

1 MELINDA HAAG (CABN 132612)
United States Attorney

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

LHK

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 CHRISTOPHER B. BERG,
15 Defendant.

CR 12 877
No.

VIOLATION: 31 U.S.C. §§ 5314 and
5322(a) (Willfully Violating Foreign Bank
Account Reporting Requirements)

PSG

SAN JOSE VENUE

16
17 INFORMATION

18 The United States Attorney charges that:

19 General Allegations:

- 20 1. At all times material to this Information, the defendant, CHRISTOPHER B.
- 21 BERG ("Berg"), was a resident of Portola Valley, California, and was a self-employed marketing
- 22 consultant.
- 23 2. At all times material to this Information, Union Bank of Switzerland AG ("UBS")
- 24 was the largest bank in Switzerland and one of the largest banks in the world.
- 25 3. Citizens and residents of the United States who have a financial interest in, or
- 26 signature authority over, a financial account in a foreign country with an aggregate value of more
- 27 than \$10,000 at any time during a calendar year are required to file with the U.S. Treasury a
- 28 Report of Foreign Bank and Financial Accounts on Form TD F 90-22.1 (an "FBAR").

1 The FBAR for any given calendar year is due by June 30 of the following year.

2 4. Citizens and residents of the United States also have an obligation to indicate on
3 Schedule B of U.S. Individual Income Tax Return (Form 1040), whether they had an interest in
4 a financial account in a foreign country by checking "Yes" or "No" in the appropriate box and
5 identifying the country where the account was maintained. Taxpayers also are obligated to report
6 all income earned from foreign bank accounts on their tax returns.

7 5. On February 18, 2009, as part of a deferred prosecution agreement with the
8 United States government, UBS admitted that it participated in a scheme to defraud the United
9 States by actively assisting numerous U.S. taxpayers in concealing their financial interests from
10 the Internal Revenue Service ("IRS"). From 2000 to 2007, UBS employees facilitated the
11 establishment of offshore shell corporations in whose names UBS opened accounts, but which
12 were in reality controlled by U.S. investors. The facade created by these shell corporations
13 enabled numerous U.S. investors to evade reporting requirements and to conceal income from the
14 IRS.

15 6. As part of the scheme, UBS private bankers and managers facilitated the creation
16 and the retention of IRS forms that falsely indicated that offshore shell corporations were the
17 actual beneficiaries of accounts. UBS private bankers and managers also met with their U.S.
18 investors in person on a regular basis to discuss investments. These false forms and meetings
19 helped the U.S. investors conceal from the IRS the active trading of securities held in such
20 accounts and the making of payments to or from such accounts.

21 BERG's UBS Accounts:

22 7. In or about the summer of 1999, BERG began working as a consultant in the
23 furniture industry.

24 8. In or about 2000, BERG met with representatives of UBS in San Francisco,
25 California regarding setting up a foreign bank account at UBS to shelter a portion of BERG's
26 consulting income from taxation. BERG met with Beda Singenberger, a Swiss financial
27 consultant, and Banker Two, Vice President of Banking at UBS.

28 //

1 him cash in the amount of \$19,000, in \$100 denominations, from the UBS account, which BERG
2 picked up in person at a bank in Florence, Italy.

3 19. In or about May 2002, BERG personally instructed bankers at UBS to issue him
4 cash in the amount of €10,000 on June 3, 2002, and \$19,000 on June 26, 2002, from the UBS
5 account, which BERG picked up in person at a bank in Paris, France.

6 20. In or about September 2003, BERG withdrew \$20,000 from the UBS account
7 while on vacation in Europe.

8 21. BERG used a Eurocard bank card associated with the UBS account numerous
9 times while in Europe. The bills for this Eurobank bank card were paid in full with funds from
10 the UBS account.

11 BERG's Failure to Report the Foreign Bank Accounts

12 22. BERG engaged a Certified Public Accountant to prepare his individual income
13 tax returns for the years 2002 through 2005. BERG completed a Client Organizer for each of the
14 years 2002 through 2005 on which he marked the "No" box in response to the question "Did you
15 have an interest in or signature or other authority over a financial account in a foreign country,
16 such as a bank account, securities account, or other financial account?"

