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15 **UNITED STATES DISTRICT COURT FOR THE**  
16 **NORTHERN DISTRICT OF CALIFORNIA**  
17 **SAN FRANCISCO DIVISION**

**TEH**

18 IN THE MATTER OF THE TAX  
LIABILITIES OF:

) **CV 13 1938**  
) Civil Number

19 JOHN DOES, United States taxpayers who,  
20 at any time during the years ended  
December 31, 2004, through December 31,  
21 2012, directly or indirectly had interests in or  
signature or other authority (including  
22 authority to withdraw funds, trade or give  
instructions or receive account statements,  
23 confirmations or other information, advice or  
solicitations) with respect to any financial  
24 accounts maintained at, monitored by, or  
managed through CIBC FirstCaribbean  
25 International Bank Limited, its predecessors,  
subsidiaries, and affiliates (collectively,  
26 FCIB) and financial accounts maintained at,  
monitored by, or managed through other  
27 financial institutions that FCIB permitted to  
transact client business through its United  
28 States correspondent account at Wells Fargo  
Bank, N.A.

) **DECLARATION OF REVENUE AGENT  
CHERYL R. KIGER IN SUPPORT OF EX  
PARTE PETITION FOR LEAVE  
TO SERVE "JOHN DOE" SUMMONS**

Declaration Of R/A Cheryl R. Kiger In Support of  
Ex Parte Petition For Leave to Serve "John Doe" Summons

1 I, Cheryl R. Kiger, pursuant to 28 U.S.C. § 1746, declare and state:

2 1. I am a duly commissioned Revenue Agent assigned as Technical Specialist in the  
3 Offshore Compliance Initiatives Program conducted by the Internal Revenue Service (“IRS”). The  
4 Offshore Compliance Initiatives Program develops projects, methodologies, and techniques for  
5 identifying United States taxpayers who are involved in abusive offshore transactions and financial  
6 arrangements for tax avoidance purposes. I have been a Revenue Agent since 1991, and have  
7 specialized in offshore investigations since 2010. As a Revenue Agent, I have received training in tax  
8 law and audit techniques, and have received specialized training in abusive offshore tax issues. I also  
9 have experience in investigating offshore tax matters.

10 2. Since February 2011, I have been assigned to work on the IRS’s Offshore Private  
11 Banking Initiative. Prior to that, for approximately one year, I was assigned as a Technical Advisor to  
12 agents reviewing Offshore Voluntary Disclosure submissions. In 2009, the IRS created the Offshore  
13 Voluntary Disclosure Program (“OVDP”) to give U.S. taxpayers with offshore accounts who had  
14 previously failed to disclose such accounts to the IRS the opportunity to come forward and disclose the  
15 existence of such accounts with the IRS. Prior to my work as a Technical Advisor to agents reviewing  
16 Offshore Voluntary Disclosure Programs, and from approximately 2003, I worked on the IRS’s efforts  
17 to address various other abusive tax arrangements.

18 3. The IRS has long been concerned with the problem of United States taxpayers – whether  
19 involved in lawful or unlawful activities – evading their United States tax obligations by concealing  
20 unreported taxable income in accounts in offshore tax haven or financial secrecy jurisdictions. That  
21 problem has been described in detail in a number of reports, including “Crime and Secrecy: The Use of  
22 Offshore Banks and Companies,” S. Rep. No. 99-130 (1985); United Nations’ Office for Drug Control  
23 and Crime Prevention, Global Programme Against Money Laundering, “Financial Havens, Banking  
24 Secrecy and Money Laundering” (May 29, 1998) ([www.imolin.org/imolin/finhaeng.html](http://www.imolin.org/imolin/finhaeng.html)); and “Tax  
25 Haven Banks and U.S. Tax Compliance,” S. Rep. No. 110-614 (2008)  
26 (<http://purl.access.gpo.gov/GPO/LPS109146>).

27 4. The IRS’s Offshore Private Banking Initiative addresses the use of offshore bank  
28 accounts by U.S. taxpayers to evade the payment of U.S. income tax.

1 Offshore Banking and Correspondent Accounts

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

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

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

15 *Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities: Hearings*  
16 *before the Senate Permanent Subcommittee on Investigations*, S. Hrg. 106-428 at 881-82 (1999)  
17 (Minority Staff Report) ([http://www.hsgac.senate.gov/download/report-private-banking-and-money-](http://www.hsgac.senate.gov/download/report-private-banking-and-money-laundering-a-case-study-of-opportunities-and-vulnerabilities)  
18 [laundering-a-case-study-of-opportunities-and-vulnerabilities](http://www.hsgac.senate.gov/download/report-private-banking-and-money-laundering-a-case-study-of-opportunities-and-vulnerabilities)).

19 6. The experience of the IRS has shown that not only private banking relationships can be  
20 used to conceal ownership of funds from taxing authorities and others. Taxpayers making voluntary  
21 disclosures under the IRS's recent offshore voluntary disclosure initiatives have reported the use of  
22 undisclosed bank accounts in over 600 banks or branches of banks in jurisdictions around the world.  
23 Many of these offshore accounts were held through shell companies and trusts or employed other  
24 practices to conceal beneficial ownership information.

25 7. The practice of offshore banks using correspondent accounts for purposes of accessing  
26 the United States financial market and its banking customers has similarly received considerable  
27 attention.

28 8. As reported in a 2001 investigative report published by the Minority Staff of the Senate  
Permanent Subcommittee on Investigations entitled *Correspondent Banking: A Gateway For Money*  
*Laundering:*

1 Correspondent banking is the provision of banking services by one bank to  
 2 another bank. It is a lucrative and important segment of the banking  
 3 industry. It enables banks to conduct business and provide services for  
 4 their customers in jurisdictions where the banks have no physical  
 5 presence. For example, a bank that is licensed in a foreign country and  
 6 has no office in the United States may want to provide certain services in  
 7 the United States for its customers in order [to] attract or retain the  
 8 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.

9 Today, banks establish multiple correspondent relationships throughout  
 10 the world so they may engage in international financial transactions for  
 11 themselves and their clients in places where they do not have a physical  
 12 presence. Many of the largest international banks located in the major  
 13 financial centers of the world serve as correspondents for thousands of  
 14 other banks. Due to U.S. prominence in international trade and the high  
 15 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.

16 *U.S. Correspondent Banking in International Money Laundering: Hearings Before the Senate*

17 *Permanent Subcommittee on Investigations*, S. Hrg. 107-84 at 287 (Feb. 2001) (Report by the Minority

18 *Staff on Correspondent Banking: A Gateway For Money Laundering*)

19 ([http://www.hsgac.senate.gov/download/report-private-banking-and-money-laundering-a-case-study-of-  
 opportunities-and-vulnerabilities](http://www.hsgac.senate.gov/download/report-private-banking-and-money-laundering-a-case-study-of-<br/>
  20 opportunities-and-vulnerabilities)).

21 9. The Correspondent Banking Report went on to describe the special dangers of “nested”  
 22 foreign correspondent accounts:

23 Another practice in U.S. correspondent banking which increases money  
 24 laundering risks in the field is the practice of foreign banks operating  
 25 through the U.S. correspondent accounts of other foreign banks. The  
 26 investigation uncovered numerous instances of foreign banks gaining  
 27 access to U.S. banks – not by opening a U.S. correspondent account – but  
 28 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



1 foreign bank must, among other things, obtain Forms W-9 from any U.S. clients whose funds are so  
2 invested and report any payments to such U.S. clients to the IRS. FCIB was not a Qualified  
3 Intermediary and so assumed no legal obligation under that program to report income paid to any of its  
4 U.S. clients to the IRS. CIBC Bank & Trust (Cayman) Ltd. and CIBC Trust Company (Bahamas) Ltd.,  
5 which FCIB acquired in 2011, were Qualified Intermediaries, but IRS records show that, together, those  
6 two banks filed only six Forms 1099 with respect to U.S. clients in 2009, nine in 2010, and 15 in 2011,  
7 and some of those forms may have been filed for the same individuals who received more than one type  
8 of reportable income.

9 14. During the course of my review of data received by the IRS relating to the clients of a  
10 large international trust and corporate service provider, I discovered information about a U.S. taxpayer  
11 (Taxpayer 1) who had opened numerous bank accounts at FCIB and its predecessor Barclays Bank in a  
12 Caribbean jurisdiction in his own name and in the names of various shell companies he controlled.  
13 These FCIB accounts were used, among other things, as conduits for the transfer of tens of millions of  
14 dollars in and out of the United States between various financial accounts controlled by Taxpayer 1.  
15 Taxpayer 1 did not report any income arising from the transactions involving these FCIB accounts.

16 15. After discovering the transactions between Taxpayer 1 and FCIB and its predecessor  
17 Barclays Bank, I researched FCIB in the IRS's ODVP database and learned that at least 129 voluntary  
18 disclosures have been made by U.S. taxpayers holding undisclosed accounts at FCIB and its  
19 predecessors in the Caribbean. I have reviewed all of these voluntary disclosure submissions and they  
20 all involve taxpayers who failed to report income related to undisclosed accounts at FCIB and its  
21 predecessors. In addition, I personally interviewed six of the individuals making the voluntary  
22 disclosures.

