

US arrests Swiss banker in tax probe

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A **Credit Suisse** banker has been arrested in connection with a long-running US tax evasion investigation and could be one of several individuals likely to face charges this week as prosecutors turn their focus from institutions to bankers and wealthy clients, said people familiar with the matter.

Christos Bagios was arrested about two weeks ago on entering the US and is in transit to a detention centre in southern Florida, according to the Bureau of Prisons' website and people familiar with the matter.

The arrest is part of a US government crackdown on tax evasion schemes that has **shaken Swiss banking secrecy**.

In 2009, the US Department of Justice and Internal Revenue Service reached a **landmark deal with UBS** in which the Swiss bank agreed to pay \$780m and turn over thousands of client names.

More than 23 **UBS** clients have been charged for allegedly engaging in tax evasion schemes; many of them have pleaded guilty.

In December, Renzo Gadola, the first UBS banker to be charged since the settlement, admitted to conspiring to help wealthy US clients evade paying taxes. Mr Gadola worked at UBS from 1995 to 2008.

The IRS referred calls to the DoJ, which declined to comment. Credit Suisse and UBS declined to comment and Mr Bagios was unreachable for comment.

Investigators are focusing on bankers who allegedly conspired to help wealthy US clients evade paying hundreds of millions of dollars in taxes. Their investigation goes beyond UBS and includes other Swiss banks, people familiar with the matter said.

The IRS had previously announced an amnesty programme for US individuals who would be granted leniency in exchange for their co-operation. The IRS reported that more than 10,000 individuals came forward and this month **launched a second amnesty programme**.

Prosecutors are expected to charge Mr Bagios in connection with his role as an adviser to wealthy clients on the US west coast accused of not paying tens of millions of dollars in taxes to the US government, two people familiar with the case said.

Charges against Mr Bagios are expected to be unsealed as soon as this week, in which case he would face be presented before a federal judge, the people said, adding that other individuals are also likely to be charged. One person familiar with the cases said these were thought to include at least one at a Swiss bank that is not UBS.

Mr Bagios joined Credit Suisse in early 2009 after working at UBS for more than 15 years with a chunk of time in the 1990s spent in San Francisco and Los Angeles, according to his Credit Suisse biography.

Additional reporting by Dan Thomas in London

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