

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

STEPHAN FELLMANN,  
OTTO HUPPI,  
a/k/a "Otto Hueppi," and  
CHRISTOF REIST,

Defendants.

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INDICTMENT

12 Cr.

COUNT ONE  
(Conspiracy)

The Grand Jury charges:

The Defendants and Their Bank

1. At all times relevant to this Indictment, Swiss Bank No. 1 was a bank based in Zurich, Switzerland that provided private banking, asset management, and other services to individuals and entities around the world, including U.S. taxpayers in the Southern District of New York.

2. From at least in or about 2008, up through at least in or about 2009, STEPHAN FELLMANN, the defendant, worked at Swiss Bank No. 1 as a client advisor to various individuals, including U.S. taxpayers who maintained accounts at Swiss Bank No. 1.

3. From at least in or about 2003, up through at least in or about 2009, OTTO HUPPI, a/k/a "Otto Hueppi," the

defendant, a U.S. citizen, worked at Swiss Bank No. 1 as a client advisor to various individuals, including U.S. taxpayers who maintained accounts at Swiss Bank No. 1.

4. From at least in or about 2003, up through at least in or about 2009, CHRISTOF REIST, the defendant, worked at Swiss Bank No. 1 as a client advisor to various individuals, including U.S. taxpayers who maintained accounts at Swiss Bank No. 1.

**Obligations of U.S. Taxpayers**  
**With Respect to Foreign Financial Accounts**

5. At all times relevant to this Indictment, citizens and residents of the United States who had income in any one calendar year in excess of a threshold amount ("U.S. taxpayers") were required to file a U.S. Individual Income Tax Return, Form 1040 ("Form 1040"), for that calendar year with the Internal Revenue Service ("IRS"). On Form 1040, U.S. taxpayers were obligated to report their worldwide income, including income earned in foreign bank accounts. In addition, when a U.S. taxpayer completed Schedule B of Form 1040, he or she was required to indicate whether "at any time during [the relevant calendar year]" the filer had "an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account," and if so, the U.S. taxpayer was required to name the country.

6. In addition, U.S. taxpayers who had a financial interest in, or signature or other authority over a foreign bank account with an aggregate value of more than \$10,000 at any time during a particular calendar year were required to file with the IRS a Report of Foreign Bank and Financial Accounts, Form TD F 90-22.1 ("FBAR") on or before June 30 of the following year. In general, the FBAR required that the U.S. taxpayer filing the form identify the financial institution with which the financial account was held, the type of account (either bank, securities, or other), the account number, and the maximum value of the account during the calendar year for which the FBAR was being filed.

#### Overview of the Conspiracy

7. From at least in or about 2003 up through and including in or about 2009, more than 190 U.S. taxpayer-clients of Swiss Bank No. 1 along with, at various times, STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, and others, including other client advisors at Swiss Bank No. 1, conspired to defraud the United States, to conceal from the IRS the existence of bank accounts maintained at Swiss Bank No. 1, and the income earned in these accounts (hereafter "the undeclared accounts"), and to evade U.S. taxes on income generated in those accounts. FELLMANN, HUPPI, and REIST, and other client advisors at Swiss Bank No. 1 conspired with U.S. taxpayer-clients to hide at least \$423,000,000 in assets from the

IRS at Swiss Bank No. 1, and FELLMANN, HUPPI, and REIST personally managed undeclared U.S. taxpayer assets worth at least \$104,000,000, \$14,800,000, and \$5,400,000 respectively. In furtherance of the conspiracy, FELLMANN, HUPPI, and REIST, among other things, advised and helped U.S. taxpayer-clients to open and maintain undeclared accounts using code names or in the names of sham corporate entities; ensured that mail relating to those accounts was not sent to U.S. taxpayer-clients in the United States; and caused U.S. taxpayer-clients to travel to Switzerland to conduct business relating to the undeclared accounts. Additionally, HUPPI traveled to the United States to meet with U.S. taxpayer-clients of Swiss Bank No. 1 in furtherance of the conspiracy.

Means and Methods of the Conspiracy

8. Among the means and methods by which STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, and their co-conspirators carried out the conspiracy were the following:

a. FELLMANN, HUPPI, and REIST, and other Swiss Bank No. 1 client advisors opened and managed for certain U.S. taxpayers bank and securities accounts at Swiss Bank No. 1 that were not reported to the IRS on Forms 1040, FBARS, or otherwise, and the income from which was also not reported to the IRS.

b. FELLMANN, HUPPI, and REIST, and other Swiss Bank No. 1 client advisors permitted certain U.S. taxpayers to open undeclared accounts using code names or numbers so that the U.S. taxpayers could conceal their identities on bank documents, rather than use their usual signatures, and otherwise ensure that the U.S. taxpayers' names appeared on the fewest possible documents relating to their accounts.

c. HUPPI permitted a U.S. taxpayer-client to maintain an undeclared account at Swiss Bank No. 1 held in the name of a sham corporate entity.