23 16. One person I interviewed, Taxpayer 2, was the owner of a U.S. taxicab company and was  
24 also the beneficial owner of a Cayman Islands shell corporation formed on his behalf. This shell  
25 corporation was formed by an offshore service provider in the Cayman Islands to hold and invest for  
26 Taxpayer 2 any portions of "premiums" Taxpayer 2 paid for offshore insurance that were not used to  
27 pay his claims. The nominal owner of Taxpayer 2's company was another Cayman Islands corporation  
28 formed by the offshore service provider to serve in that capacity. Taxpayer 2's Cayman Islands shell

1 company opened an account at Barclays Bank, which later became FCIB, to hold the funds. Taxpayer 2  
2 did not have direct signature authority over the FCIB account, but exercised actual authority through the  
3 nominal owner of his shell company, which followed his instructions with regard to the account.

4 Although Taxpayer 2 was the beneficial owner of the FCIB account, his name appeared nowhere on the  
5 documents related to the account, his shell company, or its nominal owner. Although Taxpayer 2's  
6 taxicab business claimed tax deductions when the "premiums" were paid for the offshore insurance,  
7 Taxpayer 2 did not report the receipt of the excess "premiums" when they were paid over to his Cayman  
8 Island shell company, nor did he report earnings on the Cayman Islands shell company's investments.

9 17. I interviewed Taxpayer 3 who is the owner of a U.S. corporation that had bid on, and  
10 won, a contract to provide services to a large company in the Caribbean. On the advice and with the  
11 assistance of a U.S. law firm, they engaged a management company in Aruba to set up a Curacao  
12 company to be owned by an irrevocable trust of which Taxpayer 3's children would be beneficiaries.  
13 This was done in order to avoid U.S. estate tax on funds generated by the Caribbean business  
14 transactions. All payments on the contract were wired into an account at ABM Amro (later FCIB) in  
15 Aruba. Taxpayer 3 did not deal with the bank directly in setting up the accounts. Those arrangements  
16 were made by the Aruban management company, which originally had sole signature authority over the  
17 bank account. The U.S. law firm assured Taxpayer 3 that the money in the account was secure, and it  
18 was Taxpayer 3's understanding that keeping his name off the account was part of the plan to keep the  
19 funds in the account from being taxable. However, he was uncomfortable with this and insisted on  
20 adding himself as a signatory on the account. In addition, Taxpayer 3 was given a credit card tied to the  
21 bank account and was the only person authorized to use the credit card. The income deposited to this  
22 account was not reported by Taxpayer 3 or his U.S. corporation until their voluntary disclosure was  
23 made in 2009.

24 18. I interviewed Taxpayer 4 who is a U.S. taxpayer who had an active business in the British  
25 Virgin Islands (BVI). In addition to business bank accounts that had previously been opened at FCIB  
26 for his business by an agent, Taxpayer 4 and his wife opened personal accounts at FCIB in 2006, at  
27 which they maintained certificates of deposit. The certificates of deposit and their earnings were not  
28 reported on Taxpayer 4's U.S. income tax returns until he made his voluntary disclosure in 2009.

1           19. I interviewed Taxpayer 5 who I learned opened an account at FCIB in the name of a  
2 Cayman Islands corporation (Company 1 – Cayman) that he established with the same name as a U.S.  
3 corporation (Company 1) he had created to self-insure transactions involving another U.S. corporation  
4 he owned (Company 2). Taxpayer 5 moved funds, via wire transfer, in and out of the FCIB account  
5 between various countries and the United States. The sources of funds transferred to the FCIB account  
6 included (1) excess insurance “premiums” received by Company 1 from Company 2 that were not  
7 needed to pay claims of Company 2; (2) rebates from a third party of portions of payments made by  
8 Company 2 to acquire product distribution rights, which Taxpayer 5 instructed the third party to wire  
9 directly to the FCIB account; (3) commission income owed to Company 2 by some of its customers,  
10 which Taxpayer 5 directed the customers to wire directly to the FCIB account; and (4) amounts  
11 collected by Taxpayer 5 from friends to be used as a pooled investment in another business. Taxpayer 5  
12 had beneficial ownership of and complete control over the funds in the FCIB account (except for  
13 amounts held on behalf of his friends for the pooled investment) but did not report the FCIB account or  
14 any income related to it on his U.S. income tax returns until he made his voluntary disclosure in 2009.

15           20. I interviewed Taxpayer 6 who I learned controlled three different business accounts and  
16 one personal account at FCIB in the Turks and Caicos Islands. Some of the deposits to those accounts  
17 represented income earned by Taxpayer 6 for advisory services provided to third parties. Taxpayer 6  
18 failed to report this income on his U.S. income tax returns until Taxpayer 6 made his voluntary  
19 disclosure in 2009.

20           21. Finally, I interviewed Taxpayer 7 who is a U.S. permanent resident employed by a  
21 consulting firm in the United States. In 2006, he used a Bahamian law firm to set up a Bahamian  
22 corporation to hold a bank account to receive commissions for consulting services Taxpayer 7  
23 performed for third parties without the knowledge of his employer. The law firm referred him to FCIB  
24 to open the account. When he opened the account, he was told by an FCIB employee that no bank  
25 information would be given to the United States without a legal request. He used wire transfers to move  
26 funds in and out of the account. Taxpayer 7 failed to report any of the commissions that were deposited  
27 into the FCIB account on his U.S. income tax returns until Taxpayer 7 made his voluntary disclosure in  
28 2009.



1           22.     In addition to reviewing the voluntary disclosures and conducting the interviews  
2 discussed above, I also researched a number of criminal proceedings in the United States in which the  
3 defendants were proved or alleged to have used accounts at FCIB and its predecessors for tax evasion or  
4 as concealed repositories for the proceeds of a crime. I learned of the following such situations:

- 5           •   Howell Woltz – In 2007, Howell Woltz pled guilty to conspiracy to defraud the IRS and  
6           conspiracy to commit money laundering. These crimes were part of a larger stock fraud, tax  
7           evasion, and money laundering operation. As part of his plea agreement, Mr. Woltz agreed  
8           to forfeit certain assets to the U.S. government, including a FirstCaribbean International  
9           Bank account held in the name of Sterling ACS Ltd. Sterling ACS, controlled by Mr. Woltz,  
10          was a Bahamian corporation in the business of incorporating offshore businesses and  
11          providing related financial services.
- 12          •   John Cockerham – In 2008, former Army Major John Cockerham pled guilty to bribery,  
13          money-laundering, and conspiracy to commit bribery in a case involving the receipt of bribes  
14          and kickbacks in return for steering government contracts to companies providing goods and  
15          services to the U.S. Army in Iraq and Kuwait. Mr. Cockerham’s wife and sister allegedly  
16          travelled to Kuwait to collect the bribe money and initially placed it in safe deposit boxes.  
17          The funds were later moved to offshore bank accounts. According to an affidavit attached to  
18          the 2007 criminal complaint, as part of the criminal investigation, federal agents searched the  
19          Cockerhams’ home and found, among other things, account application documents for a  
20          FirstCaribbean International Bank account in the name of John Cockerham and a 2005 letter  
21          from FCIB memorializing a visit by one of Mr. Cockerham’s associates (a cooperating  
22          witness). Evidence produced at the sentencing in 2009 indicates that Mr. Cockerham  
23          actually opened an account with FCIB.
- 24          •   West Virginia Healthcare Fraud Case – In 2003, Robert Burns, Ronald Halstead, William  
25          Filcheck, and Scott Taylor were indicted in the United States District Court for the Northern  
26          District of West Virginia for various charges related to health care insurance fraud and  
27          laundering of the proceeds of this activity. Messrs. Halstead, Filcheck, and Taylor were  
28          convicted of conspiracy and health care fraud. Mr. Halstead was also convicted of money

1 laundering. Mr. Burns has successfully opposed extradition from Ireland and has not yet  
2 been tried. Mr. Halstead was sentenced to 121 months in prison; Messrs. Filcheck and  
3 Taylor were each sentenced to 24 months in prison. As part of the fraudulent scheme, the  
4 defendants transferred funds to an account with Barclays Bank in the British Virgin Islands  
5 (later FirstCaribbean International Bank) held in the name of Blackstone Financial Ltd. The  
6 United States has filed a complaint seeking to forfeit the criminal proceeds in the FCIB  
7 account.

- 8 • Terry Davis – In December 2009, Terry Davis pled guilty to tax evasion and currency  
9 structuring, and was sentenced in 2012 to over two years in prison. In his plea agreement,  
10 Mr. Davis admitted that he had transferred funds to a FirstCaribbean International Bank  
11 account in Nevis held in the name of Advanced Marketing Strategies. Mr. Davis was the  
12 owner of this entity and had sole signature authority over this account.
- 13 • Malchus Irvin BonCamper – In a February 2011 superseding indictment, Malchus  
14 BonCamper and five co-defendants were alleged to have conspired to sell fake and  
15 fraudulent insurance policies, including one to a company that operated a tour boat called the  
16 Ethan Allen, which later sank on Lake George, New York, killing 20 elderly tourists.  
17 Among other things, the indictment claimed that the defendants used accounts at several  
18 banks to launder the proceeds of their allegedly fraudulent activity. One of the co-  
19 defendants, Edmond Hugh Benton, controlled an account with FirstCaribbean International  
20 Bank held in the name of Commercial General Capital Investments Ltd., which received  
21 funds from the arrangement. In October 2011, Benton pled guilty to one count of conspiracy  
22 to launder money in connection with the payments to his FCIB account.
- 23 • FBI Sting – In 2005, the FBI’s Miami Division initiated an investigation into public  
24 corruption in South Florida. In an undercover operation, FBI agents posing as asset  
25 managers seeking to hide proceeds from an investment fraud that was sending out phony  
26 statements to investors sought assistance in hiding their money in the Caribbean. The  
27 investigation resulted in the money laundering convictions of Broward County  
28 Commissioner Josephus Eggelletion and two associates and the indictment of Bahamian

