



## International Tax Advisor Arrested for Helping to Conceal Over \$100 Million of Income for High-Net-Worth U.S. Taxpayers

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WASHINGTON, D.C. – The Joint Chiefs of Global Tax Enforcement (J5) welcomed today the indictment of Frank Butselaar, a Dutch citizen who is accused of participating in a conspiracy to engage in tax fraud over the course of more than seven years.

Butselaar was an advisor to high-net-worth DJs and fashion industry clients who earned income all over the world. His clients earned millions of dollars every year and in certain years, these clients became U.S. tax residents, meaning they had a legal obligation to pay U.S. taxes on their worldwide income. Butselaar, working with other professionals, devised a strategy to unlawfully conceal from the U.S. Government millions of dollars of income the clients were earning outside the United States during years they were U.S. tax residents. After having been arrested earlier this year following a request from the United States to Italy for provisional arrest for purposes of extradition, Butselaar was taken back into custody earlier this week in Italy following a favorable ruling on the U.S. extradition request.

“Alleged behavior like Mr. Butselaar's, involving many clients over many years, is not an accident. His deception cost U.S. taxpayers millions of dollars - money that would still be leaving the coffers of the U.S. Treasury were it not for the cooperation of the Joint Chiefs of Global Tax Enforcement,” said Jim Lee, Chief, IRS Criminal Investigation. “I don't see how individuals can expect to get away with crimes like these with the expertise of the J5 working together.”

“Butselaar thought he was above the law. It's alleged he operated this international fraud scheme to conceal millions of dollars in income earned by his high-profile clients around the world,” said Thomas Fattorusso, Special Agent in Charge of CI's New York Field Office. “This wasn't just a get rich quick scheme, but rather Butselaar sought to play the long game and used a variety of sophisticated techniques to perpetuate this tax fraud over the course of several years. IRS-CI has a global reach, and we thank our J5 collaborators for their valuable partnership on this case. For Butselaar, it's time to pay the tab.”

The unsealed indictment alleges that Mr. Butselaar conspired to defraud the United States and to conceal from the IRS through fraudulent, deceitful, and dishonest means the existence of millions of dollars of worldwide income generated by various clients, including Client-1 and Client-2, who are internationally renowned DJs. The DJ clients, in particular, utilized offshore entities that at all relevant times Butselaar and his co-conspirators knew the DJ Clients beneficially owned and

effectively controlled. These entities were, in turn, held by trusts that the DJ clients established on the advice of Butselaar and others. As part of their efforts to conceal the DJ clients' worldwide income, Butselaar and his co-conspirators created and implemented a fraudulent scheme to use straw beneficiaries to conceal the income held within the DJ clients' offshore structures from the IRS.

In addition, the indictment alleges Frank Butselaar and his co-conspirators devised and implemented similar fraudulent schemes for certain fashion industry clients that involved fraudulent transfers of the fashion industry clients' overseas companies to family members, knowing that the fashion industry clients would maintain beneficial ownership of the overseas companies and the income therefrom.

The tax evasion schemes, created and implemented by Butselaar and his co-conspirators, caused Forms 1040 to be filed for the DJ clients and the fashion industry clients during the time those clients were U.S. tax residents) that fraudulently omitted over \$100 million in worldwide income earned by those clients.

The J5 works together to gather information, share intelligence and conduct coordinated operations against transnational financial crimes. The J5 includes the Australian Taxation Office, the Canada Revenue Agency, the Dutch Fiscal Intelligence and Investigation Service, His Majesty's Revenue and Customs from the United Kingdom and IRS Criminal Investigation from the United States. For more information about the J5, please visit [www.irs.gov/j5](http://www.irs.gov/j5).