d. FELLMANN, HUPPI, and REIST, and other Swiss Bank No. 1 client advisors ensured that account statements and other records relating to undeclared accounts held at Swiss Bank No. 1 by U.S. taxpayer-clients were not sent to their U.S. taxpayer-clients in the United States.

e. FELLMANN, HUPPI, and REIST, and other Swiss Bank No. 1 client advisors caused U.S. taxpayer-clients with undeclared accounts at Swiss Bank No. 1 to travel from the United States to Switzerland in order to discuss their undeclared accounts and to conduct other business relating to their accounts.

f. HUPPI traveled to the United States to review account information with certain U.S. taxpayer-clients who held undeclared accounts at Swiss Bank No. 1.

g. HUPPI and his co-conspirators provided access to funds in undeclared accounts to U.S. taxpayer-clients by mailing clients checks drawn on a correspondent bank account maintained by Swiss Bank No. 1 at a financial institution in the United States, and did so in a manner to reduce the risk of the IRS discovering their clients' undeclared accounts.

h. Various U.S. taxpayer-clients of FELLMANN, HUPPI, and REIST, and other Swiss Bank No. 1 client advisors filed false Forms 1040 that failed to report their interest in, and income earned from, their undeclared Swiss Bank No. 1 accounts; evaded income taxes due and owing; and failed to file FBARs identifying their undeclared accounts.

**Undeclared Accounts Opened or Managed by STEPHAN FELLMANN**

9. From at least in or about 2008 up to in or about 2009, STEPHAN FELLMANN, the defendant, in his capacity as a client advisor at Swiss Bank No. 1, opened new undeclared accounts and/or managed previously-opened undeclared accounts, for at least twenty-five U.S. taxpayer-clients. Those accounts were used to hide at least \$104,000,000 in total from the IRS at Swiss Bank No. 1. FELLMANN's U.S. taxpayer-clients included, among others, Clients 1 and 2, described below.

**Client 1**

10. At all times relevant to this Indictment, Client 1 was a U.S. citizen and resident of Connecticut. In or about the

1980s, Client 1 established an undeclared bank account at UBS AG ("UBS") in Switzerland.

11. In or about 2005, Client 1, with the assistance of his Swiss-based external asset manager ("Client 1's Advisor," who worked at "Asset Management Firm 1"), a co-conspirator not named as a defendant herein, opened an undeclared account at Swiss Bank No. 1. Client 1's Advisor delivered the account opening documents for this account to Client 1 at a hotel in New York (the "New York Hotel"). Client 1 prepared the documents and mailed them to Client 1's Advisor in Switzerland. At the suggestion of Client 1's Advisor, Client 1 selected a codeword to use when referring to his undeclared account at Swiss Bank No. 1. Client 1 selected the word "Hawkeye."

12. After opening the undeclared account at Swiss Bank No. 1, Client 1 continued to meet occasionally with Client 1's Advisor at the New York Hotel. Client 1's Advisor brought to New York statements relating to Client 1's accounts at UBS and Swiss Bank No. 1 for Client 1 to review. In order to minimize the risk of detection by the IRS of Client 1's accounts, Client 1 did not retain any copies of these statements.

13. In or around December 2005, Client 1 sold investment property that he owned in Colorado. Client 1 wanted to deposit these funds into his undeclared account at Swiss Bank No. 1. To reduce the risk of detection by the United States

government, Client 1's Advisor instructed Client 1 to wire the funds - approximately \$200,000 - to an account at another Swiss bank held in the name of an entity. Client 1's Advisor then caused these funds to be transferred to Client 1's undeclared account at Swiss Bank No. 1. Thereafter, Client 1's Advisor visited New York and showed statements to Client 1 reflecting the deposit of those funds into Client 1's undeclared account at Swiss Bank No. 1.

14. In or about 2008, Client 1 read news reports regarding the U.S. Department of Justice's investigation into UBS and was informed by UBS that Client 1 had to close his account at UBS. Client 1 liquidated all of Client 1's holdings in his UBS account and transferred all of the funds to his account at Swiss Bank No. 1.

15. In or about November 2008, Client 1 traveled from the United States to the office of Swiss Bank No. 1 in Zurich. Client 1 met with Client 1's Advisor and STEPHAN FELLMANN, the defendant. During the meeting, Client 1 and FELLMANN discussed the fact that Client 1 closed his account at UBS because UBS no longer maintained accounts for U.S. taxpayers. FELLMANN advised Client 1 that Swiss Bank No. 1 was a safer bank to hold his money than UBS because Swiss Bank No. 1 did not have any offices in the United States. FELLMANN told Client 1 that the United States government could not place the same pressure on Swiss Bank No. 1



to disclose client names as it did with UBS.