1 lawyer Sidney Cambridge in 2009. In an Affidavit in Support of Request for Extradition of  
2 Sidney Cambridge filed with the United States District Court for the Southern District of  
3 Florida on October 12, 2010, an FBI Special Agent states that Mr. Cambridge assisted him in  
4 setting up an International Business Company (IBC) in Nassau and, after the paperwork was  
5 completed to set up the IBC, took the undercover agent to FCIB, where he introduced the  
6 undercover agent to an International Corporate Manager in the International Wealth  
7 Management office. According to the complaint, the manager assisted the undercover agent  
8 in setting up an account in the name of the IBC, which the agent then proceeded to use as a  
9 repository for funds that were allegedly the proceeds of the investment scheme.

10 In my experience, persons who use undisclosed foreign bank accounts to hold the proceeds of criminal  
11 activity also use the accounts to facilitate the concealment of the income from the IRS.

12 FCIB's Correspondent Account at Wells Fargo

13 23. According to the FCIB website, FCIB maintains a correspondent account with Wells  
14 Fargo Bank, NA (formerly Wachovia Bank) ("Wells Fargo"), SWIFT Code \*\*\*\*\*NNYC and ABA  
15 Code \*\*\*\*\*5092, which maintains its headquarters in San Francisco, CA, in the Northern District of  
16 California. Based on my experience, I know that through this correspondent relationship, FCIB could  
17 wire funds from the Caribbean to the Wells Fargo Correspondent Account in the United States and, in  
18 turn, wire funds from the Wells Fargo Correspondent Account to other accounts located in both the  
19 United States and overseas. FCIB also had the ability to issue checks drawn on the Wells Fargo  
20 Correspondent Account. Checks drawn on a correspondent account function like any check drawn on an  
21 account at a U.S. financial institution and could be deposited, or cashed for U.S. dollars, at other  
22 financial institutions. Based on my experience, I know that a correspondent account can also serve as a  
23 means of moving funds into the foreign respondent bank, in this case FCIB. Based on my experience, I  
24 also know that offshore banks, such as FCIB, also sometimes allow other offshore banks to use their  
25 correspondent accounts in the United States.

The IRS Investigation and the John Doe Summons

1  
2       24.     The IRS is now investigating United States taxpayers who directly or indirectly hold or  
3 held interests in, or have signature or other authority over, undisclosed financial accounts at FCIB, as  
4 well as at other banks that FCIB may have permitted to use its U.S. correspondent account, and who  
5 have not been or may not be complying with U.S. internal revenue laws requiring the reporting of  
6 foreign financial accounts, and income earned on those accounts. To facilitate this investigation, the  
7 IRS is seeking the Court's permission to serve, pursuant to Section 7602 of the Internal Revenue Code  
8 (26 U.S.C. § 7602), a "John Doe" summons to Wells Fargo, FCIB's correspondent bank in the United  
9 States. A copy of this summons is attached as Exhibit A.

10       25.     Based on information received by the IRS, the persons in the "John Doe" class may have  
11 failed to report the existence of foreign financial accounts under their control, failed to report income,  
12 evaded income taxes, or otherwise violated the internal revenue laws of the United States.

13       26.     The correspondent account records requested in the John Doe summons will contain  
14 information needed to identify U.S. taxpayers with undisclosed accounts at FCIB and at the other banks  
15 FCIB may have permitted to use its U.S. correspondent account. For example, client names and other  
16 identifying information may be contained in payee or note lines or in endorsements on checks; on payee  
17 or note lines, signatures, or endorsements on deposited items; or on originator, beneficiary, or instruction  
18 fields on wire transfer records.

19       27.     Because of the heightened risk of money laundering through correspondent accounts, the  
20 U.S.A. Patriot Act and related regulations impose certain obligations on U.S. financial institutions such  
21 as Wells Fargo that house correspondent accounts for foreign financial institutions to guard against  
22 money laundering. As explained in the *Bank Secrecy Act/Anti-Money Laundering Handbook*  
23 ("Examination Manual"), published by Federal Financial Institutions Examination Council:

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

- 26       • Determining whether each such foreign correspondent account is subject  
27       to [Enhanced Due Diligence].  
28       • 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.

