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CLERK, U.S. DISTRICT COURT
08/19/2020
CENTRAL DISTRICT OF CALIFORNIA
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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

STRACHANS SA IN LIQUIDATION,

Defendant.

No. CR 20- 2:20-cr-00362-ODW

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy to
Defraud the United States]

The United States Attorney charges:

[18 U.S.C § 371]

A. INDIVIDUALS AND ENTITIES

At times relevant to this Information:

1. Defendant STRACHANS SA IN LIQUIDATION was a Jersey-based accounting and financial services company that assisted U.S. taxpayer-clients and others in evading taxes through the use of offshore trusts and entities and offshore bank accounts. Initially operating as a legitimate accounting firm, in approximately 1987 defendant STRACHANS began offering offshore structures and bank accounts and related financial services to its clients. At

1 approximately that same time, defendant STRACHANS employees began to
2 travel to the United States for the purpose of marketing its services
3 to U.S. taxpayers.

4 2. Defendant STRACHANS moved its operations to Geneva,
5 Switzerland, in or about 1999 to take advantage of Swiss banking
6 secrecy for itself and its clients. In 2009, defendant STRACHANS
7 began doing business as Elston Management.

8 3. Co-Conspirator-1 was a citizen of the Bailiwick of Jersey,
9 Channel Islands, and a principal of defendant STRACHANS.

10 4. Co-Conspirator-2 was the brother of Co-Conspirator-1 and
11 also a citizen of the Bailiwick of Jersey and principal of defendant
12 STRACHANS.

13 5. Co-Conspirator-3 was a citizen of the Bailiwick of Jersey,
14 and first an employee and then a minority shareholder of defendant
15 STRACHANS.

16 6. The Internal Revenue Service ("IRS") was an agency of the
17 United States Department of Treasury responsible for administering
18 and enforcing the tax laws of the United States and collecting the
19 taxes owed to the Treasury of the United States by its citizens.

20 7. United States citizens, resident aliens, and legal
21 permanent residents had an obligation to report the following
22 information to the IRS on Form 1040, Schedule B, Part III, Line 7a,
23 by checking a "Yes" or "No" box: "At any time during [the calendar
24 year], did you have an interest in or a signature or other authority
25 over a financial account in a foreign country, such as a bank
26 account, securities account, or other financial account?" If the
27 answer to Line 7a was "Yes," then Line 7b required the taxpayer to
28 enter the name of the foreign country in which the financial account

1 was located.

2 8. United States citizens, resident aliens, and legal
3 permanent residents had an obligation to report all income earned
4 from foreign financial accounts on their tax returns and pay the
5 taxes due on that income.

6 9. United States citizens, resident aliens, and legal
7 permanent residents who had a financial interest in, or signature
8 authority over, one or more financial accounts in a foreign country
9 with an aggregate value of more than \$10,000 at any time during a
10 particular year were required to file with the Department of the
11 Treasury a Report of Foreign Bank and Financial Accounts on Form TD F
12 90-22.1 ("FBAR"). Generally, the FBAR for the applicable year was
13 due by June 30 of the following year.

14 10. An "undeclared account" was a bank or financial account
15 maintained in a foreign country that was not reported to the United
16 States government on a tax return or on an FBAR.

17 B. OBJECT OF THE CONSPIRACY

18 11. From in or about 1987 until in or about November 2014, in
19 Los Angeles County, within the Central District of California, and
20 elsewhere, defendant STRACHANS knowingly and willfully conspired and
21 agreed with various United States taxpayers, their representatives
22 and others, both known and unknown to the United States Attorney, to
23 defraud the United States by impeding, impairing, obstructing, and
24 defeating the lawful government functions of the Internal Revenue
25 Service of the United States Department of Treasury in the
26 ascertainment, compilation, assessment, and collection of the
27 revenue, that is, federal income taxes of the U.S. taxpayers, in
28 violation of 18 U.S.C. § 371.