16. During that same meeting, STEPHAN FELLMANN, the defendant, instructed Client 1 that Swiss Bank No. 1 could not accept buy or sell orders from Client 1 via phone or fax from the United States. Instead, Client 1 would have to travel outside of the United States to make such requests. To circumvent this prohibition, Client 1 provided Client 1's Advisor with a limited power of attorney to make such requests for the account. Pursuant to this arrangement, Client 1 had the ability to call Client 1's Advisor from the United States, who could then call FELLMANN, and convey Client 1's trading instructions. Client 1 also arranged a mail hold agreement with Swiss Bank No. 1 in which all correspondence for Client 1 was held at Swiss Bank No. 1 and never sent to Client 1 in the United States.

17. As of in or about 2008, Client 1's undeclared Swiss Bank No. 1 account held approximately \$1,033,377.

18. On Client 1's Forms 1040 for at least the calendar years 2005 through and including 2008, Client 1 did not report either his interest in or signature or other authority over his account at Swiss Bank No. 1. Moreover, for at least the calendar years 2005 through and including 2008, Client 1 did not file FBARS disclosing Client 1's account at Swiss Bank No. 1.

Client 2

19. At all times relevant to this Indictment, Client 2 was a U.S. citizen and resident of Illinois.

20. In or about 1995, Client 2 opened an undeclared account at UBS in Switzerland. In or about 2008, Client 2 read news reports of the U.S. Department of Justice's investigation of UBS for maintaining undeclared accounts for U.S. taxpayers. Client 2 traveled to Zurich to close Client 2's account at UBS.

21. During that trip, Client 2 and his wife walked from UBS to the first bank they saw on the street in Zurich, namely, Swiss Bank No. 1. At Swiss Bank No. 1, Client 2 met with STEPHAN FELLMANN, the defendant. Client 2 explained to FELLMANN that he wanted to transfer his funds from UBS to Swiss Bank No. 1. Client 2 informed FELLMANN that he wanted to have the same type of account at Swiss Bank No. 1 that he had at UBS, namely, an undeclared account. FELLMANN told Client 2 that FELLMANN would take care of everything, namely the transfer of funds from UBS to Swiss Bank No. 1. FELLMANN told Client 2 that FELLMANN had numerous U.S. clients. Client 2 and his wife provided copies of their U.S. passports to FELLMANN. FELLMANN informed Client 2 that Swiss Bank No. 1 could not send any mail to Client 2 in the United States. Client 2 executed a mail hold agreement in which all correspondence for Client 2 was held at Swiss Bank No. 1 for Client 2 to review in person whenever Client 2 visited the bank.

22. STEPHAN FELLMANN, the defendant, also asked Client 2 to think of a code word to use in relation to the account. Client 2 selected "Olszawa." Client 2's Swiss Bank No. 1 account statements referenced Olszawa instead of Client 2's name.

23. As of in or about 2009, Client 2's undeclared Swiss Bank No. 1 account held approximately \$650,000.

24. On Client 2's Forms 1040 for at least the calendar year 2008, Client 2 did not report either his interest in or signature or other authority over his account at Swiss Bank No. 1. Moreover, for at least the calendar year 2008, Client 2 did not file an FBAR disclosing Client 2's account at Swiss Bank No. 1.

**Undeclared Accounts Opened or Managed by OTTO HUPPI**

25. From at least in or about the 1990s up to and including in or about 2009, OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, in his capacity as a client advisor at Swiss Bank No. 1, opened new undeclared accounts and/or managed previously-opened undeclared accounts, for at least sixteen U.S. taxpayer-clients. These accounts were used to hide at least \$14,800,000 in total from the IRS at Swiss Bank No. 1. HUPPI's U.S. taxpayer-clients included, among others, Clients 3 through 6, described below.

Clients 3 and 4

26. At all times relevant to this Indictment, Client 3 and Client 4, who are brothers, were U.S. citizens and residents of Pennsylvania. In or about 1994, Client 3 and Client 4's father died. In or about 2000, Client 3 and Client 4's aunt informed Client 3 that Client 3 and Client 4 had inherited from their late father an undeclared account at Swiss Bank No. 1. In or about that same year, Client 3 and Client 4 met with OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, in a hotel lobby in Newark, New Jersey to complete account opening documents for an undeclared joint account at Swiss Bank No. 1 (the "Account") to house the funds inherited from their father. During the meeting, Client 3 provided HUPPI with a copy of his Pennsylvania driver's license and his social security card.

27. In or about 2004, 2007, and 2008, Client 3 called or emailed OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, in Switzerland from the United States to request that HUPPI send him funds from the Account. On each occasion, HUPPI mailed to Client 3 in the United States a check for approximately \$8,000. Client 3 deposited these funds into his local bank account in the United States.