*Examination Manual*, Foreign Correspondent Account Recordkeeping and Due Diligence – Overview ([www.ffiec.gov/pdf/bsa\\_aml\\_examination\\_manual2006.pdf](http://www.ffiec.gov/pdf/bsa_aml_examination_manual2006.pdf)). The summons also requests reports produced by Wells Fargo’s anti-money laundering system in connection with these due diligence requirements, as well as documents reflecting the results of investigations of such exceptions, including communications with FCIB. Such exception reports and investigation results may contain information relevant to the identification of U.S. taxpayers with undeclared accounts at FCIB and the other banks using its correspondent account.

28. As described in greater detail below: (1) the “John Doe” summons to Wells Fargo relates to the investigation of an ascertainable group or class of persons; (2) there is a reasonable basis for believing that this group or class of persons has failed or may have failed to comply with provisions of the internal revenue laws; and (3) 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 Wells Fargo.

I. THE SUMMONS DESCRIBES AN ASCERTAINABLE CLASS OF PERSONS

29. The “John Doe” summons to Wells Fargo seeks information regarding United States taxpayers who, at any time during the years ended December 31, 2004, through December 31, 2012, 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 CIBC FirstCaribbean International Bank Limited, its predecessors, subsidiaries, and affiliates (collectively, FCIB) and financial accounts maintained at, monitored by, or managed through other financial institutions that FCIB permitted to transact client business through its United States correspondent account at Wells Fargo.

1           30.     This class of persons is ascertainable in that the individuals in the class are particularized  
2 from the general public by their characteristics of holding undisclosed accounts at FCIB or at other  
3 banks to which FCIB extends privileges of conducting transactions through its U.S. correspondent  
4 account.

5           II.     MEMBERS OF THE “JOHN DOE” CLASS MAY HAVE FAILED TO COMPLY  
6 WITH THE INTERNAL REVENUE LAWS

7           A.     Internal Revenue Laws Require United States Taxpayers to Report Income Earned  
8 Worldwide, to Disclose All Foreign Financial Accounts, and to File Reports of Certain  
Foreign Financial Accounts

9           31.     United States taxpayers with gross income exceeding the filing requirements must file  
10 annual income tax returns reporting to the IRS their income from all sources worldwide. Taxpayers  
11 who fail to report all income on their income tax returns – including income earned in accounts held  
12 overseas – have failed to comply with the internal revenue laws.

13           32.     United States taxpayers who have a financial interest in, or signature authority over,  
14 any foreign financial account must disclose the existence of that account on their federal income tax  
15 returns. This is done by checking the “Yes” box in response to a question at the bottom of Schedule B  
16 to the U.S. Individual Income Tax Return Form 1040.

17           33.     United States taxpayers who have a financial interest in, or signature authority over, one  
18 or more financial accounts in a foreign country with an aggregate value of more than \$10,000 at any  
19 time during a calendar year are required to file with the Department of the Treasury, for that calendar  
20 year, a Report of Foreign Bank and Financial Accounts on Form TD F 90-22.1 (“FBAR”). The FBAR  
21 for that calendar year is due by June 30 following the end of that calendar year. It is the experience of  
22 the IRS that taxpayers who have failed to file FBARs with respect to foreign financial accounts typically  
23 also have failed to check the box on schedule B of the U.S. Individual Income Tax Return, Form 1040,  
24 disclosing the existence of foreign financial accounts, and have failed to report interest or other income  
25 earned with respect to those foreign accounts.

1 B. The IRS has Reason to Believe that Members of the “John Doe” Class May Have Failed  
2 to Comply with One or More Requirements of the Internal Revenue Laws.

3 34. As described in further detail below, the “John Doe” class encompasses U.S. taxpayers  
4 with FCIB accounts, including those taxpayers who dealt with FCIB in order to avoid having their  
5 foreign bank account relationships disclosed to the United States. The class also includes taxpayers with  
6 undisclosed accounts at other banks that FCIB permitted to use its Wells Fargo Correspondent Account  
7 to transact business in the United States. Based on my experience with offshore accounts, taxpayers  
8 who hold undisclosed foreign accounts do so in order to conceal their income from the IRS. The fact  
9 that these U.S. taxpayers chose to hold “undeclared” account relationships with FCIB and other banks  
10 provides a reasonable basis to believe that the members of the “John Doe” class have failed to comply  
11 with the internal revenue laws. Because it does not know the identities of those in the “John Doe” class,  
12 the IRS cannot yet audit these U.S. taxpayers’ income tax returns to determine whether they reported  
13 their income held in offshore accounts.