17 23. BERG and his wife filed joint federal income tax returns for the years 2001
18 through 2005. For each of those years, he earned interest, dividends, and capital gains on the CC
19 Ventures, Inc. and Empire Global Limited accounts that he was required to report on his income
20 tax return but failed to disclose. For the years 2001 through 2005, as BERG knew and intended,
21 his returns included a Schedule B that disclosed other items of interest income, but on which
22 BERG falsely marked "No" in response to the question seeking disclosure of foreign financial
23 accounts. BERG also did not file any FBARs for 2001 through 2005 or otherwise disclose the
24 UBS accounts in the name of CC Ventures, Inc. or Empire Global Limited to the IRS during that
25 time period.

26 24. For the years 2001, 2002, 2004, and 2005, BERG's returns did not report
27 consulting income he earned that was deposited to the UBS accounts in the name of CC
28 Ventures, Inc. and Empire Global Limited.

1 25. In or about December 2005, BERG's account in the name of Empire Global
2 Limited at UBS had a balance of more than \$530,000.

3 26. The tax harm resulting from BERG's conduct is \$270,757.

4 COUNT ONE - (31 U.S.C. §§ 5314 AND 5322(a) - Willful Violation of Foreign Bank Account
5 Reporting Requirements)

6 27. Paragraphs 1 to 27 are re-alleged and incorporated by reference as though fully
7 set forth herein.

8 28. On or about June 30, 2006, in the Northern District of California and elsewhere,
9 the defendant,

10 CHRISTOPHER BERG,

11 did knowingly and willfully violate the requirements prescribed by the United States Secretary of
12 the Treasury, as codified at Title 31, Code of Federal Regulations, § 103.24(a), to report a
13 financial interest in a bank, securities, and other financial account in a foreign country in calendar
14 year 2005; to wit, the defendant failed to file an FBAR disclosing his financial interest in an
15 account at UBS in Switzerland, which had a value of greater than \$10,000 during calendar year
16 2005.


17 All in violation of Title 31, United States Code, Sections 5314 and 5322(a).

18 Dated:

MELINDA HAAG
United States Attorney

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21 
MIRANDA KANE
Chief, Criminal Division

22
23 Approved as to Form:

24 
25 ELIZABETH C. HADDEN
26 MARGARET LEIGH KESSLER
27 Trial Attorneys
28 United States Department of Justice

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

31 U.S.C. §§ 5314 and 5322(a) -
 Willfully Violating Foreign Bank
 Account Reporting Requirements

Petty
 Minor
 Misdemeanor
 Felony

PENALTY:

31 U.S.C. §§ 5314 and 5322(a) - 5 years prison, \$250k fine or
 twice the gross gain/loss, which ever is greater, 3 years
 supervised release, \$100 assessment

Name of District Court and/or Judge/Magistrate Location
 NORTHERN DISTRICT OF CALIFORNIA
 SAN JOSE DIVISION

DEFENDANT - U.S.

CHRISTOPHER B. BERG

DISTRICT COURT NUMBER

A 11:07
 LHK
 CR 12 877
 PSG

DEFENDANT

IS NOT IN CUSTODY

- 1) Has not been arrested, pending outcome this proceeding.
 If not detained give date any prior summons
 was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction
- 6) Awaiting trial on other charges } Fed'l State
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes } If "Yes" give date filed
 No

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not
 Month/Day/Year

DATE TRANSFERRED TO U.S. CUSTODY

This report amends AO 257 previously submitted

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

INTERNAL REVENUE SERVICE

person is awaiting trial in another Federal or State
 Court, give name of court

this person/proceeding is transferred from another
 district per (circle one) FRCrP 20, 21 or 40. Show
 District

this is a re prosecution of
 charges previously dismissed
 which were dismissed on
 motion of:

U.S. Att'y Defense

this prosecution relates to a
 pending case involving this same
 defendant

prior proceedings or appearance(s)
 before U.S. Magistrate regarding
 this defendant were recorded under

SHOW
 DOCKET NO.

MAGISTRATE
 CASE NO.

Name and Office of Person
 Furnishing Information on MELINDA HAAG
 THIS FORM

U.S. Att'y Other U.S. Agency

Name of Asst. U.S. Att'y
 (if assigned) THOMAS MOORE, AUSA, Chief Tax Div

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

Defendant Address: _____

**Where defendant previously apprehended on complaint, no new summons
 or warrant needed, since Magistrate has scheduled arraignment*

Date/Time: _____

Before Judge: _____

Comments:
