts have routinely recognized that the identities of U.S. taxpayers who the IRS reasonably believed were using foreign financial and credit card accounts to avoid complying with the internal revenue laws are not readily available from sources other than the financial institutions involved. For example, this Court in *In re Tax Liabilities of John Does Who During the Years Ended December 31, 1998 and 1999, Had Signatory Authority Over American Express or Master Card Credit, Charge or Debit Cards*, Case No. 00-cv-3919 (S.D. Fla. Oct. 39, 2000), issued an order authorizing the service of “John Doe” summonses upon American Express and

MasterCard International, Inc., for credits card information for cards issued by offshore banks. The Court held that the identities of the relevant U.S. taxpayers was not “readily available” from any sources other than AmEx and MasterCard, including the issuing offshore banks. *Id.*; see also *In re Tax Liabilities of John Does Who During the Years Ended December 31, 1999 through December 31, 2001, Had Signature Authority Over Visa Cards*, Case No. 02-mc-00049 (N.D. Cal. Mar. 25, 2002).

### CONCLUSION

The United States has shown that the IRS has met the requirements of 26 U.S.C. § 7609(f) in order to be allowed to serve its “John Doe” summons. Accordingly, the United States’ Petition should be granted.

Dated: September 15, 2015

Respectfully submitted,

CAROLINE D. CIRAOLO  
Acting Assistant Attorney General

s/ William E. Farrior  
WILLIAM E. FARRIOR  
S.D. Fla. Bar No. A5501479  
Trial Attorney, Tax Division  
U.S. Department of Justice  
P.O. Box 14198  
Washington, D.C. 20044  
202-616-1908 (v)  
202-514-4963 (f)  
William.E.Farrior@usdoj.gov

Of Counsel:

WIFREDO A. FERRER  
United States Attorney



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

-----X  
IN THE MATTER OF THE TAX  
LIABILITIES OF:

JOHN DOES, United States taxpayers who, at  
any time during the years ended December 31,  
2006, through December 31, 2014, directly or  
indirectly had interests in or signature or other  
authority (including authority to withdraw  
funds, trade or give instructions or receive  
account statements, confirmations or other  
information, advice or solicitations) with  
respect to any financial accounts maintained at,  
monitored by, or managed through Belize Bank  
International Limited (“BBIL”) or Belize Bank  
Limited (“BBL”), or Belize Corporate Services  
Limited (“Belize Corporate Services”), their  
predecessors, subsidiaries, and affiliates, and  
financial accounts maintained at, monitored by,  
or managed through other financial institutions  
that BBIL, BBL, or Belize Corporate Services  
permitted to transact client business through  
their United States correspondent accounts at  
Bank of America, National Association or  
Citibank, National Association  
-----X

Case No. \_\_\_\_\_

**DECLARATION OF  
MICHAEL FRAZIER**

I, Michael Frazier, pursuant to 28 U.S.C. § 1746, declare and state:

1. I am a duly commissioned Internal Revenue Agent (“Revenue Agent”) assigned as Technical Specialist in the Internal Revenue Service’s (the “Service”) Offshore Compliance Initiatives Program. The Offshore Compliance Initiatives Program develops projects, methodologies, and techniques for identifying United States taxpayers involved in abusive offshore transactions and financial arrangements for tax-avoidance purposes. I have been a Revenue Agent since 2005, and have specialized in international and offshore tax matters since

that time. As a Revenue Agent, I have received training in tax law and audit techniques, and have received specialized training in abusive offshore tax issues. I also have experience examining and investigating offshore tax matters.

2. Since September 2013, I have been assigned to work on the Service's Offshore Private Banking Initiative. Prior to that, from 2010 to 2013, I was assigned as a coordinator to Revenue Agents examining foreign companies engaged in oil exploration and development activities in U.S. coastal waters as part of the Service's Outer Continental Shelf Compliance Initiative. As a coordinator, I provided training and technical guidance to the Revenue Agents. I also conducted research on specific issues and monitored the cases handled by the Revenue Agents.

3. Prior to that, from 2005 to 2010, I worked as a Revenue Agent on large corporate income tax examinations in the Service's Large-Medium Size Business Division. As a Revenue Agent, my duties included conducting examinations (audits) of taxpayers to determine their correct income tax liability. I have conducted examinations that involved transfer pricing issues, foreign tax credits, permanent establishment in the U.S., international corporate restructuring transactions, and foreign asset transfers. I have conducted penalty investigations involving failures to file information returns such as Form 5471, *Information Return of U.S. Persons With Respect to Certain Foreign Corporations*, Form 8858, *Information Return of U.S. Persons With Respect To Foreign Disregarded Entities*, and Form 8865, *Return of U.S. Persons With Respect to Certain Foreign Partnerships*, and I have assisted other Revenue Agents in similar examinations and investigations.

4. Prior to joining the Service, I worked for approximately 20 years as a tax accountant and tax manager in public accounting firms and various corporate-tax departments. During this time, I was involved with a number of international and offshore tax matters. I also have a Master's Degree in Professional Accounting – Taxation, from the University of Texas at Austin, and received a Certified Public Accountant certificate from the Missouri Board of Accountancy in 1990.

**I. BACKGROUND**

**A. Offshore Tax Avoidance**

5. The Service has long been concerned with the problem of U.S. taxpayers—whether involved in lawful or unlawful activities—evading their U.S. tax obligations by concealing unreported taxable income in accounts in offshore tax haven or financial-secrecy jurisdictions. That problem has been described in detail in a number of reports, including: Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations, Crime and Secrecy: The Use of Offshore Banks and Companies, S. Rep. No. 99-130 (1985); United Nations' Office for Drug Control and Crime Prevention, Global Programme Against Money Laundering, Financial Havens, Banking Secrecy and Money Laundering, (May 29, 1998), *available at* <http://www.imolin.org/imolin/finhaeng.html>; and Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations, Tax Haven Banks and U.S. Tax Compliance, S. Rep. No. 110-614 (2008).

6. Since 2000, the Service has conducted thousands of examinations in cases developed through John Doe summonses issued as part of its offshore compliance initiatives. Experience in those examinations has shown that:

- a. Offshore tax evasion almost always involves a foreign financial account.
- b. Offshore tax evasion often involves an offshore entity (e.g., corporation, trust, foundation) or structure of entities. These entities are typically controlled through nominee directors or trustees, and are used to conceal the taxpayer's beneficial ownership of offshore, and sometimes domestic, accounts and assets.
- c. Taxpayers forming or acquiring offshore entities or structures, or opening offshore bank accounts, often use the services of offshore trust and corporate-service providers who advertise that they do the following:
  - i. open bank accounts;
  - ii. create corporations, trusts, and foundations; and
  - iii. serve as nominee directors, officers, and trustees for the beneficial owner.
- d. Taxpayers with offshore financial accounts often transfer funds to, and receive funds from, their offshore banks through U.S. correspondent accounts maintained by the offshore banks at U.S. banks.

7. In addition to its examination experience, the Service has received in excess of 50,000 voluntary disclosures from taxpayers with offshore accounts and entities in a series of Offshore Voluntary Disclosure Programs announced as opportunities for taxpayers to self-disclose tax non-compliance involving offshore accounts and arrangements in exchange for limits on their exposure to criminal and civil penalties. Taxpayers making voluntary disclosures under the Service's recent offshore voluntary disclosure initiatives have reported the use of undisclosed bank accounts in over 600 banks, or branches of banks, in jurisdictions throughout

the world. Many of these offshore accounts were held through shell companies or trusts, or employed other arrangements to conceal the beneficial owner. Many used the services of offshore trust and corporate-service providers.

**B. Private Offshore Banking and Correspondent Accounts**

8. Private banks are banks, or operational units within banks, that specialize in providing financial and related services to wealthy individuals. Private banks primarily provide such services by acting as a financial advisor, estate planner, credit source, and investment manager.

9. To open an account in a private bank, prospective clients typically must deposit a substantial sum, often \$1 million or more. In return for this deposit, the private bank assigns a “private banker” or “client advisor” to act as a liaison between the client and the bank to facilitate the client’s use of the bank’s wide-ranging financial services and products. Those products and services often span the globe, enabling the client to benefit from services in carefully selected offshore jurisdictions that tout their strong financial-privacy laws.

10. Offshore private banking practices have received considerable attention in recent years. The Senate Permanent Subcommittee on Investigations issued a report concluding that:

Most private banks offer a number of products and services that shield a client’s ownership of funds. They include offshore trusts and shell corporations, special name accounts, and codes used to refer to clients or fund transfers.

All of the private banks interviewed by the Subcommittee staff made routine use of shell corporations for their clients. These shell corporations are often referred to as ‘private investment corporations’ or PICs. They are usually incorporated in [tax haven or financial-privacy] jurisdictions... which restrict disclosure of a PIC’s beneficial owner. Private banks then open accounts in the name of the PIC, allowing the PIC’s owner to avoid identification as the account holder.

Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities:

Hearings before the Senate Permanent Subcommittee on Investigations, S. Hrg. 106-428 at 881-82 (1999) (Minority Staff Report), *available at* <http://www.hsgac.senate.gov/download/report-private-banking-and-money-laundering-a-case-study-of-opportunities-and-vulnerabilities>.

11. The Service's experience has shown, however, that private banking relationships are not the only mechanism used by individuals to conceal ownership of funds from taxing authorities and others. As described in paragraph 7, above, the disclosure of undisclosed bank accounts in over 600 banks, or branches of banks, in jurisdictions throughout the world suggest that offshore account abuses are not limited to private bank accounts.

12. The use of correspondent accounts by offshore banks for the purpose of accessing U.S. financial markets, and banking customers, is another mechanism for hiding ownership that has received considerable attention.

13. In 2001, the Minority Staff of the Senate Permanent Subcommittee on Investigations published an investigative report on correspondent banking, explaining:

Correspondent banking is the provision of banking services by one bank to another bank. It is a lucrative and important segment of the banking industry. It enables banks to conduct business and provide services for their customers in jurisdictions where the banks have no physical presence. For example, a bank that is licensed in a foreign country and has no office in the United States may want to provide certain services in the United States for its customers in order [to] attract or retain the business of important clients with U.S. business activities. Instead of bearing the costs of licensing, staffing and operating its own offices in the United States, the bank might open a correspondent account with an existing U.S. bank. By establishing such a relationship, the foreign bank, called a respondent, and through it, its customers, can receive many or all of the services offered by the U.S. bank, called the correspondent.

Today, banks establish multiple correspondent relationships throughout the world so they may engage in international financial transactions for

themselves and their clients in places where they do not have a physical presence. Many of the largest international banks located in the major financial centers of the world serve as correspondents for thousands of other banks. Due to U.S. prominence in international trade and the high demand for U.S. dollars due to their overall stability, most foreign banks that wish to provide international services to their customers have accounts in the United States capable of transacting business in U.S. dollars. Those that lack a physical presence in the U.S. will do so through correspondent accounts, creating a large market for those services.

Correspondent Banking: A Gateway to Money Laundering: Hearings before the Senate

Permanent Subcommittee on Investigations, S. Hrg. 107-84 at 287 (2001) (Minority Staff

Report), *available at* [http://www.hsgac.senate.gov/download/report\\_correspondent--banking-a-gateway-for-money-laundering](http://www.hsgac.senate.gov/download/report_correspondent--banking-a-gateway-for-money-laundering).

14. The Correspondent Banking Report went on to describe the dangers of “nested” foreign correspondent accounts:

Another practice in U.S. correspondent banking which increases money laundering risks in the field is the practice of foreign banks operating through the U.S. correspondent accounts of other foreign banks. The investigation uncovered numerous instances of foreign banks gaining access to U.S. banks – not by opening a U.S. correspondent account – but by opening an account at another foreign bank which, in turn, has an account at a U.S. bank. In some cases, the U.S. bank was unaware that a foreign bank was “nested” in the correspondent account the U.S. bank had opened for another foreign bank; in other cases, the U.S. bank not only knew but approved of the practice. In a few instances, the U.S. banks were surprised to learn that a single correspondent account was serving as a gateway for multiple foreign banks to gain access to U.S. dollar accounts, U.S. wire transfer systems and other services available in the United States.

Id. at 310.

15. In the Service’s experience, correspondent accounts provide domestic owners of offshore accounts with a mechanism for accessing those accounts remotely. Additionally, offshore banks that utilize correspondent accounts at a U.S. bank may also allow other offshore

banks to use the correspondent account, which increases an individual's ability to conceal his use of undisclosed offshore accounts.

**C. Corporate Service Providers**

16. It is the Service's experience that individuals seeking to avoid their United States tax obligations through the use of foreign entities are often assisted by corporate-service providers. Corporate-service providers are intermediaries that are familiar with the entity requirements in one, or multiple, foreign jurisdictions and assist individuals in creating offshore entities and bank accounts.

17. In discussing how offshore banks and corporate-service providers assist U.S. taxpayers in concealing their ownership of accounts held at foreign banks, the Senate Permanent Subcommittee on Investigations detailed its interview of Sam Congdon, founder and president of Equity Development Group ("EDG"), a promoter of offshore schemes in areas such as Belize and the Bahamas. Mr. Congdon testified before the Subcommittee in response to a formal request. See Minority and Majority Staff Report of Permanent Subcommittee on Investigations, Senate Committee on Homeland Security and Governmental Affairs, Tax Haven Abuses: The Enablers, The Tools and Secrecy: Hearings Before the Senate Permanent Subcommittee on Investigations, at 17 (Comm. Print 2006).

18. EDG endeavored to be a one-stop shop for clients seeking to establish an offshore structure. Id. at 17-28. Through its website, EDG explained the offshore structures that it could create for its clients, such as offshore corporations, referred to as "international business corporations" ("IBCs"), offshore trusts, offshore bank and brokerage accounts, and offshore addresses. Id. EDG offered packages to customers that included an offshore corporation in



Belize, an offshore trust in the Bahamas, offshore bank accounts, and offshore mail forwarding for a year. Id. Mr. Congdon testified before the Subcommittee that he typically set up a corporation with each trust that he established. Id. EDG also sold shelf companies, which are shell corporations that have been in existence for some period of time before they are purchased. Id. When setting up these trusts and shell corporations, EDG typically used local offshore service companies similar to Belize Corporate Services Limited (“Belize Corporate Services”) (discussed below) in Belize, Commonwealth Trust Services in the British Virgin Islands, and IFG Trust Company in Nevis. Id.

**D. BCB Holdings Limited and Its Subsidiaries**

19. As reported by the Permanent Subcommittee on Investigations in a 2006 report:

Belize is a small nation on the Caribbean coast of Central America. It is home to a developing offshore financial industry, including eight offshore banks, one offshore insurance company, 23 trust companies, and 38,471 registered offshore corporations. Officials in the country have reported a recent increase in financial crimes, including bank fraud, forgery, and counterfeiting.