28. As of in or about 2007, Client 3's and Client 4's undeclared Swiss Bank No. 1 account held approximately \$65,318.

29. On Client 3 and Client 4's Forms 1040 for at least the calendar years 2000 through and including 2008, Client 3 and Client 4 did not report either their interest in or signature or other authority over their accounts at Swiss Bank No. 1. Moreover, for at least the calendar years 2000 through and including 2008, Client 3 and Client 4 did not file FBARs disclosing their accounts at Swiss Bank No. 1

Client 5

30. At all times relevant to this Indictment, Client 5 was a U.S. citizen and resident of Arizona. In or about 2007, Client 5 and his wife decided to transfer the funds they held in an undeclared account at a certain Swiss bank to another Swiss bank because they felt the fees being charged for the maintenance of the account were excessive.

31. In or about February 2007, Client 5 and his wife traveled to Zurich and walked around the financial district to search for another bank. Client 5 and his wife walked into Swiss Bank No. 1, met with OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, and opened a new undeclared account. During that meeting, HUPPI made copies of Client 5's U.S. passport and opened a new undeclared account for them. HUPPI insisted that Client 5 and his wife not take any documentation relating to their account at Swiss Bank No. 1 with them when leaving Swiss Bank No. 1. HUPPI also instructed Client 5 and his wife to establish a code

word that could be used to refer to their account when communicating with Swiss Bank No. 1 in the future. Client 5 and his wife chose "Raincity." HUPPI advised Client 5 and his wife that it would be foolish to report the existence of the account to U.S. authorities.

32. As of in or about 2007, Client 5 and his wife's account at Swiss Bank No. 1 held approximately \$962,603.

33. On Client 5's Forms 1040 for at least the calendar years 2007 through and including 2008, Client 5 did not report either his interest in or signature or other authority over his account at Swiss Bank No. 1. Moreover, for at least the calendar years 2007 through and including 2008, Client 5 did not file an FBAR disclosing his account at Swiss Bank No. 1.

#### Client 6

34. At all times relevant to the Indictment, Client 6 was a U.S. citizen and resident of Pennsylvania.

35. In or about the late 1970s, Client 6 established an undeclared account at a Swiss bank ("Swiss Bank No. 2"). OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, served as Client 6's client advisor at Swiss Bank No. 2. From time to time, Client 6 called HUPPI from the United States to check on the account. To reduce the risk of detection by the IRS, Client 6 called HUPPI collect or used calling cards so that the calls would not appear on Client 6's phone records.

36. In or about the late 1980s or early 1990s, Client 6 moved his undeclared account from Swiss Bank No. 2 to another Swiss Bank ("Swiss Bank No. 3"), because OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, had moved from Swiss Bank No. 2 to Swiss Bank No. 3. Client 6 retained a Liechtenstein attorney to create a Liechtenstein foundation named "Philadelphus" to serve as the nominal owner of Client 6's account. HUPPI advised Client 6 that establishing such a foundation was a good mechanism to provide greater secrecy.

37. Shortly thereafter, Client 6 became concerned because he read news reports that an employee of the firm he used to establish Philadelphus had sold client names to the German government. Accordingly, Client 6 asked OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, to provide Client 6 with a list of professionals who could assist in establishing a new foundation. From that list, Client 6 selected a financial advisor in Liechtenstein (the "Liechtenstein Financial Advisor"). The Liechtenstein Financial Advisor helped Client 6 establish a foundation under the laws of Liechtenstein named the Ursa Foundation. The Ursa Foundation became the nominal owner for Client 6's undeclared account at Swiss Bank No. 3.

38. By in or about 2003, OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, had left Swiss Bank No. 3 (which by then had merged with another bank) and became a client advisor at

Swiss Bank No. 1. In or about 2003, Client 6 met with HUPPI at Swiss Bank No. 1's main branch in Zurich, opened an undeclared account at Swiss Bank No. 1 in the name of the Ursa Foundation, and transferred his assets from his account at Swiss Bank No. 3 to Swiss Bank No. 1. During this meeting, Client 6 and HUPPI arranged for all mail related to Client 6's account at Swiss Bank No. 1 to be held at Swiss Bank No. 1.

39. In or about the mid 2000s, the Liechtenstein Financial Advisor advised and assisted Client 6 in establishing a corporation under the laws of the British Virgin Islands named Citro Management, Inc. ("Citro"). Upon its creation, Citro became the nominal owner of Client 6's undeclared account at Swiss Bank No. 1, with the Ursa Foundation serving as the sole shareholder of Citro. Client 6 was the sole beneficiary of the Ursa Foundation.

40. Client 6 traveled to Zurich to meet with OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, at the Zurich branch of Swiss Bank No. 1 approximately every other year from in or about 2003 to in or about 2008. During these meetings, Client 6 reviewed account statements with HUPPI, but did not take any statements with him. During these visits, Client 6 also met with the Liechtenstein Financial Advisor, sometimes together with HUPPI.



41. As of in or about 2008, Client 6's undeclared Swiss Bank No. 1 account held approximately \$2,157,725.

42. On Client 6's Forms 1040 for at least the calendar years 2003 through and including 2008, Client 6 did not report either his interest in or signature or other authority over his account at Swiss Bank No. 1. Moreover, for at least the calendar years 2003 through and including 2008, Client 6 did not file an FBAR disclosing his account at Swiss Bank No. 1.