14 35. It is the experience of the IRS that there is a direct correlation between unreported  
15 income and the lack of visibility of that income to the IRS. That is, when the third-party payer of  
16 income to a taxpayer is not required to, or does not, report that income to the IRS, the taxpayer-recipient  
17 of that income is far less likely to report that income on her tax returns. This experience supports the  
18 IRS’s belief that U.S. taxpayers with undisclosed offshore accounts with FCIB and the other banks that  
19 may have used FCIB’s Wells Fargo Correspondent Account may not be complying with the internal  
20 revenue laws requiring them to report income earned on those accounts.

21 36. The information obtained by the IRS and discussed in this Declaration suggests that U.S.  
22 account holders at FCIB have not disclosed the existence of their FCIB accounts, nor have they reported  
23 income earned on those accounts. Instead, they have relied on the lack of third party reporting to  
24 support their decision not to report the existence of those accounts, with the expectation that the IRS  
25 would not discover the accounts or omitted income.

26 37. Numerous U.S. taxpayer-clients of FCIB who made voluntary disclosures to the IRS  
27 admitted filing Forms 1040 that failed to report the existence of, and the income generated from, their  
28 undeclared FCIB accounts; and also evaded substantial income taxes due and owing to the IRS; and

1 undeclared FCIB accounts; and also evaded substantial income taxes due and owing to the IRS; and  
2 failed to file timely FBARs identifying their undeclared accounts.

3 38. To my knowledge, and based on my experience, the only repository of the information  
4 sought by the proposed summons that is readily available to the IRS is Wells Fargo, which is the  
5 custodian of the records of FCIB's Wells Fargo Correspondent Account.

6 39. In light of the above, the records sought by the John Doe summonses are not otherwise  
7 reasonably and timely available to the IRS.

8 40. I was the IRS Revenue Agent who issued the "John Doe" summons in *In re Tax*  
9 *Liabilities of John Does (UBS AG)*, Order Granting *Ex Parte* Petition for Leave to Serve "John Doe"  
10 Summons dated January 25, 2013, Case No. 13-mc-21 (S.D.N.Y. 2013) ("*In re Wegelin & Co.*").  
11 Attached hereto as Exhibit B is a true and correct copy of the Order Granting *Ex Parte* Petition for  
12 Leave to Serve "John Doe" Summons dated January 25, 2013, in *In re Wegelin & Co.*

13 I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and  
14 correct.

15 Executed this 26<sup>th</sup> day of April, 2013.



16  
17 CHERYL R. KIGER  
18 Revenue Agent  
19 Internal Revenue Service  
20  
21  
22  
23  
24  
25  
26  
27  
28



# **EXHIBIT A**



# 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 12/31/2004, through 12/31/2012

**The Commissioner of Internal Revenue**

To: Wells Fargo Bank, N.A.  
 At: 420 Montgomery Street, San Francisco, CA 94163

You are hereby summoned and required to appear before Cheryl R. Kiger 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" are United States taxpayers who, at any time during the years ended December 31, 2004, through December 31, 2012, 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 CIBC FirstCaribbean International Bank Limited, its predecessors, subsidiaries, and affiliates (collectively, FCIB) and financial accounts maintained at, monitored by, or managed through other financial institutions that FCIB permitted to transact client business through its United States correspondent account at Wells Fargo Bank, N.A.

**Do not write in this space**

**Business address and telephone number of IRS officer before whom you are to appear:**  
1122 Town and Country Commons, Town & Country, MO 63017-8200; Telephone: 636-255-1432

**Place and time for appearance at** 450 Golden Gate Ave, San Francisco, CA 94102-3661



Department of the Treasury  
 Internal Revenue Service

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

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

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

\_\_\_\_\_  
 Signature of issuing officer Program Manager - Supervisory RA  
 Title

\_\_\_\_\_  
 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

- 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.
- 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): \_\_\_\_\_
- 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: \_\_\_\_\_  
420 Montgomery Street, San Francisco, CA 94163

Signature	Title Program Manager - Supervisory RA
-----------	---

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): \_\_\_\_\_

- |   |   |   |
|---|---|---|
| <b>How<br/>Notice<br/>Was<br/>Given</b> | <input type="checkbox"/> I gave notice by certified or registered mail to the last known address of the noticee.                                    | <input type="checkbox"/> I gave notice by handing it to the noticee.  |
|   | <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"/> In the absence of a last known address of the noticee, I left the notice with the person summoned. |
|   | <input checked="" type="checkbox"/> No notice is required.  |   |

Signature	Title Program Manager - Supervisory RA
-----------	---

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 Program Manager - Supervisory RA
-----------	---



# 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 12/31/2004, through 12/31/2012

**The Commissioner of Internal Revenue**

To: Wells Fargo Bank, N.A.  
 At: 420 Montgomery Street, San Francisco, CA 94163

You are hereby summoned and required to appear before Cheryl R. Kiger 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" are United States taxpayers who, at any time during the years ended December 31, 2004, through December 31, 2012, 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 CIBC FirstCaribbean International Bank Limited, its predecessors, subsidiaries, and affiliates (collectively, FCIB) and financial accounts maintained at, monitored by, or managed through other financial institutions that FCIB permitted to transact client business through its United States correspondent account at Wells Fargo Bank, N.A.