Minority and Majority Staff Report of Permanent Subcommittee on Investigations, Senate Committee on Homeland Security and Governmental Affairs, Tax Haven Abuses: The Enablers, The Tools and Secrecy: Hearings Before the Senate Permanent Subcommittee on Investigations, at 15 (Comm. Print 2006) (citing International Narcotics Control Strategy Report, Volume II: Money Laundering and Financial Crimes, U.S. Department of State Bureau for International Narcotics and Law Enforcement Affairs, at 92-94 (Mar. 2006)), *available at* <http://www.hsgac.senate.gov/download/report-tax-haven-abuses-the-enablers-the-tools-and-secrecy>.

**(1) BCB Holdings Limited**

20. BCB Holdings Limited (“BCB”) is a publicly-traded financial-services holding company based in Belize. According to its website, BCB was formed in 1987 when a group of investors bought the banking assets of Royal Bank of Canada in Belize under the name of a holding company, Belize Holdings, Inc. Belize Holdings, Inc., changed its name to Carlisle Holdings Limited in 2005, then to BB Holdings Limited in 2006, and finally to BCB Holdings Limited in May of 2009.

21. BCB is a holding company with no independent business operations or assets other than its investments in its banking and financial-services subsidiaries. BCB’s ordinary shares are currently traded on the Alternative Investment Market of the London Stock Exchange (AIM) under the symbol 'BCB' and on the Bermuda Stock Exchange under the ticker symbol “BBHL BH.”

22. According to BCB’s 2010 Annual Report, BCB financial services group consisted of four subsidiaries: (1) Belize Corporate Services, which is incorporated and based in Belize and provides corporate services to clients both domestically (in Belize) and internationally; (2) British Caribbean Bank International Limited, which is incorporated and based in Belize and provides offshore banking services to international clients; (3) Belize Bank Limited (“BBL”), which is incorporated and based in Belize and focuses on domestic commercial and retail banking in Belize; and (4) British Caribbean Bank Limited (“BCB Turks Caicos”), which operates banks in the Turks and Caicos Islands.

23. On October 26, 2011, BCB completed a reorganization that included name changes to some of its subsidiaries and a demerger (spin-off) of BCB Turks Caicos into

Waterloo Investment Holdings Limited. As a result of the reorganization, BCB currently operates Belize Corporate Services, British Caribbean Bank International Limited, now named Belize Bank International Limited (“BBIL”), and BBL.

**(2) Belize Corporate Services Limited**

24. Belize Corporate Services operates a website: <http://www.belizecompanies.com>. I have visited this website on multiple occasions. Since my initial visit on February 12, 2014, the website design has been substantially revised.

25. According to the “About Us” section of its website (accessed on January 28, 2015), Belize Corporate Services was “Initially established as an offshore service provider primarily for Belize International Business Companies,” and “is now Belize’s leading international financial service provider with a global network of professional intermediary and private customers.” Attached hereto as Exhibit 1 is a print out of Belize Corporate Services’s “About Us – Belize Corporate Services” webpage.

26. Belize Corporate Services’s “About Us – Belize Corporate Services” webpage further explains that its services include: Belize and other foreign jurisdiction company formation, assistance with opening offshore bank accounts denominated in several different currencies, assistance with opening online and offline securities brokerage accounts, credit card accounts, debit and pre-paid card services, and virtual office and bookkeeping services. See Ex. 1.

27. The offerings listed on Belize Corporate Services’s website are also reiterated in BCB’s 2010 Annual Report, which states that Belize Corporate Services offers foreign corporate formation and administration services in Belize, the British Virgin Islands, Nevis, St. Lucia,

Panama, Seychelles, the Turks and Caicos, Hong Kong, and other jurisdictions. It continues, explaining that “as of March 2010, Belize Corporate Services has over 16,400 companies under management.”

28. Belize Corporate Services’s website provides links to explain the characteristics of, and download applications for, the Belize IBC (international business company), Belize Trusts, and Belize Foundations. As discussed above, it is the Service’s experience that individuals seeking to avoid their United States or other tax obligations employ entities such as IBCs, foreign trusts, and offshore foundations.

29. With respect to IBCs, Belize Corporate Services’s “FAQ” section of its website explains that IBCs may be created remotely (i.e., without visiting Belize) and that confidentiality “is one of the many attributes of a Belize IBC.” The webpage further explains, “No information pertaining to the identity of directors and shareholders is filed in any public register in Belize. Filing requirements are limited primarily to memorandum and articles of association, name of registered agent and address of registered office.” Attached hereto as Exhibits 2 and 3, respectively, are print outs of Belize Corporate Services’s “FAQ” and “IBC” webpages.

30. The “IBC” section of Belize Corporate Services’s webpage also includes a subsection titled “Belize Ready Made Companies.” According to its website, Belize Corporate Services sells ready-made (shelf) IBCs. The shelf companies are already registered and available for immediate purchase. The purchase price increases with the age of the IBC. Belize Corporate Services’s “Ready Made Companies” webpage lists 24 shelf companies ranging in price from \$3,575 for “Tickle Top S.A.” or “Last Chance Corporation” established in 2006, and \$3,175 for “Valerie International Holdings” established in December 2007, to \$775 for “King of Arms

LTD.” or “Angel White S.A.” established in 2014. Attached hereto as Exhibit 4 is a print out of Belize Corporate Services’s “Ready Made Companies” webpage, marketing its shelf entities. It is the Service’s experience that individuals seeking to avoid their United States tax obligations often employ shelf entities because the shelf entity’s existence prior to the involvement of the taxpayer individual helps conceal the individual’s beneficial ownership.

31. Belize Corporate Services offers virtual office services that include a local telephone number, fax number, and address for use by the client. Mail and telephone calls can also be forwarded to the client. Finally, the telephone number can be answered in the IBC’s name by an operator. As explained on Belize Corporate Services’s website, “Having a virtual office allows you to indicate a significant physical presence in Belize to demonstrate that the Belize IBC is not only incorporated in Belize, but also carrying on business from within Belize.” Attached hereto as Exhibit 5 is a print out of Belize Corporate Services’s “Virtual Office Services” webpage. It is the Service’s experience that individuals seeking to avoid their United States tax obligations use such services to conceal their beneficial ownership of the offshore entity.

32. Belize Corporate Services’s ancillary corporate service offerings include tax exemption certificates, preparation of resolutions and other corporate documents, and corporate nominee director and secretary services. As explained above, it has been the Service’s experience that individuals seeking to avoid their United States tax obligations often employ nominees to conceal their ownership of the offshore entity.

33. Belize Corporate Services’s “IBC” section also includes a link to an IBC application (available in portable document format (PDF)). Attached hereto as Exhibit 6 is a

copy of the IBC application. The application includes wire transfer instructions for applicants remitting U.S. Dollars. Those instructions reference a correspondent account at Bank of America under the name The Belize Bank Limited – International Division (account number \*\*\*\*-\*-\*6058).<sup>1</sup> Individuals that employed Belize Corporate Services for the purpose of creating an IBC, trust, or foundation, so as to avoid their United States tax obligations, would wire money through this correspondent account.

34. Finally, Belize Corporate Services’s website contains a link discussing “Professional Intermediaries.” Belize Corporate Services’s “Professional Intermediaries” webpage provides an opportunity for other corporate-service providers (such as Sam Congdon and EDG discussed above) to partner with Belize Corporate Services and obtain discounted rates and fees on services offered by Belize Corporate Services. This opportunity expands the reach of Belize Corporate Services’s services beyond its direct clients to other, indirect, clients being served by Belize Corporate Services’s professional intermediary partners. Attached hereto as Exhibit 7 is a print out of Belize Corporate Services’s “Professional Intermediaries” webpage.

### **(3) Belize Bank International Limited**

35. Belize Bank International Limited (“BBIL”) is directly owned by Belize Bank Limited, per the 2014 BCB Annual Report. BBIL caters to corporate, private, and international clients and offers service on its website that include: multi-currency accounts, certificates of deposit (CDs), wire transfers, credit cards, debit cards, pre-paid Visa cards, merchant services, and loans to corporate institutions and individuals. BBIL’s website—  
<http://www.belizebankinternational.com>—has links to bank account, credit card, and loan

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<sup>1</sup> As discussed below, this is the same correspondent account that is currently maintained by BBIL at Bank of America.

applications, including wire transfer instructions through accounts at correspondent banks.

Attached hereto as Exhibit 8 is a print out of BBIL's "Customer Support – Transfer Instructions" webpage showing the various correspondent banks that BBIL works with.

36. The BBIL website touts Belize's long history of client confidentiality and strict, long-standing bank secrecy laws to ensure the protection of banking records and has links to articles that explain the benefits and drivers of offshore banking. Attached hereto as Exhibit 9 is a print out of a PDF brochure about BBIL, which is available on BBIL's website. The brochure, like the website, touts BBIL's client privacy, discretion, and ease of remote account access. It is the Service's experience that individuals seeking to avoid their United States tax obligations seek out these characteristics in an offshore bank. Such characteristics allow individuals to conceal their ownership while maintaining easy and remote access to their offshore accounts.

**(4) Belize Bank Limited**

37. Belize Bank Limited ("BBL") "is incorporated and based in Belize and focuses on the provision of financial services and lending to domestic clients," per the 2014 BCB Annual Report. BBL's website offers personal banking services that include: consumer loans, home loans, checking and savings accounts, credit cards, and term deposits, wire transfers, debit cards. Corporate banking services include checking and savings accounts, credit cards, term deposits, merchant services, loans, and services to Foreign Businesses. BBL's website—<http://www.belizebank.com>—has links to bank account, credit card, and loan applications, and links to the websites of BBIL and Belize Corporate Services.

**E. The Service's Investigation**

38. Since 2000, the Service has conducted thousands of examinations in cases developed through John Doe summonses issued as part of its Offshore Compliance Initiatives Program. Experience in those examinations (specifically those examinations involving foreign or domestic corporate-service providers like Belize Corporate Services) has shown that the beneficial owner, while claiming to be "removed" from the foreign assets or entities, in fact retains control over such assets or entities through other means such as a side agreement with the corporate-service provider.

39. During my investigation, I reviewed the Service's examination files and documents of a corporate-service provider, Service Provider-1, that provided offshore services to clients similar to those provided by Mr. Congdon and EDG. Through my review, I discovered multiple instances where clients of Service Provider-1 incorporated a Belize IBC using the services of Belize Corporate Services as the registrar or nominee director, used the address of BBL as the corporate address of the Belize IBC, and set up offshore bank accounts at BBIL owned by the Belize IBC or other foreign entities. This structure resulted in the concealment of the client's ownership of accounts held in foreign banks.

40. Through the review of the Service's examination file of a different corporate-service provider, Service Provider-2, I learned of situations involving the provision of nominee directors, the formation of offshore companies and offshore trusts in Belize and other foreign jurisdictions, offshore bank, brokerage and precious metal accounts, and other administrative services such as mail forwarding. These situations included instances where Service Provider-2 made payments or deposits to BBIL using wire transfers and credit cards and used the services of



Belize Corporate Services to incorporate Belizean IBCs. The formation of these offshore entities was part of a package of services that included the foreign corporation's ownership of bank accounts at BBIL.

41. My review of documents provided to the Service by a third corporate-service provider, Service Provider-3, included emails and billing invoices for various services. Service Provider-3 provided its clients with bearer shares, certificates of incumbency, articles of incorporation, nominee director services, and the formation of offshore entities in Belize and other jurisdictions. Service Provider-3 also offered mail forwarding services to clients. These documents demonstrated Service Provider-3 was billed for the services of Belize Corporate Services to incorporate Belizean IBCs and usage of BBIL's address on corporate documents. The formation of these offshore entities was part of a package of services that included the foreign corporation's ownership of bank accounts and the use of mail forwarding to conceal the ownership of the accounts.

42. The Voluntary Disclosure Practice is a longstanding practice of the Service's Criminal Investigation Division, and takes timely, accurate, and complete voluntary disclosures into account when the Division is deciding whether to recommend criminal prosecution of a taxpayer to the Department of Justice. It enables noncompliant taxpayers to resolve their tax liabilities and minimize their chances of criminal prosecution. The Voluntary Disclosure Practice requires participating taxpayers to cooperate with the Service in the determination of their correct liability for tax and penalties, but does not specify any particular terms for resolution of tax and penalties.

43. On March 23, 2009, the Service announced a voluntary disclosure program designed to bring taxpayers using undisclosed foreign accounts or entities as a mechanism to avoid or evade tax into compliance with U.S. tax laws. This program, known as the 2009 Offshore Voluntary Disclosure Program (“2009 OVDP”), ran from March 23, 2009 through October 31, 2009, and covered tax years 2003 through 2008. By entering and qualifying for the 2009 OVDP, taxpayers were required to file all original and amended returns and pay all taxes, interest and predetermined penalties, including a 20 percent offshore penalty.

44. After the 2009 OVDP closed, the Service opened a second special offshore disclosure initiative known as the 2011 Offshore Voluntary Disclosure Initiative (“2011 OVDI”). The 2011 OVDI ran from February 8, 2011 through September 9, 2011, and covered tax years 2003 through 2010. The objective of the 2011 OVDI was the same as the 2009 OVDP; however, the penalty framework changed and the offshore penalty rate increased from 20 to 25 percent.

45. The Service began an open-ended offshore voluntary disclosure program in January 2012 (“2012 OVDP”) on the heels of strong interest in both the 2009 OVDP and 2011 OVDI. The 2012 OVDP has a higher penalty rate than the 2011 OVDI and is currently available to taxpayers.

46. I researched BBIL, BBL<sup>2</sup>, and Belize Corporate Services in the Service’s Offshore Voluntary Disclosure Program database and learned that, to date, U.S. taxpayers made

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<sup>2</sup> Based on my research, I determined that although BBIL and BBL are technically distinct entities, they are often used interchangeably in the public sphere. Historical documents indicate that both banks operated from the same location and used the same operational staff. Indeed BBIL is being (and has been) marketed as a division of BBL. See Ex. 6 (referring to BBIL as the “international division” of BBL). This commingling caused me to research both BBIL and BBL. Through my search I discovered that in some instances, taxpayers referenced BBL as the bank rather than BBIL. In those instances, I believe that the account was likely held at BBIL rather

at least 20 different voluntary disclosure submissions relating to at least 23 previously undisclosed accounts at BBIL or BBL. I have reviewed these voluntary disclosure submissions, and they involve taxpayers who failed to report income tax liabilities arising from the activity in the undisclosed accounts at BBIL or BBL.

47. In addition, I personally interviewed five U.S. taxpayers that made voluntary disclosure submissions to the Service.

48. Taxpayer-1 was the owner of a cargo-brokerage company. Taxpayer-1 was also the beneficial owner of a Belizean IBC formed on his behalf by a corporate-service provider in Belize. Taxpayer-1's Belizean IBC opened an account at BBIL remotely through BBIL's website, and at another Belize banking institution. Taxpayer-1 used the accounts to receive wire transfers from customers of Taxpayer-1's cargo-brokerage business. Taxpayer-1 had signatory authority over the accounts and requested that statements and other account information not be mailed to Taxpayer-1's U.S. address. At the time the account at BBIL was opened, Taxpayer-1 provided BBIL with a copy of his United States passport indicating his country of residence. Taxpayer-1 accessed the account remotely through the internet, fax, and sometimes email from his residence in the United States. Taxpayer-1 used part of the funds to invest in real estate and construct a vacation home in Belize. Although Taxpayer-1 was the beneficial owner of the Belizean IBC and its bank accounts, he did not report the Belizean IBC, the ownership of the accounts, or the receipt of the cargo-brokerage income and other interest income on his U.S. tax returns until he made his voluntary disclosure during the 2011 OVDP.

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than BBL because the taxpayer was not a Belizean citizen or resident and Belizean banking restrictions limit the ability of a non-citizen or resident to open an account at domestic banks such as BBL.

49. Taxpayer-2 is a consultant in the petroleum and energy industries. With the assistance of Belize Corporate Services, Taxpayer-2 set up a Belizean IBC to receive consulting income from his international clients. Through the Belizean IBC, Taxpayer-2 established a bank account at BBIL, which was funded with consulting income generated by Taxpayer-2's foreign clients. Taxpayer-2 had signatory authority, beneficial ownership, and control over the funds in the account at BBIL. For the Belize IBC, Taxpayer-2 provided Belize Corporate Services (through the mail) with a copy of his U.S. passport, indicating that his country of residence was U.S.A. Taxpayer-2 also provided Belize Corporate Services bank references and corporate documents. Taxpayer-2 funded the BBIL account through wire transfers. Taxpayer-2 did not report the income, or the ownership of the account, on his U.S. tax returns. He also did not report his ownership of the Belizean IBC on Form 5471 until he participated in the Service's 2011 OVDP.

50. Taxpayer-3 and Taxpayer-4<sup>3</sup> set up a bank account in the Bahamas in the early 1990s to hide funds from possible malpractice claims related to Taxpayer-3's medical practice. Subsequently, in 2005, Taxpayer-3 and Taxpayer-4 traveled to Belize on a vacation and set up an account at BBL.<sup>4</sup> Taxpayer-3 and Taxpayer-4 transferred the funds from their account in the Bahamas to their account in Belize. Taxpayer-3 and Taxpayer-4 provided their U.S. passport to BBL at the time the account was opened. Taxpayer-3 and Taxpayer-4 had joint signatory

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<sup>3</sup> Taxpayer-4 is married to Taxpayer-3 and was the joint owner of the relevant offshore bank accounts and filed a joint return with Taxpayer-3. I, however, only interviewed Taxpayer-3.

<sup>4</sup> This account was identified as being held at BBL. As discussed in footnote 2, above, I believe this account was likely held at BBIL rather than BBL. At the time this account was opened, both banks used the same location and operational staff. Because the distinction is primarily a legal one, it is likely that the bank staff did not explain the distinction to Taxpayer-3 or Taxpayer-4 when the account was opened.

authority over the account and Taxpayer-3 requested the bank to hold all mail related to the account. Monies in the BBL account were invested in certificates of deposit. Neither the Bahamian or Belizean bank accounts, nor their earnings, were reported on Taxpayer-3 and Taxpayer-4's U.S. tax returns until their participation in the Service's 2012 OVDP.

51. Taxpayer-5 is a maritime lawyer who established a Belizean IBC to provide ship registration and brokerage services to international clients. Taxpayer-5 opened an account at BBIL in the name of the Belizean IBC using his U.S. passport and bank references from the United States. Taxpayer-5 opened the BBIL account remotely and managed the BBIL account via telephone. Taxpayer-5 did not have online account access. Taxpayer-5 funded the BBIL account through a wire transfer from U.S.-based accounts. Taxpayer-5 also funded the BBIL account through wire transfers of proceeds from his ship registration and brokerage service business. Taxpayer-5 had beneficial ownership of and complete control over the funds in the BBIL account. Taxpayer-5 did not report the Belizean IBC on Form 5471, nor did he report the BBIL account, or any associated income on his U.S. tax returns until he made his voluntary disclosure in the 2009 OVDP.

52. Taxpayer-6 was a client of Service Provider-2, and was referred to Belize Corporate Services by Service Provider-2. Belize Corporate Services helped Taxpayer-6 set up a Belizean IBC with accounts at BBIL and a Swiss bank and offered him nominee director services, which he declined. The accounts were in the name of the Belizean IBC, which Taxpayer-6 controlled. These accounts held monies transferred from Taxpayer-6's previously undisclosed bank account in the Jersey Island. The monies had originally been received by Taxpayer-6 as consulting and interest income. The BBIL account included income that was not

disclosed or taxed on Taxpayer-6's U.S. tax returns prior to Taxpayer-6's participation in the Service's offshore voluntary disclosure initiative.

53. In addition to reviewing the voluntary disclosures, I have researched public records. Through my research, I have learned of criminal proceedings in the United States in which the defendants used secret accounts at BBIL (or possibly BBL) and concealed criminal proceeds:

a. United States v. Taansen Fairmont Sumeru, a.k.a. David Freeston, et al.

– In 2005, the U.S. Attorney's Office for the Central District of California obtained an indictment against defendant Sumeru. The case was filed in Central District of California (Case No. 05-cr-00121). In 2006 (and in a 2008 retrial), defendant Sumeru was convicted of securities fraud, wire fraud, conspiracy to commit money laundering, and failure to file federal income tax returns for 1999 and 2000. These crimes were part of a larger operation that involved a Grenadian company, Sattva Investment Bank, which attracted customers by offering high returns and claiming deposits were guaranteed by a sham offshore insurer known as IDIC. The U.S. District Court juries found that defendant Sumeru and others diverted funds obtained from Sattva investors for their personal use. Defendant Sumeru laundered some of the criminal proceeds through accounts in Bahamas, Hawaii, and an account at BBIL.

b. United States v. Lanas Evans Troxler – In 2005, the U.S. Attorney's Office for the Northern District of Texas obtained an indictment against defendant Troxler. The case was filed in Northern District of Texas (Case No. 05-cr-00263). In 2008, defendant Troxler was convicted of one count of corruptly endeavoring to obstruct and impede administration of the internal revenue laws, four counts of attempting to evade and defeat tax, and twelve counts of

assisting in the preparation and presentation of false and fraudulent tax returns. Beginning in November 1997, defendant Troxler set up a complex series of sham offshore entities to create the appearance of foreign-source income. These entities had bank accounts at a number of Caribbean banks, including BBIL and BBL. Defendant Troxler also operated a website where he offered customers other offshore services including banking services at BBIL and BBL, among others. The court found that defendant Troxler and his clients retained full control over their assets, businesses, and income earned from them, and the income was taxable and should have been reported on their respective federal individual and business income tax returns.

c. United States v. John Anthony Williams – In 2003, the U.S. Attorney's Office for the District of Oregon obtained an indictment against defendant Williams. The case was filed in the District of Oregon (Case No. 03-cr-60104). In 2004, defendant Williams was convicted and sentenced for mail and wire fraud, money laundering, and foreign transportation of stolen money. Defendant Williams was a financial advisor and estate planner who defrauded one of his elderly clients out of more than \$400,000. In an attempt to hide his actions, defendant Williams formed an offshore company in Belize, opened a bank account at BBIL, and wire transferred the stolen funds to the account.

d. In re: Robert Edwin Jacobsen – The case was filed in United States Bankruptcy Court for the Eastern District of Texas (Case No. 07-41092). In 2009, after Jacobsen filed his voluntary bankruptcy petition, the court found that Jacobsen set up shell companies in Belize and bank accounts at BBIL for the purposes of evading creditors and hiding assets. The court sanctioned Jacobsen under 11 U.S.C. § 105(a), finding that Jacobsen acted in bad faith,

attempted to defraud the court, falsified documents presented to the court, caused materially false pleadings to be filed with the court, and abused the bankruptcy process.

54. In my experience, persons who use undisclosed foreign bank accounts to hold the proceeds of criminal or fraudulent activity also use these accounts to conceal income from the Service.

**F. BBIL and BBL's Correspondent Accounts**

55. Paragraphs 56 through 60, below, summarize BBL's and BBIL's correspondent account information. Based on my research reflected herein, these accounts existed for some period of time during the summons period, which covers the years ending December 31, 2006 through December 31, 2014.

56. With respect to BBL, information available to the Service indicates that BBL maintained a correspondent account with Bank of America, National Association ("Bank of America") for essentially all of the summons period. Information available to the Service indicates that the account uses SWIFT Code BOFAUS3N and account number \*\*\*\*-\*-\*6053. Bank of America is a subsidiary of Bank of America Corporation, which maintains its headquarters in Charlotte, North Carolina. Bank of America operates banking centers in Florida, including a location at 701 Brickell Avenue, Miami, Florida.

57. With respect to BBIL, according to BCB's 2010 annual report, BBIL also maintains a correspondent account with Bank of America. Information available to the Service indicates that the SWIFT Code for this account is BOFAUS3N. Historical information available to the Service indicates that prior to 2012, BBIL used the same correspondent account used by BBL—account no. \*\*\*\*-\*-\*6053, discussed above. This is consistent with my findings about



the historical commingling of the bank names and operations, the marketing of BBIL as a division of BBL, and the apparent confusion of account holders I interviewed as discussed herein as to which bank their account was actually at. In light of this, I believe it is necessary for the Service to obtain information with respect to BBL's correspondent account at Bank of America as it may contain information related to BBIL.

58. Information available to the Service indicates that beginning in 2011 or 2012, BBIL began using its own correspondent account with Bank of America. The account uses SWIFT Code BOFAUS3N and account number \*\*\*\*-\*-\*6058. This is the account that is identified on BBIL's website for wire transfers (see Ex. 8) and is also used by Belize Corporate Services. See Ex. 6.

59. According to BCB's 2010 Annual Report, BBIL and BBL also maintain a correspondent account at Citibank. Citibank is a subsidiary of Citigroup Inc., which maintains its headquarters in New York, New York.<sup>5</sup> Citibank operates banking centers in Florida, including a location at 201 Biscayne Boulevard, Miami, Florida. I have been unable to identify the SWIFT Code or account number for the BBIL or BBL correspondent account(s) maintained at Citibank.

60. Based on my experience, I know that through their correspondent relationships, BBIL, BBL, and users of their correspondent accounts such as Belize Corporate Services, could wire funds from Belize to their correspondent accounts at Bank of America and Citibank in the U.S., and in turn, wire funds from the correspondent accounts to other accounts within the U.S. or overseas. BBIL and BBL also had the ability to issue checks drawn on the correspondent

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<sup>5</sup> Citibank, National Association, is headquartered in Sioux Falls, South Dakota.

accounts at Bank of America and Citibank. Checks drawn on a correspondent account function like any check drawn on an account at a U.S. financial institution and could be deposited, or cashed for U.S. dollars, at other financial institutions. Based on my experience, I know that a correspondent account might also serve as a means of moving funds from the U.S. into a foreign respondent bank—BBIL and BBL in this case.

**G. The Service’s Investigation and the John Doe Summonses**

61. The Service is now investigating U.S. taxpayers who directly or indirectly held (or hold) interests in, or have signature or other authority over, undisclosed financial accounts at BBIL or BBL, as well as at other banks that BBIL or BBL may have permitted to use their U.S. correspondent accounts, and who have not been or may not be complying with U.S. internal revenue laws that require such taxpayers to report the existence of foreign financial accounts and income earned on those accounts.

62. To facilitate this investigation, the Service is seeking the Court’s permission to serve, pursuant to § 7602 of the Internal Revenue Code (26 U.S.C.), “John Doe” summonses on BBIL and BBL’s correspondent banks in the U.S—Bank of America and Citibank. Copies of the summonses are attached as Exhibits 10 and 11, respectively.

63. Based on information received by the Service, the persons in the “John Doe” class failed or may have failed to report the existence of foreign financial accounts under their control, failed to report income, evaded income taxes, or otherwise violated the internal revenue laws of the United States.

64. The correspondent account records requested in the John Doe summons will contain information necessary to identify U.S. taxpayers with undisclosed accounts at BBIL (or

possibly BBL) and at other institutions (such as Belize Corporate Services) that BBIL or BBL may have permitted to use their U.S. correspondent accounts. For example, client names and other identifying information may be contained in payee or note lines, on signature lines, or in endorsements on checks. Such information may also appear on payee or note lines, signature lines, or in endorsements on deposited items, or on originator, beneficiary, or instruction fields on wire transfer records.

65. Because of the heightened risk of money laundering through correspondent accounts, §§ 312, 313 and 319(b) of the U.S.A. Patriot Act and related regulations impose certain obligations on U.S. financial institutions such as Bank of America and Citibank that house correspondent accounts for foreign financial institutions to guard against money laundering. As explained on page 121 of the Bank Secrecy Act/Anti-Money Laundering Examination Manual (the “Examination Manual”), published by Federal Financial Institutions Examination Council:

Due diligence policies, procedures, and controls must include each of the following:

- Determining whether each such foreign correspondent account is subject to enhanced due diligence.
- Assessing the money laundering risks presented by each such foreign correspondent account.
- Applying risk-based procedures and controls to each such foreign correspondent account reasonably designed to detect and report known or suspected money laundering activity, including a periodic review of the correspondent account activity sufficient to determine consistency with information obtained about the type, purpose, and anticipated activity of the account.

The Examination Manual, Foreign Correspondent Account Recordkeeping and Due Diligence—Overview, *available at* [https://www.ffiec.gov/pdf/bsa\\_aml\\_infobase/documents/BSA\\_AML\\_Man\\_2010.pdf](https://www.ffiec.gov/pdf/bsa_aml_infobase/documents/BSA_AML_Man_2010.pdf).

66. The summons also requests reports produced by Bank of America and Citibank's anti-money laundering system in connection with the due diligence requirements, as well as documents reflecting the results of investigations of such exceptions, including communications to BBIL or BBL, or other users of the correspondent accounts, such as Belize Corporate Services. Such exception reports and investigation results may contain information relevant to the identification of U.S. taxpayers with undeclared accounts at BBIL or BBL, or other institutions using the correspondent accounts.

## **II. THE "JOHN DOE" SUMMONS REQUIREMENTS HAVE BEEN MET**

67. As described in greater detail below: (A) the "John Doe" summonses to Bank of America and Citibank relate to the investigation of an ascertainable group or class of persons; (B) there is a reasonable basis for believing that such group or class of persons has failed or may have failed to comply with provisions of the internal revenue laws; and (C) the information and documents sought to be obtained from the examination of the records or testimony (and the identity of the persons with respect to whose tax liabilities the summonses have been issued) are not readily available from sources other than Bank of America and Citibank.

### **A. The Summonses Describe an Ascertainable Class of Persons**

68. The proposed "John Doe" summonses to Bank of America and Citibank seek information regarding U.S. taxpayers who, at any time during the years ended December 31, 2006 through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through BBIL, BBL, or Belize

Corporate Services, their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their U.S. correspondent accounts at Bank of America or Citibank.

69. This class of persons is ascertainable in that the individuals in the class are particularized from the general public by their characteristics of being U.S. taxpayers holding accounts at BBIL or BBL or with other institutions to which BBIL or BBL extend privileges of conducting transactions through their U.S. correspondent accounts such as Belize Corporate Services.