**Undeclared Accounts Opened or Managed by CHRISTOF REIST**

43. From in or about 2003 to in or about 2009, CHRISTOF REIST, the defendant, in his capacity as a client advisor at Swiss Bank No. 1, opened new undeclared accounts and/or managed previously-opened but undeclared accounts for at least five U.S. taxpayer-clients. These accounts were used to hide at least approximately \$5.4 million in total from the IRS at Swiss Bank No. 1. REIST's U.S. taxpayer-clients included, among others, Clients 7 through 10, described below.

**Client 7**

44. At all times relevant to this Indictment, Client 7 was a U.S. citizen and resident of California. In or about 2001, Client 7's mother died and Client 7 inherited an undeclared account at Swiss Bank No. 1.

45. In or about 2003, Client 7 traveled to Swiss Bank No. 1 in Zurich and met with her late mother's client advisor,

CHRISTOF REIST, the defendant. In this meeting, REIST created a new undeclared account for Client 7 (the "Client 7 Undeclared Account") and transferred the inherited assets into the Client 7 Undeclared Account. During the meeting, REIST advised Client 7 to select a code word to use in order to reference her account in the future. Client 7 selected the code word, "Radar," the name of her dog. The code word Radar, rather than Client 7's name, appeared on bank statements for the Client 7 Undeclared Account.

46. In or about 2005, Client 7 inherited from an uncle a declared account at Swiss Bank No. 1 that was also managed by CHRISTOF REIST, the defendant. In or about that same year, Client 7 traveled to Swiss Bank No. 1 in Zurich to set up a declared account in her name in which to transfer these inherited assets (the "Client 7 Declared Account"). Unlike REIST's direction regarding the Client 7 Undeclared Account, REIST did not ask Client 7 to choose a code word to reference the Client 7 Declared Account. Additionally, Client 7 arranged with REIST for her accountant in the United States to receive year-end statements for the Client 7 Declared Account, but not the Client 7 Undeclared Account.

47. In or about 2008, the Client 7 Undeclared Account held approximately \$400,485.

48. On Client 7's Forms 1040 for at least the calendar years 2001 through and including 2008, and on Client 7's Forms

1040 for at least the calendar years 2001 through and including 2008, Client 7 did not report either her interest in or signature or other authority over the Client 7 Undeclared Account at Swiss Bank No. 1. Moreover, Client 7, for at least the calendar years 2001 through and including 2008, did not file FBARs disclosing the Client 7 Undeclared Account at Swiss Bank No. 1. In contrast, Client 7 did file timely FBARs for the Client 7 Declared Account.

#### Client 8

49. At all times relevant to this Indictment, Client 8 was a citizen of both the United States and Switzerland and a resident of California and, therefore, a U.S. taxpayer. In or about 1986, Client 8 and his wife established a joint undeclared account at Swiss Bank No. 1 and placed assets that they had inherited in that account. In or about the late 1990s, Client 8 became disappointed with the performance of his assets at Swiss Bank No. 1. Client 8 opened an undeclared account at UBS (the "UBS Account") in Switzerland and moved his assets from Swiss Bank No. 1 to UBS.

50. In or about 2006, Client 8 and his wife became dissatisfied with the service at UBS and decided to move their assets back to Swiss Bank No. 1. A family member of Client 8 recommended that Client 8 contact CHRISTOF REIST, the defendant.

51. In or about June 2006, Client 8 met with CHRISTOF REIST, the defendant, created a new jointly held undeclared account at Swiss Bank No. 1 (the "Client 8 Undeclared Account") and transferred Client 8 and his wife's assets from UBS to the Client 8 Undeclared Account. Client 8 provided REIST with both his U.S. and Swiss passports for copying. REIST and Client 8 established the code word "Jive," to refer to the Client 8 Undeclared Account. The code word Jive, rather than Client 8's name, appeared on bank statements for the Client 8 Undeclared Account.

52. Client 8 met with CHRISTOF REIST, the defendant, approximately once a year when Client 8 traveled to Switzerland. Client 8 reviewed account statements while at Swiss Bank No. 1, but REIST insisted that Client 8 not leave Swiss Bank No. 1 with the statements. During these trips, Client 8 withdrew funds from the account to cover his travel expenses and to take home to the United States. Client 8 never brought more than \$10,000 at a time back with him to the United States because he feared that carrying amounts greater than that would trigger reporting requirements that could lead to the detection of the account by U.S. authorities.

53. In or about 2006, Client 8's undeclared account at Swiss Bank No. 1 held approximately \$1,580,951.

54. On Client 8's Forms 1040 for at least the calendar years 2006 through and including 2008, Client 8 did not report either his interest in or signature or other authority over his account at Swiss Bank No. 1. Moreover, for at least the calendar years 2006 through and including 2008, Client 8 did not file FBARs disclosing his account at Swiss Bank No. 1.

