



1 DAVID L. ANDERSON (CABN 149604)
2 United States Attorney

FILED

SEP 26 2019 *as*

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION

JST

11 UNITED STATES OF AMERICA,)
12 Plaintiff,)
13 v.)
14 OLEG TINKOV,)
a/k/a Oleg Tinkoff,)
15 Defendant.)
16)

CASE NO. **CR 19 489**

VIOLATIONS:
26 U.S.C. § 7206(1) – Making and
Subscribing A False Tax Return,
Statement, and Document (Two Counts)

OAKLAND VENUE

UNDER SEAL

17 INDICTMENT

18 The Grand Jury charges:

19 At all times relevant to this indictment, unless otherwise indicated, and with all dates being
20 approximate and all date ranges both approximate and inclusive:

21 1. Defendant OLEG TINKOV, also known as Oleg Tinkoff (“TINKOV”), became a
22 naturalized U.S. citizen on September 10, 1996.

23 2. In 2013, Tinkoff Credit Systems Group Holding PLC was the holding company for
24 Tinkoff Credit Systems (collectively “TCS”). TCS was headquartered in Russia, and was a branchless
25 online bank that provided its customers with financial and bank services.

26 3. TINKOV was the founder of TCS and the beneficial owner of the majority of TCS
27 shares.

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INDICTMENT

Document No. 1
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1 4. Prior to October 25, 2013, TINKOV indirectly owned the majority of TCS shares through
2 a structure of three British Virgin Islands (“BVI”) entities as described below (collectively, the “BVI
3 Structure”).

4 5. On or about April 5, 2013, TINKOV became the 100% shareholder of Beckett Group
5 Ltd., a BVI entity.

6 6. On or about May 28, 2013, Beckett Group Ltd. became the 100% shareholder of two
7 other BVI entities: (1) Tadek Holding & Finance S.A. (“Tadek Holding”), and (2) Tasos Invest &
8 Finance Inc. (“Tasos Invest”).

9 7. Prior to TCS’s initial public offering (“IPO”) on October 25, 2013, more than 93 million
10 TCS shares were held in the name of Tadek Holding, and more than 10 million TCS shares were held in
11 the name of Tasos Invest. In total, these shares comprised more than 60% of all TCS’s shares.

12 8. On October 25, 2013, TCS held its IPO on the London Stock Exchange. TCS’s opening
13 share price on October 25, 2013, was \$17.50 per share. On October 25, 2013, as part of TCS’s IPO,
14 TINKOV sold and caused to be sold more than 11 million TCS shares that he indirectly owned and
15 controlled through Tadek Holding and Tasos Invest., which generated more than \$199 million in gross
16 proceeds.

17 9. After the IPO, TINKOV continued to control and indirectly own more than 92 million
18 TCS shares through the BVI Structure, which represented over 50% of the total issued TCS share capital
19 and approximately 91% of the total number of votes among TCS shareholders.

20 10. As of October 27, 2013, TINKOV’s 100% ownership of the BVI Structure, and the TCS
21 shares that TINKOV controlled and beneficially owned through the BVI Structure, had a fair market
22 value of more than \$1 billion.

23 11. On or about October 28, 2013, TINKOV expatriated from the United States by
24 renouncing his U.S. citizenship before a diplomatic and consular officer of the United States.

25 12. The term “expatriate” means any United States citizen who relinquishes his citizenship.

26 13. The term “covered expatriate” means, among other things, an expatriate who has a net
27 worth of \$2 million or more as of the date of his expatriation.

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1 14. Under United States' tax laws, all property of a covered expatriate, with some exceptions
2 not relevant here, shall be treated as sold on the day before the expatriate's expatriation date for its fair
3 market value (the "constructive sale"). Any gain arising from that constructive sale shall be taken into
4 account for the taxable year of the sale.

5 15. The Internal Revenue Service ("IRS") is an agency of the United States Department of
6 the Treasury and is responsible for administering and enforcing the United States' tax laws.

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8 COUNT ONE: (26 U.S.C. § 7206(1) – Willfully Making and Subscribing a False Tax Return)

9 16. Paragraphs 1 through 15 are incorporated and realleged as if fully set forth here.

10 17. On or about April 15, 2014, in the Northern District of California, and elsewhere, the
11 defendant,

12 OLEG TINKOV,
13 a/k/a Oleg Tinkoff,

14 did willfully make and subscribe a Form 1040, U.S. Individual Income Tax Return, for the calendar year
15 2013 (the "2013 tax return"), which was verified by a written declaration that it was made under the
16 penalties of perjury, and which defendant TINKOV knew was not true and correct as to every material
17 matter. The 2013 tax return, which was prepared, signed, and which TINKOV caused to be prepared
18 and signed, in the Northern District of California and was filed with the IRS (1) falsely reported on Line
19 22 that TINKOV's total income was \$205,317; and (2) fraudulently represented that to the best of
20 TINKOV's knowledge and belief, the tax return was true, correct, and complete, whereas TINKOV
21 knew and believed (1) his income was greater than \$205,317; and (2) his 2013 tax return did not include
22 any gain and income arising from the constructive sale of his property related to his expatriation on
23 October 28, 2013, in violation of Title 26, United States Code, Section 7206(1).

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1 COUNT TWO: (26 U.S.C. § 7206(1) –Making and Subscribing A False Document or
2 Statement)

3 18. Paragraphs 1 through 15 are incorporated and realleged as if fully set forth here.

4 19. On or about April 15, 2014, in the Northern District of California, and elsewhere, the
5 defendant,

6 OLEG TINKOV,
7 a/k/a Oleg Tinkoff,

8 did willfully make and subscribe a Form 8854, Initial and Annual Expatriation Statement, for the
9 calendar year 2013 (the “Expatriation Statement”), which was verified by a written declaration that it
10 was made under penalties of perjury and which defendant TINKOV knew was not true and correct as to
11 every material matter. The Expatriation Statement, which was prepared, signed, and which TINKOV
12 caused to be prepared and signed, in the Northern District of California and was filed with the IRS, (1)
13 falsely reported on Part IV, Section A, Line 2, that TINKOV’s net worth as of his expatriation date was
14 \$300,000; (2) fraudulently failed to report any property in Part IV, Section B; and (3) falsely stated that
15 to the best of TINKOV’s knowledge and belief, the Expatriation Statement was true, correct, and
16 complete, whereas TINKOV knew and believed his net worth as of his expatriation date was greater
17 than \$300,000, and that he was required to list property and report information related to such property
18 on the Expatriation Statement, in violation of Title 26, United States Code, Section 7206(1).

19 DATED: 9/26/19



Oakland

22 DAVID L. ANDERSON
23 United States Attorney

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25 JOSE A. OLIVERA
26 Assistant United States Attorney
27 CHRISTOPHER STRAUSS
28 Trial Attorney
United States Department of Justice, Tax Division