**B. Members of the “John Doe” Class May Have Failed to Comply with Internal Revenue Laws**

**(1) Internal Revenue Laws Require United States Taxpayers to Report Income Earned Worldwide, to Disclose All Foreign Financial Accounts, and to File Reports of Certain Foreign Financial Accounts**

70. United States taxpayers with gross income exceeding the filing requirement must file annual income tax returns reporting their income from all sources worldwide. Taxpayers who fail to report all income on their income tax returns, including income earned in accounts held overseas, have failed to comply with the internal revenue laws.

71. United States taxpayers who have a financial interest in, or signature authority over, any foreign financial account must disclose the existence of that account on their federal income-tax returns. This is done by checking the “Yes” box in response to a question at the bottom of Schedule B, Interest and Ordinary Dividends, which is attached to the U.S. Individual Income Tax Return Form 1040 or Form 1040A.

72. United States taxpayers who have a financial interest in, or signature authority over, one or more financial accounts in a foreign country with an aggregate value of more than \$10,000 at any time during a calendar year are required to file with the Department of the Treasury, for that calendar year, a Report of Foreign Bank and Financial Accounts on FinCEN Form 114 ("FBAR")<sup>6</sup>. The FBAR for that calendar year is due by June 30 of the next calendar year. It is the experience of the Service that taxpayers who have failed to file FBARs with respect to foreign financial accounts typically have also failed to check the box on Schedule B of the U.S. Individual Income Tax Return Form 1040 (or Form 1040A), disclosing the existence of foreign financial accounts, and have failed to report interest or other income earned with respect to those foreign accounts.

73. A United States person who receives a distribution from a foreign trust, or who was the grantor of, or transferor to, a foreign trust, or who receives certain large gifts or bequests from certain foreign persons, may be required to file Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts.

74. A United States person who is treated as an owner of any portion of a foreign trust under the grantor trust rules is responsible for ensuring that the foreign trust files Form 3520-A, *Annual Information Return of Foreign Trust With a U.S. Owner*, and that the required annual statements are furnished to its U.S. owners and U.S. beneficiaries.

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<sup>6</sup> Effective for 2013, Report of Foreign Bank and Financial Accounts, commonly known as an "FBAR," is now reported on FinCEN Form 114 (a.k.a. FinCEN Report 114). Prior to FinCEN Form 114, an FBAR was reported on Form TD F 90-22.1.

75. A United States person may be required to file Form 5471, *Information Return of U.S. Persons With Respect to Certain Foreign Corporations*, if certain conditions are met relating to their ownership interest in a foreign corporation.

**(2) The Internal Revenue Service has Reason to Believe that Members of the “John Doe” Class May Have Failed to Comply with One or More Requirements of the Internal Revenue Laws**

76. The “John Doe” class includes U.S. taxpayers with accounts at BBIL or BBL or at other institutions such as Belize Corporate Services that BBIL or BBL permitted to use their correspondent accounts to transact business in the United States. Based on prior experience and my current investigation, it is reasonable to believe that members of the John Doe class may have failed to comply with one or more requirements of the internal revenue laws.

77. This conclusion is supported generally by the Service’s experience that individuals often use offshore bank accounts as a mechanism to avoid their U.S. tax obligations.

78. BBIL and BBL’s partnership with their sister entity, Belize Corporate Services, also supports this conclusion. Belize Corporate Services either directly, or indirectly through its professional intermediaries, provides offshore corporate services to clients, including the creation of IBCs, offshore trusts and foundations, virtual office and nominee services. The Service’s experience indicates that individuals using the types of services offered by Belize Corporate Services are often interested in concealing their beneficial ownership of foreign assets or bank accounts and that such concealment may be for the purpose of avoiding U.S. tax obligations. Because Belize Corporate Services’s clients typically hold accounts at BBIL as part of their service package, it is reasonable to conclude that individuals seeking to avoid their U.S. tax obligations have accounts at BBIL.

79. This conclusion is further supported by my current investigation. During my investigation, I reviewed public records. Those records indicated instances where individuals held undisclosed bank accounts at BBIL or BBL for criminal or other purposes. On at least one occasion, the accounts were used to avoid U.S. tax obligations. See United States v. Lanas Evans Troxler, Case No. 05-cr-00263 (N.D. Tex. 2005).

80. Additionally, during my investigation, I interviewed five taxpayers that held accounts at BBIL or BBL. These taxpayers controlled accounts either directly or indirectly through a foreign entity, and failed to disclose such accounts to the Service until their participation in the various Offshore Voluntary Disclosure Programs. Notably, some of these taxpayers had utilized the services of Belize Corporate Services either directly or indirectly through a professional intermediary or other offshore-corporate-service provider. The fact that these individuals held accounts at BBIL or BBL that were not reported in violation of internal revenue laws makes it reasonable to conclude that other, currently unidentified account holders, are also failing to report their BBIL accounts in violation of the internal revenue laws.

81. It is the experience of the Service that there is a direct correlation between unreported income and the lack of visibility of that income to the Service. That is, when the third-party payer of income to a taxpayer is not required (or fails) to report that income to the Service, the taxpayer-recipient of that income is far less likely to report that income on his tax returns. Such instances are much more common in situations where the taxpayer-recipient is using an offshore account, which in turn, further supports the Service's belief that U.S. taxpayers with undisclosed offshore accounts at BBIL and other institutions that may have used BBIL's or



BBL's correspondent accounts may not be complying with the internal revenue laws requiring them to report income earned on those accounts.

82. Because it does not know the identities of those individuals within the "John Doe" class, the Service cannot yet examine the income tax returns filed by those U.S. taxpayers to determine whether they properly reported that income.

83. The information obtained by the Service and discussed in this Declaration suggests that many of the still-unknown U.S. account holders at BBIL and BBL, and customers of Belize Corporate Services, have neither disclosed the existence of their offshore accounts nor reported income earned on those accounts. Instead, they have likely relied on the lack of third-party reporting to support their decision not to report the existence of those accounts, with the expectation that the Service would not discover the accounts or omitted income.

**C. The Requested Materials Are Not Readily Available From Other Sources**


84. To my knowledge, and based on my experience, the only repositories of the information sought by the proposed summonses that are readily available to the Service are Bank of America and Citibank, which are the custodians of the records of BBIL's and BBL's correspondent accounts.

85. In light of the above, the records sought by the "John Doe" summonses are not otherwise reasonably and timely available to the Service.

III. CONCLUSION

86. Based upon the foregoing, I believe that the information sought in the "John Doe" summonses to be issued to Bank of America and Citibank will allow the Service to identify U.S. taxpayers who may have failed to comply with their obligation to report and pay U.S. tax on income earned with respect to financial accounts at BBIL and BBL and at other institutions, such as Belize Corporate Services, using BBIL's and BBL's Bank of America and Citibank correspondent accounts during the years ended December 31, 2006 through December 31, 2014.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct. Executed this 15th day of September, 2015.

  
MICHAEL FRAZIER  
Internal Revenue Agent  
Internal Revenue Service

# Exhibit 1

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## Belize Corporate Services

Initially established as an offshore service provider primarily for [Belize IBC](#), Belize Corporate Services Limited is now Belize's leading international financial service provider with a global network of professional intermediary and private customers. Through our affiliate companies, we offer a broad range of offshore services for the international client, whether that may be a trading business, a holding company or private client. These services include but are not limited to the following.

- Company formation and administration of Belize IBC's, BVI, Nevis, Panama, & Hong Kong companies, among others.
- Trustee and Trust Agent Services
- Assistance with opening of offshore bank accounts (Euro, US Dollar, British Pound among others)
- Assistance with opening online & offline securities brokerage accounts
- Visa Credit, Debit or Prepaid Cards
- Virtual Office Services
- Bookkeeping Services

We take pride in providing accurate and efficient personalized service to our clients. Our very experienced staff comprises of multilingual individuals fluent in English, Spanish and Chinese, for your convenience.

To find out how you or your company can become a part of our global network of professional client or intermediary, please visit our [Professional Client](#) page.

### Helpful Links

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### Partners

[BELIZE BANK INTERNATIONAL](#)

[BELIZE BANK](#)

### Belize Corporate Services Limited

21 Regent Street, 2nd Floor,  
P.O. Box 1871,  
Belize City, Belize C.A

T: (501) 227-2567/1591/1558  
F: (501) 227-7018

E: [corporate@belizecompanies.com](mailto:corporate@belizecompanies.com) / [services@belizecompanies.com](mailto:services@belizecompanies.com)

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# Exhibit 2

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## FAQ

### What is an International Business Company (IBC)?

An International Business Company, also known as an offshore company, is a legal entity normally used as an investment vehicle and is not subject to any taxes in Belize.

### Is Belize a stable jurisdiction for an offshore company?

Belize, though a jurisdiction of just more than twenty years of independence, is a model of stability, peace and democracy. Blessed with a strong and tested legal system and a vibrant system of democratic government substantially adopted from the United Kingdom.

### Do I have to visit Belize to incorporate my company?

No. All the necessary forms and due diligence information can be submitted via email with hard copies to follow by mail.

### How long does it take to set up a company in Belize and what are the costs?

A Belize IBC is incorporated within 24 hours of your request.

### In what languages can an IBC be incorporated?

A Belize IBC may be incorporated in any language (provided a properly translated English version is also submitted) and with an authorized share capital in a foreign currency. The certificate of Incorporation is also granted in that foreign script.

### When I order my Belize IBC, do I automatically get an offshore bank account?

No. A bank account has to be requested. Belize Bank, however, can provide a seamless service of corporate formation and opening of a foreign currency corporate bank account through British Caribbean Bank International Limited without any fees being levied for facilitating the latter.

### What is due diligence information?

The International Financial Services Commission, the body that regulates the IBC in Belize, requires that all Registered Agents know the clients they are doing business with. Therefore, it is the agent's responsibility to get as much information on the client in order to be comfortable conducting business.

### What level of Confidentiality can I expect?

Confidentiality is one of the many attributes of a Belize IBC. No information pertaining to the identity of directors & shareholders is filed in any public register in Belize. Filing requirements are limited primarily to memorandum and articles of association, name of registered agent and address of registered office.

### What is a proof of address?

Any document showing the full name of the person with their residential address details. (Ex: telephone or electricity bill)

### What is a Professional reference letter?

A letter which states that the writer of the letter has known the person for a period of years (min 2 years) and briefly describes the manner of the professional relationship.

### Are LLC's incorporated in Belize?

We do not incorporate LLC's in Belize, but Limited Duration Companies (LDC's). The main difference between an IBC and LDC is that Managers are appointed instead of directors and the life span of LDC's is 50 years. The cost for an LDC is the same as the Incorporation cost for a standard IBC.

### What is the difference between a corporate director and an individual director?

A corporate director is a corporation, which can have several different signatories who sign on behalf of the company, while an individual director is an actual person who would always be the one to sign on behalf of the company for which he is appointed.

### Can I be the sole shareholder in my company?

Yes, for a Belize IBC, there is a minimum requirement of one shareholder.

### What are IBC's most commonly used for?

IBC's are most commonly used for offshore banking, investment activities and asset protection.

### If I already have an IBC, can I have it registered in Belize?

Yes. This procedure is called "Continuation", or "Re-domiciliation". The IBC Act provides for companies incorporated in a jurisdiction outside of Belize to be continued in Belize, as long as it satisfies the requirements prescribed for a Belize IBC.

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**What taxes will I have to pay for my IBC?**

Belize IBC's are totally exempt from all forms of taxation in Belize including stamp duty.

**Where is the information regarding directors and shareholders kept?**

Information regarding directors and shareholders is kept at the Registered Agent's office and is not available for public viewing.

**Does the authorized capital need to be paid-up?**

There is no requirement for the authorized capital to be paid-up.

**Belize Corporate Services Limited**

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## Belize IBC

Belize International Business Companies or Belize IBC Act, established in 1990 and based heavily on the British Virgin Island's model, allows for Belize International Business Company formations.

An International Business Company (IBC) is a very flexible, confidential, tax efficient and proven corporate vehicle suitable for a wide range of offshore trading, investment and asset protection activities and solutions.

### Some of the primary attributes of the Belize IBC are as follows:

#### Efficient Registry

The IBC Registry routinely incorporates a Belize IBC within 24 hours of lodgment of the constitutive documents of the company together with the prescribed fee.

#### Low cost

At US\$100.00, Belize's incorporation and annual license fee is the lowest in the world among recognized offshore jurisdictions.

Example:

Jurisdiction	Belize	British Virgin Islands	Panama
Government Incorporation & Annual Renewal Fees	US\$100	US\$350	US\$350

#### Confidentiality

Filing requirements for a Belize IBC are limited primarily to memorandum and articles of association, name of registered agent and address of registered office. Bearer shares may be issued subject to registered agent/professional intermediary custody requirements.

#### User Friendly

Having been based on and not changed materially from the original BVI IBC Act, the common law-based Belize IBC is legally familiar. Bearer shares may be held with any professional intermediary in and outside of Belize.

#### Name Availability

With just over 65,000 IBCs incorporated in Belize as compared to over 7,000,000 in BVI, Belize clearly and conveniently has much greater company name options for the client.

#### Tax Free

The Belize IBC enjoys total exemption from all forms of taxation in Belize including stamp duty.

#### No Currency Exchange Control

A Belize IBC may freely open and maintain any type of currency account.

#### Flexibility

A Belize IBC is capable of being incorporated for (or restricted to (as in the case of special purpose corporations)) any object not prohibited by the laws of Belize.

The Belize IBC may have only one director. Directors can be corporate and need not be resident in the country.

Meetings of Belize IBC shareholders and/or directors may be held in any country at any time and may be attended by proxy.

Resolutions of members and/or directors may be passed without a meeting.

Shares can be issued without par value.

A Belize IBC may be incorporated in any language (provided a properly translated English version is also submitted) and with an authorized share capital in a foreign currency. The Certificate of Incorporation is also granted in that foreign script.

Belize IBCs may migrate into and out of Belize. However, once re-domiciled in Belize, the former governing law ceases to be operable.

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**Belize Corporate Services Limited**

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P.O. Box 1871,  
Belize City, Belize C.A

T: (501) 227-2567/1591/1558  
F: (501) 227-7018

E: [corporate@belizecompanies.com](mailto:corporate@belizecompanies.com) / [services@belizecompanies.com](mailto:services@belizecompanies.com)

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## Belize Ready Made Companies

The following list of companies have already been registered and are available for immediate purchase.