Clients 9 and 10

55. At all times relevant to the Indictment, Client 9 and Client 10, who are brothers, were U.S. citizens residing in Illinois. In or about 2006, Client 9 and Client 10 inherited an undeclared account at Swiss Bank No. 1 from their father.

56. In or about March 2006, Client 9 and Client 10 traveled to Swiss Bank No. 1 in Zurich and met with their late father's client advisor, CHRISTOF REIST, the defendant, to open undeclared accounts at Swiss Bank No. 1 and transfer their inherited assets into the new accounts.

57. For Client 9, REIST opened an undeclared account and established the word "Kakeycat" as the code word to be used when referring to his undeclared account at Swiss Bank No 1.

58. For Client 10, CHRISTOF REIST, the defendant, opened an undeclared account and established the word "Maggiedd" as the code word to be used when referring to his undeclared account at Swiss Bank No 1.

59. Client 9 and Client 10 both instructed CHRISTOF REIST, the defendant, that any correspondence relating to their undeclared accounts at Swiss Bank No. 1 should be held at Swiss Bank No. 1.

60. As of in or about 2009, Client 9's undeclared account at Swiss Bank No. 1 held approximately \$550,000 and Client 10's undeclared account at Swiss Bank No. 1 held approximately \$600,000.

61. On Client 9's and Client 10's Forms 1040 for at least the calendar years 2006 through and including 2008, Client 9 and Client 10 did not report either their interest in or signature or other authority over their account at Swiss Bank No. 1. Moreover, for at least the calendar years 2006 through and including 2008, Client 9 and Client 10 did not file FBARS disclosing their accounts at Swiss Bank No. 1.

**Use of Swiss Bank No. 1's U.S. Correspondent Account  
In Furtherance of the Conspiracy**

62. At all times relevant to the Indictment, Swiss Bank No. 1 accessed the U.S. financial system through at least one correspondent account maintained in Manhattan, New York, with a U.S. financial institution (the "Correspondent Account"). Through this correspondent relationship, Swiss Bank No. 1 was able to and did wire funds from Switzerland to the Correspondent Account in the United States and, in turn, wire funds to other accounts in the United States or to accounts overseas. Swiss

Bank No. 1 also had the ability to issue checks drawn on the Correspondent Account. These checks functioned like any check drawn on an account at a U.S. financial institution and could be deposited, or cashed for U.S. dollars, at other financial institutions.

63. OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, and certain of his co-conspirators were able to utilize the Correspondent Account to provide U.S. taxpayer-clients in the United States access to their undeclared funds held in Switzerland. These international transfers were often executed in a manner that helped to avoid IRS detection of the undeclared accounts. The following U.S. taxpayer-clients with undeclared Swiss bank accounts, among others, received funds through the Correspondent Account.

Client 11

64. OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, served as the client advisor to Client 11, who at all times relevant to the Indictment was a U.S. citizen and resident of New Jersey. In or about 2006, Client 11 inherited from her father ("Client 11's Father"), also a U.S. taxpayer, an undeclared account at Swiss Bank No. 1. In or about that same year, Client 11 traveled to the offices of Swiss Bank No. 1 in Zurich and met with HUPPI. HUPPI established an account for Client 11 using the codeword "Keyport1" and transferred the inherited funds into that

account. HUPPI advised Client 11 not to reveal the account to U.S. authorities because the authorities would take all of the funds in the account. HUPPI told Client 11 that HUPPI had other U.S. clients who had revealed their accounts and that these clients now regretted having done so.

65. Prior to the death of Client 11's Father, beginning in or about January 2005, OTTO HUPPI, a/k/a "Otto Hueppi," the defendant, arranged for four checks of \$5000 each to be mailed monthly to Client 11's home in the United States: a check made payable to Client 11's Father, a check made payable to Client 11, and a check made payable to each of Client 11's two children. These checks were drawn on the Correspondent Account. After the death of Client 11's Father, and at Client 11's request, HUPPI continued to send monthly checks of \$5,000 drawn on the Correspondent Account to Client 11 that were made payable to Client 11 and her two children.

#### Client 12

66. A Swiss asset manager, Asset Manager 1, a co-conspirator not named as a defendant herein, also utilized the Correspondent Account to send funds from undeclared accounts at Swiss Bank No. 1 to taxpayer-clients in the United States. Asset Manager 1, who worked at Asset Management Firm 1, served as an asset manager for Client 12, who at all times relevant to the indictment was a U.S. citizen and resident of Florida.



