

Prosecuting a Global ‘Criminal Industry’

Feb. 23—HSBC is the target of multiple investigations, and in some cases, prosecutions, in numerous nations, relative to its role in tax-evasion schemes. As Stephanie Gibaud, former Chief of Protocol at Union Bank of Switzerland, put it in a Feb. 17 interview in *Tiempo Argentino*, “It’s a dirty business. We have to understand that we are dealing with a criminal industry.”

Here is a rundown of some of the cases:

Argentina: Argentine law enforcement authorities have raided HSBC’s Buenos Aires headquarters three times in the past year, and courts have indicted its executives for participating in a “criminal enterprise,” involving money laundering and tax evasion. While there has been foot-dragging by the Judiciary, Judge María Verónica Straccia, in charge of the investigation, has now officially requested that HSBC’s Geneva branch forward the relevant information on unregistered Argentine accounts to her. The goal, says the head of Argentina’s tax agency, is to repatriate \$3 billion to Argentina.

Switzerland: Swiss authorities, led by Attorney General Olivier Jorrot and prosecutor Yves Ber-

tossa, raided the Geneva offices of HSBC Private Bank SA Feb. 17, as part of their criminal probe into “aggravated money laundering,” by the bank and by “persons unknown.”

“We are looking for anything and everything we can find, documents and files,” prosecutors said, noting that the action came in response to recent Swiss Leaks revelations on the bank’s illegal activities, facilitating tax evasion by wealthy clients, among other things.

Great Britain: Bloomberg reported Feb. 20 that the Parliament Treasury Committee, chaired by Andrew Tyrie, has scheduled a hearing Feb. 25, at which HSBC Holdings’ chairman Douglas Flint will be questioned about his role as the bank’s finance director at the time that the bank was helping customers evade taxes through its Geneva unit. On Feb. 10, Bloomberg had reported that the hearings will delve “into allegations that HSBC Holdings Plc held Swiss accounts for drug cartels and tax evaders.”

A scandal has also erupted over the fact that Her Majesty’s Revenue and Customs office failed to investigate HSBC when it received the evidence in 2010.

India: The Press Trust of India reported Feb. 16 that the Modi government plans to charge HSBC India with abetting tax evasion by Indian account holders, by assuring customers that details of their accounts would not be reported to Indian tax officials.