Note: Company name is reserved for a period of ONE WEEK ONLY. Thereafter, company name automatically becomes available

### Companies incorporated with Registered/Bearer Shares

Company Name	Incorporation Date	Cost	
LEGENDARY PRODUCTIONS SERVICES LIMITED	Sep 2006	\$3,575.00	order now
LAST CHANCE CORPORATION	Dec 2006	\$3,575.00	order now
TICKLE TOP S.A.	Nov 2006	\$3,575.00	order now
FINE MANAGEMENT CORPORATION	Oct 2006	\$3,575.00	order now
PAPERCLIP FINANCE CORP.	Sep 2007	\$3,175.00	order now
PIN-PON BUSINESS LTD.	Dec 2007	\$3,175.00	order now
VALERIE INTERNATIONAL HOLDINGS INC.	Dec 2007	\$3,175.00	order now
THEODORE DEVELOPMENT SERVICES CORP.	Dec 2007	\$3,175.00	order now
WEALTHWORLD INC.	Dec 2007	\$3,175.00	order now
DARK CLOUD HOLDINGS CORP.	Dec 2008	\$2,775.00	order now
WAR EAGLE CORP.	Dec 2008	\$2,775.00	order now
SHIPPING CENTER LIMITED	Dec 2009	\$2,375.00	order now
YO-YO ENTERPRISES CORP.	Dec 2009	\$2,375.00	order now
ISMAEL INTERNATIONAL LTD.	Aug 2010	\$1,975.00	order now
GREGORY INVESTMENTS CORP.	Aug 2010	\$1,975.00	order now
WEALTHY DRAGON INVESTMENT CORP	Sep 2012	\$1,175.00	order now
GLUNBU INTERNATIONAL INC.	Nov 2013	\$1,175.00	order now
HOT RED CORP.	Feb 2014	\$775.00	order now
FRESH YELLOW LTD.	Feb 2014	\$775.00	order now
MYSTERY PURPLE LTD.>/td>	Feb 2014	\$775.00	order now
ANGEL WHITE S.A.	Feb 2014	\$775.00	order now
KING OF ARMS LTD.	Feb 2014	\$775.00	order now
EAST END CONSULTANTS LTD.	Mar 2014	\$775.00	order now
COSMIC VENTURES LTD.	Mar 2014	\$775.00	order now

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#### Belize Corporate Services Limited

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 P.O. Box 1871,  
 Belize City, Belize C.A

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## Virtual Office Services

Our Virtual Office service provides you with a local point of contact in Belize for your customers and all the benefits of a permanent office without the need to actually be there or incur the normal attendant costs. It involves no capital outlay, no staff costs, no legal complications and unparalleled personalized service. Having a virtual office allows you to indicate a significant physical presence in Belize to demonstrate that the Belize IBC is not only incorporated in Belize, but also carrying on business from within Belize.

There are currently two levels of Virtual Office Service available, depending on your personal requirements:

### Plan A: Virtual Office Premier

This comprehensive identity package includes:

- Local telephone number ANSWERED IN YOUR COMPANY NAME by our experienced telephone operators,
- Local fax number,
- Local P.O. Box number,
- Mail forwarding by email
- Use of our prestigious address for your letterhead and business cards.
- Snail mail may be forwarded to you by regular airmail on your standing instruction.
- All faxes will be forwarded to you by email immediately creating a complete company image.
- All telephone calls will be taken and messages in respect thereof will be reported via email.
- Forwarding of telephone call will be done to your cellular phone should you desire at usual telephone rates.

For Plan A, the Annual Service Fee is US\$1500.00 per annum (plus Deposits and Disbursements, recurrent and otherwise), for telecommunications services, mail forwarding and other third party charges.

### Plan B: Virtual Office Gold

This basic package includes:

- Use of our prestigious addresses for collection of your mail
- Bank statements and other correspondence
- Forwarding of all messages by e-mail

The Annual Service Fee for this Plan B is US\$300.00 per annum excluding third party charges.

## Administration and Bookkeeping Services

Further enhancing our virtual office services, we offer corporate administration and bookkeeping services. This involves complete maintenance of books of accounts for the Belize IBC, including issuing of purchase orders, issuing of invoices, tracking of inventory, preparing financial statements and reports.

### Belize Corporate Services Limited

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# Exhibit 6



21 Regent Street / P.O. Box 1871  
Belize City, Belize, Central America

**Belize International Business Company (IBC) Application**

Tel: (501) 227-2567 / 1591 / 1558  
Facsimile: (501) 227-7018  
Email: corporate@belizecompanies.com  
services@belizecompanies.com  
www.belizecompanies.com

\* For your convenience the highlighted areas serve as guidelines for a standard IBC formation.

**1- COMPANY INFORMATION**

Proposed Name of Company:

Note: A company name must end with either the words, "Limited", "Corporation", "Anonyme", "Sociedad Anonyme", "Aktiengesellschaft", or and abbreviation thereof.

Please give 3 alternative names in order of priority:

a)

b)

c)

Describe the nature of the business to be undertaken by the company: (Please be as specific as possible)


NOTE: A Belize International Business Company (IBC) is prohibited from carrying on the following activities:

- a) Carrying on business with persons resident in Belize;
- b) Owning an interest in real property situated in Belize, other than a lease referred to in §5(2)(e) of the IBC Act ("the Act");
- c) Carrying on a banking business unless it is licensed under an enactment authorising it to carry on such business;
- d) Carrying on business as an insurance or reinsurance company, insurance agent or insurance broker, unless it is licensed;
- e) Carrying on the business of providing the registered office for companies;
- f) Carrying on trust business, unless it is licensed;
- g) Carrying on collective investment schemes, unless it is licensed;
- h) Holding shares, stock, debt obligations or other securities in a company incorporated under the Companies Act or under any enactment amending or substituting the said Act;
- i) Subject to certain statutory exceptions, issuing its shares, stock, debt obligations or other securities to any person resident in Belize or to any company incorporated under the Companies Act or under any enactment amending or substituting the said Act.

**2 - MEMORANDUM & ARTICLES**

a) Standard Provisions: The standard memorandum and articles are very widely drawn and suitable for most types of business activity.

Do you require these provisions?  YES  NO  
(if YES, go straight to Section 3)

b) Non-Standard Provisions: If NO, please provide details of your specific requirements on a separate sheet and attach.

**3 - DIRECTORS**

Do you require nominee directors?  YES  NO

If YES, choose corporate or individual:  COR  IND

If NO, please provide us with names, nationalities, addresses and present occupation of the candidates:

Name	Nationality	Address	Occupation

Note: Neither the Belize Bank Limited, nor any officer, director, employee, representative, servant, agent, delegate, subsidiary or affiliate thereof ("the Indemnitees") provides any nominee director services. In the event that nominee director services are required, by signing this application, the applicant irrevocably and unconditionally acknowledges, agrees and solemnly declares that the Indemnitees shall not suffer any liability, damage or loss in the event that either of the Indemnitees shall inform the applicant of third parties who offer nominee director services and the applicant, the proposed company or any other related party shall act or otherwise instruct the Indemnitee to act on such information and suffer liability, damage or loss arising from or in connection with the said nominee director services. The applicant hereby further agrees to indemnify, defend and hold harmless the Indemnitees in respect of all liabilities, damages, loss and expenses incurred (including attorneys' fees) and against all actions, proceedings, costs, claims and demands arising as a result of or in connection with the provision of nominee director services by third parties or otherwise to the applicant or his proposed company or any related party thereto.



**4 - COMPANY SECRETARY** (Not required)

Do you require a company secretary?  YES  NO

If YES, choose corporate or individual:  COR  IND

If NO, please provide us with names, nationalities, addresses and present occupation of the candidate:

Name	Nationality	Address	Occupation

Note: Neither the Belize Bank Limited, nor any officer, director, employee, representative, servant, agent, delegate, subsidiary or affiliate thereof ("the Indemnitees") provides any corporate secretarial services. In the event that corporate secretarial services are required, by signing this application, the applicant irrevocably and unconditionally acknowledges, agrees and solemnly declares that the Indemnitees shall not suffer any liability, damage or loss in the event that either of the Indemnitees shall inform the applicant of third parties who offer corporate secretarial services and the applicant, the proposed company or any other related party shall act or otherwise instruct the Indemnitee to act on such information and suffer liability, damage or loss arising from or in connection with the said corporate secretarial services. The applicant hereby further agrees to indemnify, defend and hold harmless the Indemnitees in respect of all liabilities, damages, loss and expenses incurred (including attorneys' fees) and against all actions, proceedings, costs, claims and demands arising as a result of or in connection with the provision of corporate secretarial services by third parties or otherwise to the applicant or his proposed company or any related party thereto.

**5 - SHAREHOLDERS**

The following parties are to be registered as shareholders:

Name	Nationality	Address	Number of Shares

Note: Shares may be registered or issued or bearer. However, under the laws of Belize, original Bearer Share Certificates must be kept in safe physical custody by the Registered Agent - The Belize bank Limited ("the Bank")

**6 - CAPITAL**

Unless instructed by the contrary, the company will be incorporated with an authorized share capital of US\$50,000.00 with one class of ordinary shares of US\$1.00 each, useable in registered or bearer form.

Do you require these standard provisions?  YES  NO \*If YES, skip to Section 7

If NO, please provide details:


a) **Authorised Share Capital**

Note: Annual Government fee for authorised share capital in excess of US \$50,000.00 increases from US \$100.00 to US \$1,000.00.

b) **Par Value:**

Will the shares have par value?  YES  NO If YES, please provide amount:

c) **No. of share certificates to be issued**

d) **Type of share**  Bearer  Registered

e) **Classes of shares**

If more than one class, please indicate class and special rights per class:


**7 - DETAILS OF CONTACT PERSON** (Person you would like the Bank to contact regarding the affairs of the company)

First Name	Email
Address	Home No. ( ) -
City State Zip	Work No. ( ) -
The Bank is requested to communicate using the following methods:	Mobile No. ( ) -
<input type="checkbox"/> Mail <input type="checkbox"/> Fax <input type="checkbox"/> Email <input type="checkbox"/> Telephone	Fax No. ( ) -

**8 - POWER OF ATTORNEY** (Not required) \*If needed, power of attorney must be for a specific purpose and must not exceed one year.

**In the name of the following persons:**

Family Name (Mr./Mrs./Ms.)			Family Name (Mr./Mrs./Ms.)		
First Name(s)			First Name(s)		
Permanent Address					
City	State	Zip	City	State	Zip

Please state the Specific Powers below:


**9 - INCORPORATION DOCUMENTS** (Not required)

- a) Special instructions regarding incorporation documents:
  - Notarisation
  - Notarisation & Apostille
  - Notarisation & Apostille & Legalization
  - Any other
- b) Indicate which of the following documents you require to be Notarised / Apostilled / Legalized
  - Memorandum & Articles of Association
  - Certificate of Incorporation
  - Appointment of Director
  - Any other

**10 - ADDITIONAL DUE DILIGENCE**

Please supply the following supporting documentation for each ultimate beneficial owner, director and attorney-in-fact (i.e. who is a grantee of a power of attorney) along with this application form:

- a) **Notarised Copy of Passport**
- b) **Bank Reference Letter with whom relevant person has had banking relationship with for at least 2 years**
- c) **Professional (Attorney/Accountant) Reference Letter with whom relevant person has had professional relationship with for at least 2 years**
- d) **Copy of utility bill showing place of residence**

Note: All information provided is kept in strictest confidence by the Bank in accordance with the laws of Belize

**11 - METHOD OF INITIAL PAYMENT**

Please note that all applicable fees must be paid prior to work being undertaken, provision of services or supply of goods. Please tick desired method:

- A bank transfer (please see attached Wire Transfer Instructions)
- A bank/personal cheque made payable through a US bank in US Dollars  
(Note: payment should not be deemed to have been made until receipt of cleared funds for purposes of commencement of work)
- Credit Card

Name on Credit Card \_\_\_\_\_

Credit Card Number \_\_\_\_\_

Exp. Date (mm/yy) \_\_\_\_\_

Card Type       Amex     Mastercard     VISA

**12 - DELIVERY INSTRUCTIONS**

After this incorporation form has been completed and signed, please send original by courier with a copy by fax or in PDF format by email to:

**Mailing Address:**  
 Belize Corporate Services Limited  
 21 Regent Street / P.O. Box 1871  
 Belize City, Belize, Central America

**Fax Number:**  
 (501) 227-7018

**Email:**  
[corporate@belizecompanies.com](mailto:corporate@belizecompanies.com)  
[services@belizecompanies.com](mailto:services@belizecompanies.com)

**13 - SIGNATURE OF APPLICANT**

Please proceed in accordance with these instructions and subject to the terms and conditions of service as set out herein. I authorise the Belize Bank Limited to establish an International Business Company in accordance with the foregoing instructions and subject to the terms and conditions of service set out herein.

Firm/Name	Home No. (    )    -
Address	Work No. (    )    -
Email	Fax No. (    )    -
Signature _____	Date _____

**SCHEDULE OF FEES:**

<b>INCORPORATION:</b>		
Service	Price (US \$)	Details
Incorporation Fee	\$300.00	
Registered Agent & office	\$300.00	
Government Formation Fee	\$100.00	(for share capital not exceeding US \$50K)
<b>TOTAL</b>	<b>\$700.00</b>	
For each subsequent year, the annual fees are as follows:		
Registered Agent & office	\$300.00	
Government Formation Fee	\$100.00	(for share capital not exceeding US \$50K)
<b>TOTAL for subsequent years</b>	<b>\$400.00</b>	

NOTE: Please be informed the foregoing annual fees become due and payable on January 1st or each year irrespective of date of incorporation or continuation.

<b>VIRTUAL OFFICE SERVICES:</b>		
Service	Price (US \$)	Details
Plan A: Virtual Office Premier	\$1,500.00	
Plan B: Virtual Office Gold	\$300.00	

<b>CORPORATE ADMINISTRATION &amp; BOOKKEEPING SERVICES:</b>		
Service	Price (US \$)	Details
Annual Fee	\$1,000.00	

NOTE: Additionally, any time spent by our professional team on provision of this service will be billed on a time-cost basis ranging from US\$150.00 to \$250.00 depending on expertise of the personnel.

<b>ANCILLARY CORPORATE SERVICES:</b>		
Service	Price (US \$)	Details
Corporate Director	\$600.00	
Individual Director / Secretary	\$750.00	
Corporate Secretary	\$500.00	
Continuation	\$125.00	Registry Fees included
Company Name Change	\$250.00	Registry Fees included
Amendment to M& A Clauses	\$250.00	Registry Fees included
Amendment of Authorized Share Capital (Note: If <= US \$50,000.00, fee may be affected)	\$250.00	Annual Registered Office / Agent
Amendment of Authorized Share Capital (If > US \$50,000.00)	\$950.00	
Dissolution of IBC	\$750.00	Registry and Advertising fees inclusive
Certificate of Good Standing	\$125.00	Registry Fees included
Search of IBC Registry	\$25.00	Registry Fees included
Certified Corporate Documents	\$50.00	Per Document, Registry Fees inclusive
Tax Exemption Certificate	\$150.00	Registry Fees included
Certificate of Incumbency	\$125.00	
Registered Agent's Certificate	\$125.00	
Notarization	\$80.00	Per Document
Apostille	\$180.00	Per Document, inclusive of notarization
Legalization at Belize Foreign Ministry	\$225.00	Per Document, inclusive of notarization, apostille and disbursements
Authentication at Foreign Embassy	\$75.00	Plus Disbursements
Corporate Power of Attorney & Resolution	\$150.00	Per power of attorney
Issuance of share certificate	\$50.00	Per certificate - 1st one free
Resolution	\$100.00	
Name Reservation for 3 months	\$50.00	Registry Fees included
Corporate Seal	\$75.00	
Photocopies	\$1.00	Cost per page

NOTE: Courier fees and bank charges are additional to all professional charges and range between US \$40.00 and US \$75.00.