67. In or about 2008, Asset Manager 1 told Client 12 that Asset Manager 1 was going to transfer Client 12's assets from UBS to Swiss Bank No. 1 because United States authorities were investigating UBS. Asset Manager 1 assisted Client 12 in opening the new undeclared account at Swiss Bank No. 1 (the "Client 12 Undeclared Account"). Asset Manager 1 told Client 12 that Swiss Bank No. 1 was a safer bank than UBS because unlike UBS, Swiss Bank No. 1 did not have branches in the United States. Whenever Client 12 wanted to withdraw funds from the Client 12 Undeclared Account, Client 12 called, emailed, or sent a fax to Asset Manager 1. Asset Manager 1 advised Client 12 that it was best to receive checks for under \$10,000 because any check over that amount that was deposited into a U.S. bank would be reported by that bank to the U.S. government. Asset Manager 1 mailed checks drawn on the Correspondent Account to Client 12 in the United States. Asset Manager 1 never sent checks over \$10,000. For example, in or about October 2008, Client 12 requested that Asset Manager 1 send approximately \$30,000. In response to the request, Asset Manager 1 sent the following checks drawn on the Swiss Bank No. 1 Correspondent Account:

Check No.	Amount	Date Issued
378690	\$5,000	10/2/2008
378691	\$5,000	10/2/2008
378692	\$9,800	10/2/2008
378693	\$9,800	10/2/2008

68. Asset Manager 1 sent additional batches of checks to Client 12 drawn on the Correspondent Account in a manner designed to reduce the risk of detection of the Client 12 Undeclared Account at Swiss Bank No. 1, including as follows:

**January 2009**

Check No.	Amount	Date Issued
379535	\$9,800.00	1/5/2009
379578	\$5,000.00	1/7/2009
379579	\$5,000.00	1/7/2009

**April 2009**

Check No.	Amount	Date Issued
380320	\$5,000.00	4/1/2009
380321	\$5,000.00	4/1/2009
380322	\$9,800.00	4/1/2009

**July 2009**

Check No.	Amount	Date Issued
381159	\$9,800.00	7/1/2009
381164	\$5,000.00	7/1/2009
381165	\$9,800.00	7/1/2009

**Client 13**

69. Swiss asset managers with U.S. taxpayer-clients with undeclared accounts at other Swiss banks were also able to utilize the Correspondent Account to transfer funds covertly from undeclared Swiss accounts to U.S. taxpayer-clients in the United States. For example, a Swiss attorney ("Swiss Attorney 1"), a co-conspirator not named as a defendant herein, assisted Client

13, who at all times relevant to the indictment was a U.S. citizen and resident of California, in transferring assets from an undeclared account at UBS to an undeclared account at another Swiss bank, Swiss Bank No. 4, in or around 2006. Client 13's undeclared account at Swiss Bank No. 4 was held in the name of a corporation, Trembath Invest & Finance, Inc. (the "Client 13 Undeclared Account"). Swiss Attorney 1 advised Client 13 to maintain the account in the name of a corporation to minimize the risk of U.S. authorities discovering the account.

70. Whenever Client 13 wanted to withdraw funds from the Client 13 Undeclared Account, Client 13 would contact Swiss Attorney 1. Swiss Attorney 1 informed Client 13 that he would never send Client 13 any checks for an amount greater than \$10,000 because doing so would trigger reporting requirements for banks in the United States. Whenever Client 13 requested funds, Swiss Attorney 1 would mail Client 13 checks in the United States drawn on the Swiss Bank No. 1 Correspondent Account in the United States.

71. When Client 13 requested amounts over \$10,000, Swiss Attorney 1 sent batches of checks in amounts under \$10,000 each. Swiss Attorney 1 also sent checks made payable to Client 13's husband and Client 13's stepfather to further minimize the risk of detection. Swiss Attorney 1 also advised Client 13 to stagger the deposit of the checks he sent and to never deposit a

total of more than \$10,000 in any one day in order to reduce suspicion. When Client 13 wrote Swiss Attorney 1 requesting funds from the Client 13 Undeclared Account, Client 13 would use the code phrase "rental income checks."

72. Swiss Attorney 1 mailed to Client 13 in the United States the following checks drawn on the Correspondent Account in a manner designed to minimize the risk of the Client 13 Undeclared Account being detected:

**March 2007**

Check No.	Amount	Payee	Date Issued
372955	\$6,374.26	Client 13	3/15/2007
372956	\$7,487.39	Client 13's Husband	3/15/2007

**May 2007**

Check No.	Amount	Payee	Date Issued
373583	\$8,347.00	Client 13's Stepfather	5/11/2007
373584	\$8,414.00	Client 13's Husband	5/11/2007
373585	\$8,723.00	Client 13	5/11/2007

**November 2008**

Check No.	Amount	Payee	Date Issued
378981	\$8,815.00	Client 13's Husband	11/5/2008
378982	\$9,521.50	Client 13	11/5/2008

February 2009

Check No.	Amount	Payee	Date Issued
379840	\$9,245.30	Client 13's Stepfather	2/10/2009
379841	\$8,972.50	Client 13	2/10/2009

The Defendants and Their Clients

73. Clients 1 through 11 of STEPHAN FELLMANN, OTTO HUPPI, and CHRISTOF REIST, the defendants, are described in the following table:

Beneficial Owner(s)	Defendant Client Advisor	Code Name(s) or Nominee Name(s) in which Swiss Bank No. 1 Account(s) Held	Approximate Date Swiss Bank No. 1 Account(s) Opened	Approximate High Value of Swiss Bank No. 1 Accounts
Client 1	FELLMANN	Hawkeye (Code word)	2005	\$1,033,377
Client 2	FELLMANN	Olszawa (Code word)	2008	\$650,000
Clients 3 & 4	HUPPI	N/A	2000	\$65,318
Client 5	HUPPI	Raincity (Code word)	2007	\$962,603
Client 6	HUPPI	The Ursa Foundation & Citro Management	2003	\$2,157,725
Client 7	REIST	Radar (Code word)	2003	\$400,485
Client 8	REIST	Jive (Code word)	2006	\$1,580,951
Client 9	REIST	Kakeycat (Code word)	2006	\$550,000
Client 10	REIST	Maggiedd (Code word)	2006	\$600,000
Client 11	HUPPI	Keyport1	2006	\$973,000

74. In addition, STEPHAN FELLMANN, OTTO HUPPI, and CHRISTOF REIST, the defendants, conspired with one another, with various other client advisors at Swiss Bank No. 1, with Clients 1-11, and with at least 180 additional U.S. taxpayer-clients who maintained undeclared accounts at Swiss Bank No. 1, to hide a total of at least \$423 million from the IRS at Swiss Bank No. 1.

Statutory Allegations

75. From at least in or about 2003 up through and including in or about 2009, in the Southern District of New York and elsewhere, STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, together with others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to defraud the United States of America and an agency thereof, to wit, the IRS, and to commit offenses against the United States, to wit, violations of Title 26, United States Code, Sections 7206(1) and 7201.

76. It was a part and an object of the conspiracy that STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, together with others known and unknown, willfully and knowingly would and did defraud the United States of America and the IRS for the purpose of impeding, impairing, obstructing, and defeating the lawful governmental functions of the IRS in the ascertainment, computation, assessment, and

collection of revenue, to wit, federal income taxes.

77. It was further a part and an object of the conspiracy that various U.S. taxpayer-clients of STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, together with others known and unknown, willfully and knowingly would and did make and subscribe returns, statements, and other documents, which contained and were verified by written declarations that they were made under the penalties of perjury, and which these U.S. taxpayer-clients, together with others known and unknown, did not believe to be true and correct as to every material matter, in violation of Title 26, United States Code, Section 7206(1).

78. It was further a part and an object of the conspiracy that STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, together with others known and unknown, willfully and knowingly would and did attempt to evade and defeat a substantial part of the income tax due and owing to the United States of America by certain of Swiss Bank No. 1's U.S. taxpayer clients, in violation of Title 26, United States Code, Section 7201.

#### Overt Acts

79. In furtherance of the conspiracy and to effect the illegal objects thereof, STEPHAN FELLMANN, OTTO HUPPI, a/k/a "Otto Hueppi," and CHRISTOF REIST, the defendants, and others

known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about 2005, Client 1's Advisor delivered the account opening documents for Client 1's undeclared account at Swiss Bank No. 1 to Client 1 at the New York Hotel.

b. In or about November 2008, FELLMANN told Client 1 that Swiss Bank No. 1 was a safer bank to hold his money than UBS because Swiss Bank No. 1 did not have any offices in the United States. FELLMANN told Client 1 that the U.S. could not place the same pressure on Swiss Bank No. 1 as it did on UBS to disclose client names.

c. In or about 2000, HUPPI met with Client 3 and Client 4 in a hotel lobby in Newark, New Jersey to fill out documents to create an undeclared joint account at Swiss Bank No. 1.

d. In or about 2003, HUPPI opened a new undeclared account for Client 6 at Swiss Bank No. 1 held in the name of a sham entity.

e. In or about 2005, REIST opened a new undeclared account for Client 7 at Swiss Bank No. 1 and established the code word "Radar" for Client 7 to use when referring to the undeclared account.

f. In or about June 2006, REIST created an undeclared account for Client 8 and his wife at Swiss Bank No. 1



and established the code word "Jive" for Client 8 to use when referring to the undeclared account.

g. In or about October 2008, Asset Manager 1 mailed Client 12 four checks drawn on the Correspondent Account totally approximately \$30,000, with each check for an amount less than \$10,000 to reduce the risk of the IRS discovering Client 12's undeclared account at Swiss Bank No.1.

h. In or about May 2007, Swiss Attorney 1 mailed Client 13 three checks drawn on the Correspondent Account, one made payable to Client 13, one made payable to Client 13's husband, and one made payable to Client 13's father-in-law, each in an amount less than \$10,000 to reduce the risk of the IRS discovering Client 13's undeclared account at Swiss Bank No. 4.

(Title 18, United States Code, Section 371.)

12/19/12  
FOREPERSON



Preet Bharara  
PREET BHARARA  
United States Attorney