**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

\_\_\_\_\_  
 Program Manager - Supervisory RA  
 Title

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

1122 Town and Country Commons, Town & Country, MO 63017-8200; Telephone: 636-255-1432

**Place and time for appearance at** 450 Golden Gate Ave, San Francisco, CA 94102-3661



Department of the Treasury  
 Internal Revenue Service

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

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

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

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

\_\_\_\_\_  
 Program Manager - Supervisory RA  
 Title

\_\_\_\_\_  
 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.

\* \* \* \* \*

## Sec. 7603. Service of summons

(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<sup>1</sup> 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<sup>1</sup> 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.

<sup>1</sup>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.

ATTACHMENT TO JOHN DOE SUMMONS TO WELLS FARGO BANK, NA

As correspondent bank for CIBC FirstCaribbean International Bank Limited (FCIB), please provide the following records of each correspondent account of FCIB, its predecessors, subsidiaries and affiliates (including CIBC Bank and Trust Company (Cayman) Limited, CIBC Trust Company (Bahamas) Limited, FirstCaribbean International Bank (Bahamas) Limited, FirstCaribbean International Bank (Barbados) Limited, FirstCaribbean International Bank (Cayman) Limited, FirstCaribbean International Bank (Jamaica) Limited, FirstCaribbean International Bank (Trinidad and Tobago) Limited, and FirstCaribbean International Wealth Management Bank (Barbados) Limited) at Wells Fargo Bank, its subsidiaries and affiliates for the period January 1, 2004, through December 31, 2012:

- bank statements
- front and back of deposit slips and deposited items
- front and back of checks
- 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.

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

In addition, please provide all exception reports produced by your AML system related to the correspondent accounts of FCIB, its subsidiaries and affiliates and, for any such report for which an investigation was undertaken, all documents reflecting the results of that investigation, including communications with FCIB.

In addition, if you provided other correspondent banking services for FCIB during the period January 1, 2004, through December 31, 2012, 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.

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.

## 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 Cheryl Kiger by telephone at (636) 255-1432.

Before you produce any of the above-listed records, please contact Revenue Agent Cheryl Kiger by telephone at (636) 255-1432 to discuss the terms of compliance. Additionally, the personal appearance requirement is waived when the requested information is furnished by mail to Revenue Agent Kiger at 1122 Town and Country Commons, Town & Country, MO 63017-8200.



# **EXHIBIT B**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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

JOHN DOES, United States taxpayers, who at any time during the years ended December 31, 2002 through December 31, 2011, 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 Wegelin & Co. and financial accounts maintained at, monitored by, or managed through other Swiss financial institutions that Wegelin & Co. permitted to transact client business through its United States correspondent account at UBS AG.  
----- X

Case No. 13 mc 21

~~PROPOSED~~ ORDER GRANTING  
EX PARTE PETITION FOR  
LEAVE TO SERVE "JOHN DOE"  
SUMMONS


ECF Case

THIS MATTER is before the Court upon the United States of America's "*Ex Parte* Petition for Leave to Serve "John Doe" Summons (the "Petition"). Based upon a review of the Petition and supporting documents, the Court has determined that the "John Doe" summons to UBS AG relates to the investigation of an ascertainable group or class of persons, that there is a reasonable basis for believing that such group or class of persons has failed or may have failed to comply with any provision of any internal revenue law, and that the information sought to be obtained from the examination of the records or testimony (and the identities of the persons with respect to whose liability the summons is issued) are not readily available from other sources. It is therefore:

ORDERED AND ADJUDGED that the Internal Revenue Service, through Revenue Agent Cheryl Kiger or any other authorized officer or agent, may serve an Internal Revenue Service "John Doe" summons upon UBS AG in substantially the form as attached as Exhibit E to

the Declaration of Cheryl Kiger. A copy of this Order shall be served together with the summons.

SO ORDERED this 25<sup>th</sup> day of January, 2013.

  
WILLIAM H. PAULEY  
UNITED STATES DISTRICT JUDGE  
*Part I Judge*

Copy to:

Natalie N. Kuehler  
Assistant United States Attorney  
U.S. Attorney's Office  
for the Southern District of New York  
86 Chambers Street, 3rd Floor  
New York, New York 10007