#### WIRE TRANSFER INSTRUCTIONS:

US Dollars should be remitted to: **Bank of America**  
**300 Harmon Meadow Blvd.**  
**Seaucus, NJ, 07094**  
**U.S.A.**

ABA Number: **026 009 593**

Account Info: **The Belize Bank Limited - International Division**  
**Account No. 6550 8 26058**

For further credit to: **Belize Corporate Services Limited**  
**Account No. 500 3973**

# Exhibit 7

 Client Center Login



Search

[Home](#) [About Us](#) [IBC](#) [Foundations](#) [Trusts](#) [Offshore Banking](#) [Professional Intermediaries](#) [FAQ](#) [Contact Us](#)

## Professional Intermediaries

In order to enjoy preferred rates as a professional intermediary client, we generally require that a threshold volume of no less than 5 IBC's per month and/ or 20 IBC's be incorporated with us within the first six months of our professional relationship. In this regard, we do offer our preferred rates on a provisional basis to new professional clients on the condition that such threshold volumes of companies are incorporated with us within the said relevant periods.

## Incorporation

We offer extremely competitive incorporation rates to our Belize professional intermediary clients.

The time frame for incorporation is approximately twenty-four hours but in some instances, registration can be completed within six hours. When incorporation has been completed, on your instruction, we can send a scanned email copy of the Certificate of Incorporation to you with the originals thereafter to follow by courier.

Through our Client Center, our clients can forward requests for incorporations as well as perform name checks, view invoices, procure various reports on Belize IBC's, for example, list of active or struck-off companies. In other words, clients have at their fingertips a complete real time database for their Belize IBC's. Our clients have found this service to be extremely useful and we are happy to be the only registered agent in Belize offering this service.

## Continuation/ Re-domiciliation

Companies can be re-domiciled to and from Belize depending on the client's needs.

Please [contact us](#) for our rates.

### Helpful Links

[PROFESSIONAL INTERMEDIARIES](#)

### Partners

[BELIZE BANK INTERNATIONAL](#)

[BELIZE BANK](#)

### Belize Corporate Services Limited

21 Regent Street, 2nd Floor,  
P.O. Box 1871,  
Belize City, Belize C.A

T: (501) 227-2567/1591/1558  
F: (501) 227-7018

E: [corporate@belizecompanies.com](mailto:corporate@belizecompanies.com) / [services@belizecompanies.com](mailto:services@belizecompanies.com)

[Home](#) [Belize IBC](#) [Belize Foundation](#) [Belize Trust](#) [FAQ](#) [Sitemap](#)

Our Privacy & Security Policy explains how we may collect information from you online when you visit [belizecompanies.com](http://belizecompanies.com). Our Privacy & Security Policy, effective as of December 1, 2004, is for general guidance and subject to change. Please review periodically. Customer information means personally identifiable information about a customer.

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developed by 

# Exhibit 8

## TRANSFER INSTRUCTIONS

Deposits can be forwarded primarily by wire transfer using the wire coordinates listed below:

### US Dollars should be remitted to:

---

1. Beneficiary Bank: Bank of America, International  
222 Broadway  
New York, NY 10038-2510

ABA Number: 026 009 593

S.W.I.F.T: BOFA US 3N

Account Name: Belize Bank International Ltd.

Account No. [REDACTED] 6058

BCB SWIFT: BCBTBZBZ

For further credit: (insert your Belize Bank International Account name and corresponding number)

2. Beneficiary Bank: Commerzbank A.G.  
Kaiserplatz  
Frankfurt AM Main  
Germany

Swift Code: COBADEFF

Beneficiary Bank: Belize Bank International Ltd.

Account Number [REDACTED] 6600 USD

Swift Code: BCBTBZBZ

### CAD Dollars should be remitted to:

---

Beneficiary Bank: Bank of America Canada  
200 Front Street West  
Suite 2600, 26th Floor  
Toronto, Ontario M5V 3L2  
Canada  
Tel.: 416-349-4100  
Fax: 416-349-4272

Swift Code: BOFACATT

Beneficiary Bank: BELIZE BANK INTERNATIONAL LTD

Bank Account No.: [REDACTED] 1205

Swift Code: BCBTBZBZ

For further credit to: (insert your Belize Bank International Account name and corresponding number)

**Sterling Pounds should be remitted via:**

---

Beneficiary Bank: Bank of America N.A.

5 Canada Square

London E14 5AQ

England

SWIFT: BOFAGB22

CHAPS Sort code: 165050

BACS Sort code: 301635

IBAN: G B55 BOFA 1650 5026 201012

Account name: BELIZE BANK INTERNATIONAL LTD

Account no.: [REDACTED] 1012

Swift Code: BCBTBZBZ

For further credit to: (insert your Belize Bank International Account name and corresponding number)

**Euros should be remitted via:**

---

1. Beneficiary Bank: Bank of America N.A.

5 Canada Square

London E14 5AQ

England

SWIFT: BOFAGB22

BACS: 301635

CHAPS: 165050

IBAN: GB33 BOFA 1650 5026 201020

Account Name: BELIZE BANK INTERNATIONAL LTD

Account No.: [REDACTED] 1020

SWIFT Code: BCBTBZBZ

For further credit to: (insert your Belize Bank International Account name and corresponding number)

2. Commerzbank A.G.

Kaiserplatz



Frankfurt AM Main

Germany

Swift Code: COBADEFF

Account Name: Beneficiary Bank: Belize Bank International Ltd.

Account No. [REDACTED] 6600 USD

SWIFT Code: BCBTBZBZ

For further credit to: (insert your Belize Bank International Account name and corresponding number)

# Exhibit 9

# GLOBALY TRUSTED, FOR AN EVOLVING WORLD.

Belize Bank International has the knowledge and foresight to help clients take advantage of favorable domestic policies from abroad.

## ABOUT BELIZE

Standing at the nexus of two continents, Belize is a Caribbean nation – rich in bio-diversity, agricultural opportunities and natural resources.

With a varied national fabric, the country is a one of a kind banking jurisdiction that offers strong discretionary policies, and a solid, sovereign government—steeped in its British heritage as well as strong trade and cultural ties with its Latin American neighbors.

## ADVANTAGES OF INTERNATIONAL ACCOUNTS

- Discretion of account activity
- Privacy when banking abroad
- Simplicity of online access, service and support
- Exemptions on profit and dividend taxes, duties, currency and exchange controls

## BANKING FROM ABROAD

There is no doubt that the world has changed in the last century. The way we bank as corporations and private citizens continues to evolve with technology, security types and adaptive economies. In this environment of developing strategies and waning trust, it is critical that clients have an opportunity to match their needs with comprehensive banking services.

Belize Bank International is an integrated bank for corporate and private clients with one of the longest banking legacies in Central and South America. BBIL sees the changing regulatory environment throughout the world, and with our global view we offer premier discretion, privacy and simplicity.

Operating under the Belize Bank Group—one of the oldest and continuous banks in Central America—BBIL became fully active for offshore clients in 2006.

## DISCRETION

Belize has a long history of client confidentiality – strict and long-standing bank secrecy laws ensure the protection of banking records.

## PRIVACY

Over 100 years of continued service and legacy in the Belize Banking Group – clients can be sure they can entrust their investment and business needs with the bank.

## SIMPLICITY

Combined with a wide range of products and services, the bank provides a network of partners that allow clients to maximize their experience through an unmatched, client-centric organization.

BBIL is regulated by the Central Bank of Belize – the country's banking regulatory body that sets and oversees policies for both national and international financial services.

**DISCRETION, PRIVACY, SIMPLICITY.**

## SERVICES AT-A-GLANCE



### KEY PARTNERSHIPS

As a member of a banking organization with over 100 years of experience, we have an extensive network of partner banks and associations who help us carry depth and breadth of products and services for our clients.

We work with corresponding banks and intermediaries in South and Central America. BBIL continues to work closely with partners throughout the world and locally – including Belize Bank LTD, Belize Corporate Services Limited, Belize International Financial Services Association and Belize Chamber of Commerce & Industry.

## OUR VIEW IS UNDOUBTEDLY GLOBAL.

We also provide extensive payment solutions through internationally recognized Visa and Mastercard providers—made possible by maintaining rigorous security and operational standards.

Upon request, we work with Belize Corporate Services Limited to provide our clients with turn-key solutions to meet their international financial services needs.

### FINANCING/LENDING

Whether residential, commercial, or construction, we have a variety of financing options for non-resident individuals with adequate cash flows.

### ONLINE ACCESS

Access your account, anywhere and anytime with our online portal. View your account, send wire transfers or contact support staff at your convenience.

### INTERNATIONAL SERVICES

#### MULTI-CURRENCY ACCOUNTS

Flexible accounts for corporate or private clients when living abroad or trading internationally.

#### CDS

With competitive interest rates, current account holders can access Certificates of Deposits in multiple currencies – with tax-free interest.

#### CARD SOLUTIONS

We offer quick and simple access to VISA and Mastercard branded credit, debit and prepaid cards for worldwide use.

#### WIRE TRANSFERS

A quick, easy, and effective way to send funds electronically. Securely and reliably send in foreign currencies to have the funds instantly credited.

#### MERCHANT SERVICES

Available to international eCommerce businesses, we provide standard or custom services structures so that you can grow your business and increase cash flow.

We also provide a variety of other products and services including: letters of credit and overdraft lines of credit.



OPEN AN ACCOUNT REMOTELY, TODAY.

**CONTACT BBIL**

Belize Bank International Headquarters  
The Matalon Business Center  
Coney Drive, 2nd floor  
Belize City, Belize CA  
**T:** 501 227 0697  
**F:** 501 223 0986  
**E:** [services@belizebankinternational.com](mailto:services@belizebankinternational.com)

Visit [www.belizebankinternational.com](http://www.belizebankinternational.com)  
for a full list of offerings, requirements and  
applications.



# Exhibit 10



# Summons

In the matter of Tax Liability of John Does\*

Internal Revenue Service (Division): Large Business & International Division

Industry/Area (name or number): International Individual Compliance

Periods: Years ending 12/31/2006 through 12/31/2014

## The Commissioner of Internal Revenue

To: Bank of America, National Association

At: 701 Brickell Avenue, Miami, Florida

You are hereby summoned and required to appear before Revenue Agent Michael Frazier or Designee an officer of the Internal Revenue Service, to give testimony and to bring with you and to produce for examination the following books, records, papers, and other data relating to the tax liability or the collection of the tax liability or for the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws concerning the person identified above for the periods shown.

See attachment

\* "John Does" include United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited ("BBIL") or Belize Bank Limited ("BBL"), or Belize Corporate Services Limited ("Belize Corporate Services"), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Bank of America, National Association.

**Do not write in this space**

**Business address and telephone number of IRS officer before whom you are to appear:**

1919 Smith Street, Mail Stop HOU 1130, Houston, TX 77002; Telephone: (713) 209-3628

**Place and time for appearance at** Internal Revenue Service, 51 S.W. First Ave., Miami, FL 33130



on the \_\_\_\_\_ day of \_\_\_\_\_, 2015 at 10:00 o'clock a m.

Issued under authority of the Internal Revenue Code this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

\_\_\_\_\_  
Signature of issuing officer

\_\_\_\_\_  
Title

Form 2039 (Rev. 12-2001)  
Catalog Number 21405J

\_\_\_\_\_  
Signature of approving officer (if applicable)

\_\_\_\_\_  
Title

**Original — to be kept by IRS**





# Service of Summons, Notice and Recordkeeper Certificates

(Pursuant to section 7603, Internal Revenue Code)

I certify that I served the summons shown on the front of this form on:

Date	Time
------	------

**How  
Summons  
Was  
Served**

1.  I certify that I handed a copy of the summons, which contained the attestation required by § 7603, to the person to whom it was directed.
2.  I certify that I left a copy of the summons, which contained the attestation required by § 7603, at the last and usual place of abode of the person to whom it was directed. I left the copy with the following person (if any): \_\_\_\_\_
3.  I certify that I sent a copy of the summons, which contained the attestation required by § 7603, by certified or registered mail to the last known address of the person to whom it was directed, that person being a third-party recordkeeper within the meaning of § 7603(b). I sent the summons to the following address: \_\_\_\_\_  
701 Brickell Avenue, Miami, Florida

Signature	Title
-----------	-------

4. This certificate is made to show compliance with IRC Section 7609. This certificate does not apply to summonses served on any officer or employee of the person to whose liability the summons relates nor to summonses in aid of collection, to determine the identity of a person having a numbered account or similar arrangement, or to determine

whether or not records of the business transactions or affairs of an identified person have been made or kept.

I certify that, within 3 days of serving the summons, I gave notice (Part D of Form 2039) to the person named below on the date and in the manner indicated.

Date of giving Notice: \_\_\_\_\_ Time: \_\_\_\_\_

Name of Noticee: \_\_\_\_\_

Address of Noticee (if mailed): \_\_\_\_\_

**How  
Notice  
Was  
Given**

- |   |   |
|---|---|
| <input type="checkbox"/> I gave notice by certified or registered mail to the last known address of the noticee.<br><br><input type="checkbox"/> I left the notice at the last and usual place of abode of the noticee. I left the copy with the following person (if any). | <input type="checkbox"/> I gave notice by handing it to the noticee.<br><br><input type="checkbox"/> In the absence of a last known address of the noticee, I left the notice with the person summoned.<br><br><input checked="" type="checkbox"/> No notice is required. |
|---|---|

Signature	Title
-----------	-------

I certify that the period prescribed for beginning a proceeding to quash this summons has expired and that no such proceeding was instituted or that the noticee consents to the examination.

Signature	Title
-----------	-------



# Summons

In the matter of Tax Liability of John Does\*

Internal Revenue Service (Division): Large Business & International Division

Industry/Area (name or number): International Individual Compliance

Periods: Years ending 12/31/2006 through 12/31/2014

## The Commissioner of Internal Revenue

To: Bank of America, National Association

At: 701 Brickell Avenue, Miami, Florida

You are hereby summoned and required to appear before Revenue Agent Michael Frazier or Designee an officer of the Internal Revenue Service, to give testimony and to bring with you and to produce for examination the following books, records, papers, and other data relating to the tax liability or the collection of the tax liability or for the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws concerning the person identified above for the periods shown.

See attachment

\* "John Does" include United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited ("BBIL") or Belize Bank Limited ("BBL"), or Belize Corporate Services Limited ("Belize Corporate Services"), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Bank of America, National Association.

### Attestation

I hereby certify that I have examined and compared this copy of the summons with the original and that it is a true and correct copy of the original.

\_\_\_\_\_  
Signature of IRS officer serving the summons

\_\_\_\_\_  
Title

### Business address and telephone number of IRS officer before whom you are to appear:

1919 Smith Street, Mail Stop HOU 1130, Houston, TX 77002; Telephone: (713) 209-3628

Place and time for appearance at Internal Revenue Service, 51 S.W. First Ave., Miami, FL 33130



on the \_\_\_\_\_ day of \_\_\_\_\_, 2015 at 10:00 o'clock a m.

