



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Contact: *CI-HQ-COMMUNICATIONSEDCATION@ci.irs.gov
IRS – Criminal Investigation

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Michigan Business Owner Pleads Guilty to Concealing Swiss Bank Account

Used Hong Kong Shell Company to Hide More Than \$2.6 Million

A Michigan man pleaded guilty today to charges of filing a false tax return, announced Principal Deputy Assistant Attorney General Caroline D. Ciralo, head of the Justice Department's Tax Division and U.S. Attorney Barbara L. McQuade of the Eastern District of Michigan.

"There are no safe havens for hiding money in secret bank accounts around the globe," said Chief Richard Weber of Internal Revenue Service (IRS) Criminal Investigation (CI). "Wealthy individuals hiding assets abroad should know that IRS criminal investigators will find them. You can no longer hide behind a veil of secrecy, sham companies or offshore bank accounts."

"Today's plea is yet another example of the department's commitment to identifying, investigating and prosecuting those individuals who seek to conceal funds in foreign jurisdictions and evade their tax obligations," said Principal Deputy Assistant Attorney General Ciralo. "The days when a shell company created in Hong Kong or other jurisdictions could be used successfully to hide funds in foreign financial accounts are over, and those who continue to engage in this conduct will be held accountable."

"For Americans who follow the rules and pay their taxes, it is important to see that those who go to great lengths to avoid paying taxes are held accountable," said U.S. Attorney McQuade.

Bernhard Rumbold, a resident of Clarkston, Michigan, and owner of several mining-related businesses in Michigan and Ontario, Canada, pleaded guilty to filing a false amended 2008 individual income tax return. According to the information and the plea agreement, in approximately November 2004, Rumbold transferred more than approximately \$2.6 million from his parents' trust account, which he managed, into a bank account at Credit Suisse Bank AG in Switzerland. Rumbold arranged for the Credit Suisse bank account to be in the name of Wisdom City Limited, a Hong Kong company whose sole purpose was to be the named account holder on foreign bank accounts. Rumbold, who was the beneficial owner of the account, transferred control of the account to a relative in December 2008.

On his 2006 through 2008 individual income tax returns, Rumbold falsely stated that he had no interest in a foreign financial account, and failed to report the interest, dividends and capital

gains generated by the Swiss bank account as income. In October 2010, Rumbold signed and filed an amended 2008 individual income tax return in which he again failed to report the interest, dividends and capital gains generated by the Swiss bank account as income.

U.S. District Court Judge Sean Cox for the Eastern District of Michigan scheduled Rumbold's sentencing for Feb. 8, 2017. Rumbold faces a statutory maximum sentence of three years in prison as well as a period of supervised release and monetary penalties. The plea agreement requires Rumbold to pay restitution for his unpaid tax liabilities for the years 2006 through 2008.

Principal Deputy Assistant Attorney General Ciralo and U.S. Attorney McQuade commended the special agents of IRS-CI, who conducted the investigation, and Assistant U.S. Attorney Ross MacKenzie and Trial Attorney Kenneth Vert of the Tax Division, who are prosecuting the case.

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