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**CALIFORNIA ATTORNEY SENTENCED TO PRISON IN**  
**SCHEME TO HIDE MILLIONS IN SECRET SWISS**  
**ACCOUNTS AT UBS AG AND PICTET & CIE**

WASHINGTON – California attorney Christopher M. Rusch was sentenced to serve 10 months in prison for helping his clients Stephen M. Kerr and Michael Quiel, both businessmen from Phoenix, hide millions of dollars in secret offshore bank accounts at UBS AG and Pictet & Cie in Switzerland, the Justice Department and the Internal Revenue Service (IRS) announced today. U.S. District Judge James A. Teilborg also ordered Rusch to serve three years of supervised release following his prison sentence. On Feb. 6, 2013, Rusch pleaded guilty to conspiracy to defraud the government and failing to file a Report of Foreign Bank and Financial Accounts (FBAR). Kerr and Quiel were sentenced in September 2013 to each serve 10 months in prison after both were tried and convicted of filing false income tax returns for 2007 and 2008. The jury also convicted Kerr of failing to file FBARs for 2007 and 2008.

According to the evidence presented at trial, Kerr and Quiel, with the assistance of Rusch and others, including Swiss nationals, established nominee foreign entities and corresponding bank accounts in Switzerland to conceal Kerr and Quiel's ownership and control of stock and income they deposited in these accounts. Rusch testified at trial, admitting that he and others caused the sale of the shares of stock through the undeclared accounts. Rusch further testified that, at Kerr and Quiel's direction, he transferred some of the money in the secret accounts back to the United States through Rusch's Interest on Lawyer's Trust Account before dispersing the money for Kerr and Quiel's benefit, including the purchase of a multi-million dollar golf course in Erie, Colo. According to court documents and evidence

presented at trial, with Rusch's assistance, Kerr and Quiel each failed to report more than \$ 4,600,000 and \$2,000,000 of income, respectively, during 2007 and 2008 which they hid in the undeclared accounts with Rusch's assistance.

"We are getting more and more information all the time about offshore banking activities," said Assistant Attorney General Kathryn Keneally for the Tax Division. "We are committed to investigating and prosecuting those who continue to evade taxes and reporting requirements. As these sentences show, those who fail to come into compliance risk high penalties and jail."

"This prosecution serves notice that the Department of Justice will not tolerate fraudulent activity designed to undermine the integrity of our income tax system," said U.S. Attorney John S. Leonardo for the District of Arizona.

"Today, Mr. Rusch has been held accountable for his actions in assisting wealthy individuals hide millions of dollars in secret offshore bank accounts and dodge the tax system," said Chief of IRS-Criminal Investigation Richard Weber. "In addition, Mr. Rusch used his attorney trust account to funnel money from the secret offshore accounts back to Mr. Kerr and Mr. Quiel for their personal benefit, including the purchase of a multi-million dollar golf course. As the investigation into offshore tax evasion continues, Criminal Investigation will leave no financial stone unturned as we continue to vigorously pursue new leads."

The case was investigated by special agents of IRS-Criminal Investigation, and was prosecuted by Trial Attorney Timothy J. Stockwell for the Tax Division and Assistant U.S. Attorney Monica Edelstein for the District of Arizona.