Issued under authority of the Internal Revenue Code this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

\_\_\_\_\_  
Signature of issuing officer

\_\_\_\_\_  
Title

Form 2039 (Rev. 12-2001)  
Catalog Number 21405J

\_\_\_\_\_  
Signature of approving officer (if applicable)

\_\_\_\_\_  
Title

**Part A** - to be given to person summoned



# Provisions of the Internal Revenue Code

## Sec. 7602. Examination of books and witnesses

(a) Authority to Summon, etc. - For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary is authorized -

- (1) To examine any books, papers, records, or other data which may be relevant or material to such inquiry.
- (2) To summon the person liable for tax or required to perform the act, or any officer or employee of such person, or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax or required to perform the act, or any other person the Secretary may deem proper, to appear before the Secretary at a time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and
- (3) To take such testimony of the person concerned, under oath, as may be relevant or material to such inquiry.

(b) Purpose may include inquiry into offense. - The purposes for which the Secretary may take any action described in paragraph (1), (2), or (3) of subsection (a) include the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws.

(c) Notice of contact of third parties. -

- (1) General Notice. - An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer without providing reasonable notice in advance to the taxpayer that contacts with persons other than the taxpayer may be made.
- (2) Notice of specific contacts. - The Secretary shall periodically provide to a taxpayer a record of persons contacted during such period by the Secretary with respect to the determination or collection of the tax liability of such taxpayer. Such record shall also be provided upon request of the taxpayer.
- (3) Exceptions. - This subsection shall not apply-
  - (A) to any contact which the taxpayer has authorized,
  - (B) if the Secretary determines for good cause shown that such notice would jeopardize collection of any tax or such notice may involve reprisal against any person, or
  - (C) with respect to any pending criminal investigation.

(d) No administrative summons when there is Justice Department referral. -

- (1) Limitation of authority. - No summons may be issued under this title, and the Secretary may not begin any action under section 7604 to enforce any summons, with respect to any person if a Justice Department referral is in effect with respect to such person.
- (2) Justice Department referral in effect. - For purposes of this subsection-
  - (A) In general. - A Justice Department referral is in effect with respect to any person if-
    - (i) the Secretary has recommended to the Attorney General a grand jury investigation of, or the criminal prosecution of, such person for any offense connected with the administration or enforcement of the internal revenue laws or
    - (ii) any request is made under section 6103(h)(3)(B) for the disclosure of any return or return information (within the meaning of section 6103(b)) relating to such person.
  - (B) Termination. - A Justice Department referral shall cease to be in effect with respect to a person when-
    - (i) the Attorney General notifies the Secretary, in writing, that -
      - (I) he will not prosecute such person for any offense connected with the administration or enforcement of the internal revenue laws,
      - (II) he will not authorize a grand jury investigation of such person with respect to such an offense, or
      - (III) he will discontinue such a grand jury investigation.
    - (ii) a final disposition has been made of any criminal proceeding pertaining to the enforcement of the internal revenue laws which was instituted by the Attorney General against such person, or
    - (iii) the Attorney General notifies the Secretary, in writing, that he will not prosecute such person for any offense connected with the administration or enforcement of the internal revenue laws relating to the request described in sub paragraph (A)(i).
- (3) Taxable years, etc., treated separately. - For purposes of this subsection, each taxable period (or, if there is no taxable period, each taxable event) and each tax imposed by a separate chapter of this title shall be treated separately.

(e) Limitation on examination on unreported income. - The Secretary shall not use financial status or economic reality examination techniques to determine the existence of unreported income of any taxpayer unless the Secretary has a reasonable indication that there is a likelihood of such unreported income.

Authority to examine books and witness is also provided under sec. 6420 (e)(2) - Gasoline used on farms: sec. 6421(g)(2) - Gasoline used for certain nonhighway purposes by local transit systems, or sold for certain exempt purposes; and sec. 6427(j)(2) - Fuels not used for taxable purposes.

(a) In general - A summons issued under section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602 shall be served by the Secretary, by an attested copy delivered in hand to the person to whom it is directed, or left at his last and usual place of abode; and the certificate of service signed by the person serving the summons shall be evidence of the facts it states on the hearing of an application for the enforcement of the summons. When the summons requires the production of books, papers, records, or other data, it shall be sufficient if such books, papers, records, or other data are described with reasonable certainty

(b) Service by mail to third-party recordkeepers. -

- (1) In general. - A summons referred to in subsection (a) for the production of books, papers, records, or other data by a third-party recordkeeper may also be served by certified or registered mail to the last known address of such recordkeeper.
- (2) Third party record keeper. - For purposes of paragraph (1), the term *third-party recordkeeper* means -
  - (A) any mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar association under Federal or State law, any bank (as defined in section 581), or any credit union (within the meaning of section 501 (c)(14)(A));
  - (B) any consumer reporting agency (as defined under section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681 a(f));
  - (C) Any person extending credit through the use of credit cards or similar devices;
  - (D) any broker (as defined in section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4));
  - (E) any attorney;
  - (F) any accountant;
  - (G) any barter exchange (as defined in section 6045(c)(3));
  - (H) any regulated investment company (as defined in section 851) and any agent of such regulated investment company when acting as an agent thereof;
  - (I) any enrolled agent; and
  - (J) any owner or developer of a computer software source code (as defined in section 7612(d)(2)). Subparagraph (J) shall apply only with respect to a summons requiring the production of the source code referred to in subparagraph (J) or the program and data described in section 7612(b)(1)(A)(ii) to which source code relates.

## Sec. 7604. Enforcement of summons

(a) Jurisdiction of District Court. - If any person is summoned under the internal revenue laws to appear, to testify, or to produce books, papers, records, or other data, the United States district court for the district in which such person resides or is found shall have jurisdiction by appropriate process to compel such attendance, testimony, or production of books, papers, records, or other data.

(b) Enforcement. - Whenever any person summoned under section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602 neglects or refuses to obey such summons, or to produce books, papers, records, or other data, or to give testimony, as required, the Secretary may apply to the judge of the district court or to a United States Commissioner' for the district within which the person so summoned resides or is found for an attachment against him as for a contempt, it shall be the duty of the judge or commissioner' to hear the application, and, if satisfactory proof is made, to issue an attachment, directed to some proper officer, for the arrest of such person, and upon his being brought before him to proceed to a hearing of the case; and upon such hearing the judge or the United States Commissioner' shall have power to make such order as he shall deem proper, not inconsistent with the law for the punishment of contempts, to enforce obedience to the requirements of the summons and to punish such person for his default or disobedience.

\* \* \* \* \*

## Sec. 7605. Time and place of examination

(a) Time and place. - The time and place of examination pursuant to the provisions of section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602 shall be such time and place as may be fixed by the Secretary and as are reasonable under the circumstances. In the case of a summons under authority of paragraph (2) of section 7602, or under the corresponding authority of section 6420(e)(2), 6421 (g)(2) or 6427(j)(2), the date fixed for appearance before the Secretary shall not be less than 10 days from the date of the summons.

'Or United States magistrate, pursuant to P L. 90-578.

## Sec. 7610. Fees and costs for witnesses

- (a) In general. - The secretary shall by regulations establish the rates and conditions under which payment may be made of -
  - (1) fees and mileage to persons who are summoned to appear before the Secretary, and
  - (2) reimbursement for such costs that are reasonably necessary which have been directly incurred in searching for, reproducing, or transporting books, papers, records, or other data required to be produced by summons.
- (b) Exceptions. - No payment may be made under paragraph (2) of subsection (a) if -
  - (1) the person with respect to whose liability the summons is issued has a proprietary interest in the books, papers, records or other data required to be produced, or
  - (2) the person summoned is the person with respect to whose liability the summons is issued or an officer, employee, agent, accountant, or attorney of such person who, at the time the summons is served, is acting as such.

(c) Summons to which section applies. - This section applies with respect to any summons authorized under section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602.

## Sec. 7210. Failure to obey summons

Any person who, being duly summoned to appear to testify, or to appear and produce books, accounts, records, memoranda or other papers, as required under sections 6420(e)(2), 6421(g)(2), 6427(j)(2), 7602, 7603, and 7604(b), neglects to appear or to produce such books, accounts, records memoranda, or other papers, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than 1 year, or both, together with costs of prosecution.

\* \* \* \* \*

In the Matter of Tax Liability of John Does  
Attachment to Form 2039 Summons to Bank of America, National Association

**Documents**

As correspondent bank for Belize Bank International Limited (“BBIL”), Belize Bank Limited (“BBL”), and Belize Corporate Services Limited (“Belize Corporate Services”), please provide the below-listed records of each correspondent account of BBIL, BBL, and Belize Corporate Services at Bank of America, National Association, its subsidiaries and affiliates for the period January 1, 2006, through December 31, 2014, including but not limited to account nos. [REDACTED] 6053 and [REDACTED] 6058.

1. Account statements.
2. Front and back of deposit slips and deposited items.
3. Front and back of checks.
4. Wire transfer orders and confirmations and other similar records of all wire transfers into and out of the account indicating the originator, originator’s bank, beneficiary, beneficiary’s bank, intermediary banks, ordering party, date and amount, and any reference information for parties to the transfer.
5. All exception reports produced by your Anti-Money Laundering System related to the correspondent accounts of BBIL, BBL, Belize Corporate Services, and for any such report for which an investigation was undertaken, all documents associated with that investigation, including notes, memorandum, research, communications with BBIL, BBL, Belize Corporate Services.
6. If you provided other correspondent banking services for BBIL, BBL, Belize Corporate Services during the period January 1, 2006, through December 31, 2014, including, but not limited to, loan participation assistance, data processing services, portfolio analysis and investment advice, federal funds trading, securities safekeeping, arrangement of purchases and sale of securities, and investment banking services, please provide a copy of the contract or other written agreement for provision of such services or otherwise identify and provide a description of such services.
7. For all accounts of Belize Corporate Services, please provide the following information:
  - a. account opening documents regardless of date, including account opening applications and documents, signature cards, powers of attorney;
  - b. monthly or periodic statements;
  - c. wire transfer authorizations and confirmations;
  - d. deposit slips and deposited items (front and back);
  - e. credit and debit memos and advices;
  - f. front and back of cancelled checks;
  - g. check registers;

In the Matter of Tax Liability of John Does  
Attachment to Form 2039 Summons to Bank of America, National Association

- h. passbooks;
- i. loan applications (regardless of date);
- j. promissory notes;
- k. certificates of deposit;
- l. letters of credit;
- m. cashiers checks;
- n. money orders;
- o. all correspondence and memorandum files maintained by the bank or other financial institution or any of their officers or employees, reflecting communications between the bank and Belize Corporate Services; and
- p. documents verifying the origin of all funds used to open the accounts or deposited to these accounts (regardless of date).

You need not provide any Traveler's Checks or Traveler's Check documentation.

**Instructions for Production of Electronically Stored Records**

If the records requested herein are stored in your record retention systems and/or by your technology, data, or other service providers, it should be produced on electronic media according to the following criteria:

I. Text Data

- A. Text data relating to transactions shall be produced within a data file:
  - 1. Using a delimited ASCII text data format; or
  - 2. Using software that can export to a commonly readable, nonproprietary file format without loss of data.
  - 3. If text data is stored in a format readable only by proprietary software, provide a copy of software necessary to enable the data to be retrieved, manipulated, and processed by a computer.
- B. Text data files relating to transactions shall include field descriptions (e.g., account number, date/time, description, payee/payor, check number, item identifier, amount, etc.)

II. Image Data

- A. Image data shall be produced in graphic data files in a commonly readable, nonproprietary format with the highest image quality maintained.
- B. Image data of items associated with transactions (e.g., cancelled checks, deposit slips, etc.) shall be:
  - 1. Produced in individual graphic data files with any associated endorsements;
  - 2. Linked to corresponding text data by a unique identifier; and
  - 3. Image collections, OCR (optical character recognition), and image linking files must be produced in a Concordance load-ready format, ideally in a Concordance database.

In the Matter of Tax Liability of John Does  
Attachment to Form 2039 Summons to Bank of America, National Association

III. Encryption/Authentication

- A. Electronically stored records may be transmitted in an encrypted container. Decryption keys and/or passwords shall be produced separately at the time the data is produced.
- B. Authentication, such as hash coding, may be set by agreement.
- C. Affidavits or certificates of authenticity for the records may be included as part of the electronic production.

If you have questions about the format in which to provide electronic data, please contact Revenue Agent Michael Frazier by telephone at (713) 209-3628.

Before you produce any of the above-listed records, please contact Revenue Agent Michael Frazier by telephone at (713) 209-3628 to discuss the terms of compliance.

The personal appearance requirement is waived when the requested information is furnished by mail to Revenue Agent Michael Frazier at 1919 Smith Street, Mail Stop HOU 1130, Houston, TX 77002.

# Exhibit 11





# Summons

In the matter of Tax Liability of John Does\*

Internal Revenue Service (Division): Large Business & International Division

Industry/Area (name or number): International Individual Compliance

Periods: Years ending 12/31/2006 through 12/31/2014

## The Commissioner of Internal Revenue

To: Citibank, National Association

At: 201 Biscayne Boulevard, Miami, Florida

You are hereby summoned and required to appear before Revenue Agent Michael Frazier or Designee an officer of the Internal Revenue Service, to give testimony and to bring with you and to produce for examination the following books, records, papers, and other data relating to the tax liability or the collection of the tax liability or for the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws concerning the person identified above for the periods shown.

See attachment

\* "John Does" include United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited ("BBIL") or Belize Bank Limited ("BBL"), or Belize Corporate Services Limited ("Belize Corporate Services"), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Citibank, National Association.

**Do not write in this space**

**Business address and telephone number of IRS officer before whom you are to appear:**

1919 Smith Street, Mail Stop HOU 1130, Houston, TX 77002; Telephone: (713) 209-3628

**Place and time for appearance at** Internal Revenue Service, 51 S.W. First Ave., Miami, FL 33130



on the \_\_\_\_\_ day of \_\_\_\_\_, 2015 at 10:00 o'clock a m.

Issued under authority of the Internal Revenue Code this \_\_\_\_\_ day of \_\_\_\_\_, 2015 (year)

Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

\_\_\_\_\_  
Signature of issuing officer

\_\_\_\_\_  
Title

Form 2039 (Rev. 12-2001)  
Catalog Number 21405J

\_\_\_\_\_  
Signature of approving officer (if applicable)

\_\_\_\_\_  
Title

**Original — to be kept by IRS**





# Service of Summons, Notice and Recordkeeper Certificates

(Pursuant to section 7603, Internal Revenue Code)

I certify that I served the summons shown on the front of this form on:

Date	Time
------	------

**How  
Summons  
Was  
Served**

1.  I certify that I handed a copy of the summons, which contained the attestation required by § 7603, to the person to whom it was directed.
2.  I certify that I left a copy of the summons, which contained the attestation required by § 7603, at the last and usual place of abode of the person to whom it was directed. I left the copy with the following person (if any): \_\_\_\_\_
3.  I certify that I sent a copy of the summons, which contained the attestation required by § 7603, by certified or registered mail to the last known address of the person to whom it was directed, that person being a third-party recordkeeper within the meaning of § 7603(b). I sent the summons to the following address: \_\_\_\_\_  
201 Biscayne Boulevard, Miami, Florida

Signature	Title
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4. This certificate is made to show compliance with IRC Section 7609. This certificate does not apply to summonses served on any officer or employee of the person to whose liability the summons relates nor to summonses in aid of collection, to determine the identity of a person having a numbered account or similar arrangement, or to determine

whether or not records of the business transactions or affairs of an identified person have been made or kept.

