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**MANHATTAN U.S. ATTORNEY CHARGES TWO SWISS BANKERS
WITH CONSPIRING TO HIDE MORE THAN \$600 MILLION IN U.S.
TAXPAYER ACCOUNTS FROM THE IRS**

PREET BHARARA, the United States Attorney for the Southern District of New York, and CHARLES R. PINE, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), announced the indictment today of DANIELA CASADEI and FABIO FRAZZETTO, two client advisers with a Swiss Bank ("Swiss Bank No. 1"). CASADEI and FRAZZETTO are charged with conspiring with U.S. taxpayer-clients and others to hide more than \$600 million in offshore accounts and to evade paying U.S. taxes on those accounts. Among other things, CASADEI and FRAZZETTO allegedly advised U.S. taxpayer-clients to open undeclared accounts under code or fictional names. The defendants also allegedly advised clients not to worry about U.S. law enforcement authorities because Swiss Bank No. 1 no longer had offices on U.S. soil.

According to the Indictment filed today in Manhattan federal court:

CASADEI and FRAZZETTO worked as client advisers at Swiss Bank No. 1, which is headquartered in Switzerland and provides private banking, asset management, and other services to clients around the world. CASADEI worked at the bank from the early 1990s through at least 2010, and FRAZZETTO worked at the bank from 2005 through at least 2010. As client advisers, CASADEI and FRAZZETTO allegedly conspired with various U.S. taxpayers and others to ensure that their clients could hide their Swiss bank accounts and the income generated in the accounts from the IRS. United States taxpayers are required to report the existence of any foreign bank account they own that holds more than \$10,000 at any time during a given year, as well as any income earned in such account on their individual tax returns.

As alleged in the Indictment, in furtherance of the conspiracy, CASADEI and FRAZZETTO opened and managed undeclared accounts for U.S. taxpayers at Swiss Bank No. 1 in fictional names – such as "Hydrangea" and "Red Rubin" – or in the name of a non-U.S. relative or a sham corporate entity. These methods were used to help conceal their taxpayer-

clients' ownership of the accounts. CASADEI and FRAZZETTO also ensured that mail relating to the accounts was not sent to their U.S. taxpayer-clients in the United States and insisted that many of their U.S. taxpayer-clients travel to Switzerland to conduct business relating to the accounts. FRAZZETTO traveled to the United States on several occasions to meet with account holders at hotels in Manhattan. At various times, CASADEI, FRAZZETTO and others advised their undeclared U.S. taxpayer-clients that their accounts at Swiss Bank No. 1 would not be disclosed to the IRS because Swiss Bank No. 1 had a long tradition of bank secrecy and no longer had offices in the United States, making Swiss Bank No. 1 less vulnerable to pressure from U.S. law enforcement authorities than other Swiss banks with a presence in the U.S.

The collective maximum value of the assets in undeclared accounts beneficially owned by U.S. taxpayer-clients of CASADEI, FRAZZETTO and other client advisors at Swiss Bank No. 1 was greater than \$600 million.

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CASADEI and FRAZZETTO both reside in Switzerland. They each face a maximum sentence of five years in prison, a maximum term of three years of supervised release, and a fine of the greatest of \$250,000, or twice the gross pecuniary gain derived from the offense or twice the gross pecuniary loss to the victims on the conspiracy charge.

Mr. BHARARA praised the outstanding efforts of IRS-CID in the investigation, which he noted is ongoing. He also thanked U.S. Department of Justice's Tax Division for their significant assistance in the investigation.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys DANIEL W. LEVY, DAVID B. MASSEY, and JASON H. COWLEY are in charge of the prosecution.

The charge and allegations contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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