1 C. MANNER AND MEANS OF THE CONSPIRACY

2 12. The object of the conspiracy was carried out, and to be
3 carried out, in substance, as follows:

4 a. traveling to the United States until 2007 for the
5 purpose of marketing defendant STRACHANS's services to U.S. taxpayer-
6 clients;

7 b. opening and maintaining offshore bank accounts for the
8 benefit of approximately 90 U.S. taxpayer clients, including accounts
9 at banks in Jersey and at Cornèr Bank and UBS in Switzerland;

10 c. assisting clients in establishing and using sham
11 entities, including offshore shell companies, as nominee beneficial
12 owners of the undeclared accounts;

13 d. providing financial services to the clients through
14 the use of various entities related to defendant STRACHANS, including
15 Elston Management SA, Roker Trustees (Jersey) Ltd., Overseas Trading
16 and Promotion Ltd., Ferndale Worldwide, Ltd., and Jilette Company
17 Ltd.

18 e. using STRACHANS-related entities as trustees on
19 offshore trusts for U.S. taxpayer-clients and conduits for the
20 repatriation of funds from undeclared accounts to the United States,
21 in some instances utilizing a Monagasque citizen as a nominee trust
22 settlor;

23 f. facilitating withdrawals of funds from the undeclared
24 accounts by either providing hand-delivered cash in the United States
25 or using defendant STRACHANS' and related entities' bank accounts in
26 Switzerland and elsewhere, and correspondent bank accounts in the
27 United States;

28 g. facilitating the repatriation of offshore funds for

1 U.S. taxpayer-clients through the use of bogus mortgage and false
2 invoice and certificate of deposit schemes, sometimes utilizing a
3 STRACHANS-related company called Ambassador Discount Company;

4 h. facilitating the repatriation of offshore funds
5 through the use of back-to-bank loans;

6 i. structuring transfers of funds to evade currency
7 transaction reporting requirements;

8 j. submitting false Forms W8-Ben-E to offshore banks
9 regarding their U.S. taxpayer-clients' bank accounts;

10 k. using a London post office box and a London-based
11 lawyer to provide mail delivery services;

12 l. meeting with U.S. taxpayer-clients in offshore locales
13 to give them an opportunity to review account statements; and

14 m. providing offshore credit and debit cards in initially
15 through a U.K. bank that were held by a STRACHANS nominee company
16 called Jillette, and later through Cornèr Bank (Switzerland) to the
17 U.S. taxpayer-clients to assist them in accessing their funds in the
18 undeclared accounts without creating a paper trail in the United
19 States.

20 D. OVERT ACTS

21 13. On or about the following dates, in furtherance of the
22 conspiracy and to accomplish its objects, defendant STRACHANS and
23 other co-conspirators committed various overt acts within the Central
24 District of California, including, but not limited to, the following:

25 Overt Act No. 1: In or about May 2000, defendant STRACHANS
26 formed separate offshore trusts for a U.S. taxpayer-client ("Client
27 1"), and his business partner, a U.K. taxpayer-client ("Client 2").
28 Defendant STRACHANS also formed a third offshore trust for their

1 Australian advisor.

2 Overt Act No. 2: In or about October 2007, with the knowledge
3 and consent of the clients, defendant STRACHANS transferred the
4 balances in the offshore bank accounts for Clients 1 and 2 to an
5 account at UBS in Switzerland on which Co-Conspirator 1 was listed as
6 the beneficial owner, in order to assist in continuing to conceal
7 Clients 1 and 2's ownership of the offshore funds.


8 Overt Act No. 3: On or about February 8, 2010, Co-Conspirator-1
9 received £5,916,000 into an account in a nominee name at UBS AG on
10 behalf of Clients 1 and 2.

11 Overt Act No. 4: On or about April 11, 2013, Co-Conspirator 1
12 received 50,000 Swiss francs from a nominee account at UBS AG for
13 services rendered to undeclared U.S. taxpayer-clients.

14 Overt Act No. 5: On or about June 5, 2014, Co-Conspirator 1
15 made several stock investments worth over \$500,000 on behalf of
16 undeclared U.S. taxpayer-clients in a nominee account at UBS AG.

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