I certify that, within 3 days of serving the summons, I gave notice (Part D of Form 2039) to the person named below on the date and in the manner indicated.

Date of giving Notice: \_\_\_\_\_ Time: \_\_\_\_\_

Name of Noticee: \_\_\_\_\_

Address of Noticee (if mailed): \_\_\_\_\_

**How  
Notice  
Was  
Given**

- |   |   |
|---|---|
| <input type="checkbox"/> I gave notice by certified or registered mail to the last known address of the noticee.<br><br><input type="checkbox"/> I left the notice at the last and usual place of abode of the noticee. I left the copy with the following person (if any). | <input type="checkbox"/> I gave notice by handing it to the noticee.<br><br><input type="checkbox"/> In the absence of a last known address of the noticee, I left the notice with the person summoned.<br><br><input checked="" type="checkbox"/> No notice is required. |
|---|---|

Signature	Title
-----------	-------

I certify that the period prescribed for beginning a proceeding to quash this summons has expired and that no such proceeding was instituted or that the noticee consents to the examination.

Signature	Title
-----------	-------



# Summons

In the matter of Tax Liability of John Does\*  
Internal Revenue Service (Division): Large Business & International Division  
Industry/Area (name or number): International Individual Compliance  
Periods: Years ending 12/31/2006 through 12/31/2014

## The Commissioner of Internal Revenue

To: Citibank, National Association  
At: 201 Biscayne Boulevard, Miami, Florida

You are hereby summoned and required to appear before Revenue Agent Michael Frazier or Designee  
an officer of the Internal Revenue Service, to give testimony and to bring with you and to produce for examination the following books, records, papers, and other data relating to the tax liability or the collection of the tax liability or for the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws concerning the person identified above for the periods shown.

See attachment

\* "John Does" include United States taxpayers who, at any time during the years ended December 31, 2006, through December 31, 2014, directly or indirectly had interests in or signature or other authority (including authority to withdraw funds, trade or give instructions or receive account statements, confirmations or other information, advice or solicitations) with respect to any financial accounts maintained at, monitored by, or managed through Belize Bank International Limited ("BBIL") or Belize Bank Limited ("BBL"), or Belize Corporate Services Limited ("Belize Corporate Services"), their predecessors, subsidiaries, and affiliates, and financial accounts maintained at, monitored by, or managed through other financial institutions that BBIL, BBL, or Belize Corporate Services permitted to transact client business through their United States correspondent accounts at Citibank, National Association.

### Attestation

I hereby certify that I have examined and compared this copy of the summons with the original and that it is a true and correct copy of the original.

\_\_\_\_\_  
Signature of IRS officer serving the summons Title

### Business address and telephone number of IRS officer before whom you are to appear:

1919 Smith Street, Mail Stop HOU 1130, Houston, TX 77002; Telephone: (713) 209-3628

Place and time for appearance at Internal Revenue Service, 51 S.W. First Ave., Miami, FL 33130



on the \_\_\_\_\_ day of \_\_\_\_\_, 2015 at 10:00 o'clock a m.  
(year)  
Issued under authority of the Internal Revenue Code this \_\_\_\_\_ day of \_\_\_\_\_, 2015.  
(year)

Department of the Treasury  
Internal Revenue Service

\_\_\_\_\_  
Signature of issuing officer Title

[www.irs.gov](http://www.irs.gov)

\_\_\_\_\_  
Signature of approving officer (if applicable) Title

Form 2039 (Rev. 12-2001)  
Catalog Number 21405J

Part A - to be given to person summoned



# Provisions of the Internal Revenue Code

## Sec. 7602. Examination of books and witnesses

(a) Authority to Summon, etc. - For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary is authorized -

- (1) To examine any books, papers, records, or other data which may be relevant or material to such inquiry.
- (2) To summon the person liable for tax or required to perform the act, or any officer or employee of such person, or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax or required to perform the act, or any other person the Secretary may deem proper, to appear before the Secretary at a time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and
- (3) To take such testimony of the person concerned, under oath, as may be relevant or material to such inquiry.

(b) Purpose may include inquiry into offense. - The purposes for which the Secretary may take any action described in paragraph (1), (2), or (3) of subsection (a) include the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws.

(c) Notice of contact of third parties. -

- (1) General Notice. - An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer without providing reasonable notice in advance to the taxpayer that contacts with persons other than the taxpayer may be made.
- (2) Notice of specific contacts. - The Secretary shall periodically provide to a taxpayer a record of persons contacted during such period by the Secretary with respect to the determination or collection of the tax liability of such taxpayer. Such record shall also be provided upon request of the taxpayer.
- (3) Exceptions. - This subsection shall not apply-
  - (A) to any contact which the taxpayer has authorized,
  - (B) if the Secretary determines for good cause shown that such notice would jeopardize collection of any tax or such notice may involve reprisal against any person, or
  - (C) with respect to any pending criminal investigation.

(d) No administrative summons when there is Justice Department referral. -

- (1) Limitation of authority. - No summons may be issued under this title, and the Secretary may not begin any action under section 7604 to enforce any summons, with respect to any person if a Justice Department referral is in effect with respect to such person.
- (2) Justice Department referral in effect. - For purposes of this subsection-
  - (A) In general. - A Justice Department referral is in effect with respect to any person if-
    - (i) the Secretary has recommended to the Attorney General a grand jury investigation of, or the criminal prosecution of, such person for any offense connected with the administration or enforcement of the internal revenue laws or
    - (ii) any request is made under section 6103(h)(3)(B) for the disclosure of any return or return information (within the meaning of section 6103(b)) relating to such person.
  - (B) Termination. - A Justice Department referral shall cease to be in effect with respect to a person when-
    - (i) the Attorney General notifies the Secretary, in writing, that -
      - (I) he will not prosecute such person for any offense connected with the administration or enforcement of the internal revenue laws,
      - (II) he will not authorize a grand jury investigation of such person with respect to such an offense, or
      - (III) he will discontinue such a grand jury investigation.
    - (ii) a final disposition has been made of any criminal proceeding pertaining to the enforcement of the internal revenue laws which was instituted by the Attorney General against such person, or
    - (iii) the Attorney General notifies the Secretary, in writing, that he will not prosecute such person for any offense connected with the administration or enforcement of the internal revenue laws relating to the request described in sub paragraph (A)(i).
- (3) Taxable years, etc., treated separately. - For purposes of this subsection, each taxable period (or, if there is no taxable period, each taxable event) and each tax imposed by a separate chapter of this title shall be treated separately.

(e) Limitation on examination on unreported income. - The Secretary shall not use financial status or economic reality examination techniques to determine the existence of unreported income of any taxpayer unless the Secretary has a reasonable indication that there is a likelihood of such unreported income.

Authority to examine books and witness is also provided under sec. 6420 (e)(2) - Gasoline used on farms: sec. 6421(g)(2) - Gasoline used for certain nonhighway purposes by local transit systems, or sold for certain exempt purposes; and sec. 6427(j)(2) - Fuels not used for taxable purposes.

(a) In general - A summons issued under section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602 shall be served by the Secretary, by an attested copy delivered in hand to the person to whom it is directed, or left at his last and usual place of abode; and the certificate of service signed by the person serving the summons shall be evidence of the facts it states on the hearing of an application for the enforcement of the summons. When the summons requires the production of books, papers, records, or other data, it shall be sufficient if such books, papers, records, or other data are described with reasonable certainty

(b) Service by mail to third-party recordkeepers. -

- (1) In general. - A summons referred to in subsection (a) for the production of books, papers, records, or other data by a third-party recordkeeper may also be served by certified or registered mail to the last known address of such recordkeeper.
- (2) Third party record keeper. - For purposes of paragraph (1), the term *third-party recordkeeper* means -
  - (A) any mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar association under Federal or State law, any bank (as defined in section 581), or any credit union (within the meaning of section 501 (c)(14)(A));
  - (B) any consumer reporting agency (as defined under section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681 a(f));
  - (C) Any person extending credit through the use of credit cards or similar devices;
  - (D) any broker (as defined in section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4));
  - (E) any attorney;
  - (F) any accountant;
  - (G) any barter exchange (as defined in section 6045(c)(3));
  - (H) any regulated investment company (as defined in section 851) and any agent of such regulated investment company when acting as an agent thereof;
  - (I) any enrolled agent; and
  - (J) any owner or developer of a computer software source code (as defined in section 7612(d)(2)). Subparagraph (J) shall apply only with respect to a summons requiring the production of the source code referred to in subparagraph (J) or the program and data described in section 7612(b)(1)(A)(ii) to which source code relates.

## Sec. 7604. Enforcement of summons

(a) Jurisdiction of District Court. - If any person is summoned under the internal revenue laws to appear, to testify, or to produce books, papers, records, or other data, the United States district court for the district in which such person resides or is found shall have jurisdiction by appropriate process to compel such attendance, testimony, or production of books, papers, records, or other data.

(b) Enforcement. - Whenever any person summoned under section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602 neglects or refuses to obey such summons, or to produce books, papers, records, or other data, or to give testimony, as required, the Secretary may apply to the judge of the district court or to a United States Commissioner' for the district within which the person so summoned resides or is found for an attachment against him as for a contempt, it shall be the duty of the judge or commissioner' to hear the application, and, if satisfactory proof is made, to issue an attachment, directed to some proper officer, for the arrest of such person, and upon his being brought before him to proceed to a hearing of the case; and upon such hearing the judge or the United States Commissioner' shall have power to make such order as he shall deem proper, not inconsistent with the law for the punishment of contempts, to enforce obedience to the requirements of the summons and to punish such person for his default or disobedience.

\* \* \* \* \*

## Sec. 7605. Time and place of examination

(a) Time and place. - The time and place of examination pursuant to the provisions of section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602 shall be such time and place as may be fixed by the Secretary and as are reasonable under the circumstances. In the case of a summons under authority of paragraph (2) of section 7602, or under the corresponding authority of section 6420(e)(2), 6421 (g)(2) or 6427(j)(2), the date fixed for appearance before the Secretary shall not be less than 10 days from the date of the summons.

'Or United States magistrate, pursuant to P L. 90-578.

## Sec. 7610. Fees and costs for witnesses

- (a) In general. - The secretary shall by regulations establish the rates and conditions under which payment may be made of -
  - (1) fees and mileage to persons who are summoned to appear before the Secretary, and
  - (2) reimbursement for such costs that are reasonably necessary which have been directly incurred in searching for, reproducing, or transporting books, papers, records, or other data required to be produced by summons.
- (b) Exceptions. - No payment may be made under paragraph (2) of subsection (a) if -
  - (1) the person with respect to whose liability the summons is issued has a proprietary interest in the books, papers, records or other data required to be produced, or
  - (2) the person summoned is the person with respect to whose liability the summons is issued or an officer, employee, agent, accountant, or attorney of such person who, at the time the summons is served, is acting as such.

(c) Summons to which section applies. - This section applies with respect to any summons authorized under section 6420(e)(2), 6421 (g)(2), 6427(j)(2), or 7602.

## Sec. 7210. Failure to obey summons

Any person who, being duly summoned to appear to testify, or to appear and produce books, accounts, records, memoranda or other papers, as required under sections 6420(e)(2), 6421(g)(2), 6427(j)(2), 7602, 7603, and 7604(b), neglects to appear or to produce such books, accounts, records memoranda, or other papers, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than 1 year, or both, together with costs of prosecution.

\* \* \* \* \*

In the Matter of Tax Liability of John Does  
Attachment to Form 2039 Summons to Citibank, National Association

**Documents**

As correspondent bank for Belize Bank International Limited (“BBIL”), Belize Bank Limited (“BBL”), and Belize Corporate Services, please provide the below-listed records of each correspondent account of BBIL, BBL, and Belize Corporate Services at Citibank, National Association, its subsidiaries and affiliates for the period January 1, 2006, through December 31, 2014.

1. Account statements.
2. Front and back of deposit slips and deposited items.
3. Front and back of checks.
4. Wire transfer orders and confirmations and other similar records of all wire transfers into and out of the account indicating the originator, originator’s bank, beneficiary, beneficiary’s bank, intermediary banks, ordering party, date and amount, and any reference information for parties to the transfer.
5. All exception reports produced by your Anti-Money Laundering System related to the correspondent accounts of BBIL, BBL, and Belize Corporate Services, and for any such report for which an investigation was undertaken, all documents associated with that investigation, including notes, memorandum, research, communications with BBIL, BBL, and Belize Corporate Services.
6. If you provided other correspondent banking services for BBIL, BBL, and Belize Corporate Services during the period January 1, 2006, through December 31, 2014, including, but not limited to, loan participation assistance, data processing services, portfolio analysis and investment advice, federal funds trading, securities safekeeping, arrangement of purchases and sale of securities, and investment banking services, please provide a copy of the contract or other written agreement for provision of such services or otherwise identify and provide a description of such services.

You need not provide any Traveler’s Checks or Traveler’s Check documentation.

**Instructions for Production of Electronically Stored Records**

If the records requested herein are stored in your record retention systems and/or by your technology, data, or other service providers, it should be produced on electronic media according to the following criteria:

I. Text Data

- A. Text data relating to transactions shall be produced within a data file:

In the Matter of Tax Liability of John Does  
Attachment to Form 2039 Summons to Citibank, National Association

1. Using a delimited ASCII text data format; or
  2. Using software that can export to a commonly readable, nonproprietary file format without loss of data.
  3. If text data is stored in a format readable only by proprietary software, provide a copy of software necessary to enable the data to be retrieved, manipulated, and processed by a computer.
- B. Text data files relating to transactions shall include field descriptions (e.g., account number, date/time, description, payee/payor, check number, item identifier, amount, etc.)
- II. Image Data
- A. Image data shall be produced in graphic data files in a commonly readable, nonproprietary format with the highest image quality maintained.
- B. Image data of items associated with transactions (e.g., cancelled checks, deposit slips, etc.) shall be:
1. Produced in individual graphic data files with any associated endorsements;
  2. Linked to corresponding text data by a unique identifier; and
  3. Image collections, OCR (optical character recognition), and image linking files must be produced in a Concordance load-ready format, ideally in a Concordance database.
- III. Encryption/Authentication
- A. Electronically stored records may be transmitted in an encrypted container. Decryption keys and/or passwords shall be produced separately at the time the data is produced.
- B. Authentication, such as hash coding, may be set by agreement.
- C. Affidavits or certificates of authenticity for the records may be included as part of the electronic production.

If you have questions about the format in which to provide electronic data, please contact Revenue Agent Michael Frazier by telephone at (713) 209-3628.

Before you produce any of the above-listed records, please contact Revenue Agent Michael Frazier by telephone at (713) 209-3628 to discuss the terms of compliance.

The personal appearance requirement is waived when the requested information is furnished by mail to Revenue Agent Michael Frazier at 1919 Smith Street, Mail Stop HOU 1130, Houston, TX 77002.