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Whistleblower was released and received 618 million. kr .: "I think more about death than life"



The 53-year-old whistleblower Bradley Birkenfeld has spent the last two years living in Malta.

Photo: Johan Christensen



LONGREAD By [Johan Christensen](#)

Exclusive to customers

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Whistleblower Bradley Birkenfeld assisted as private banks at UBS in Geneva US empire to save billions in Swiss banks. But a certain document on the bank's intranet made him go to the authorities. They agreed to send him to jail for several years, but then had to give him the greatest economic recovery in history. The stock exchange has met Birkenfeld in Malta for a talk about courage, diamonds in toothpaste cubes, and how his case transformed Switzerland's multimillion-sized offshore industry

MALTA: The American TV station CNBC calls him the world's most influential financial whistleblower, yet 53-year-old Bradley Birkenfeld still cares about what's going to be on his tombstone.

For the former banker at UBS in Switzerland, the bank is fully aware that it is probably the people's individual moral compass, who ultimately decides whether they see him as an accomplice or a brave whistleblower.

Although Birkenfeld has written his name into world history as the man whose cause led to the abolition of the otherwise unbreakable Swiss banking secrecy, the American's urge to make sure he will be remembered for the good has not diminished after receiving in 2012 a whistleblower check of 618 million. DKK from the US tax administration for the assistance.

"The strange thing about getting so much money is that I think more about death than life in between. It may sound elite but it commits when you know you can change people's lives. So I use a lot thinking of updating my will, "says unmarried Bradley Birkenfeld, when Børsen meets him in Malta, where he has lived the last two years.

Legally enough for Birkenfeld, but not for the clients

Part of his fortune, he plans to launch a global one-stop shop for whistleblowers, so they can get better protection, advocacy assistance, political support and assistance for funding than he himself, when he first started in March 2005 time yelled at UBS internally.

At that time, Bradley Birkenfeld had worked for a number of years as a private banking man in First Credit Suisse and then in Barclay's Bank before being hired by UBS in Geneva in October 2001, helping among American reigns, directors, sports stars and actors to place their fortunes on numbered Swiss accounts, so neither their spouses, business partners or taxpayer could really find them.

It was all legal for Birkenfeld, who lived in Switzerland and was therefore subject to Swiss legislation, but it was nothing but legal for his and the bank's many other thousands of American clients who had not disclosed the US tax authorities about their secret Swiss offshore accounts.

"We knew well that people probably did not fly from Los Angeles to Geneva to buy chocolate, but we were bankers and delivered a service that lived up to Swiss legislation so that the clients reported the tax they would have in the United States , we do not look like our responsibility, "says Birkenfeld.

"We knew well that people probably did not fly from Los Angeles to Geneva to buy chocolate, but we were bankers and delivered a service that lived up to Swiss legislation so that the clients reported the tax they would have in the United States , so we do not like our responsibility "

His biggest single customer was the Russian-born American billionaire from California Igor Olenicoff, which he managed to invest 200 million.dollars in the Swiss Great Bank's departments in Geneva and in Lichtenstein.

And the private life of private banks in Switzerland accused Birkenfeld, who earned about 2 million. dollars a year by investing their clients' money and assisting them with the transfer of values to and from Switzerland. But it was a world where clients came into the bank with suitcases full of cash and where the paper traces of clients' call in between were to be deleted.

Among other things, Birkenfeld recalls an episode where a rich customer asked him to buy some diamonds in Switzerland with money from the customer's untaxed accounts. The diamonds were notified of joining the United States. One task Birkenfeld solved by plugging them into a toothpaste tube and sitting on the plane in a misunderstood belief that they would probably not be visible on the X-ray screen.

If he did not contribute to smuggling? No, then. The diamonds were quite small and worth only a thousand dollars. It was just easier to store them in toothpaste than loosely in a suitcase - explained his explanation every time he was then asked to relate to maneuvering. And no one else discovered the small stones in the customs.

" What is Satan for a document? "

It was only when one of Birkenfeld's IT-competent colleagues in the office one day in 2005 showed him a three-page memo, he had digged from UBS's giant intranet, that Birkenfeld put his foot down.

The document, called [Cross-Border Banking Activities in the United States](#), described, among other things, that it was forbidden for UBS employees in Switzerland to recruit private banking clients on American soil. But that was exactly what Birkenfeld and half a hundred of his Swiss colleagues did and had done for years.

Several of them often traveled to the United States with mobile phone calling cards, code names on clients and encrypted computers in the hand luggage. They stayed at changing hotel rooms and responded to "holiday" when the border guards in the passport asked what the purpose of the visit was.

In the United States, bankers met the rich Americans at UBS-sponsored sports events and closed art exhibitions. Here, with promises of unbreakable banking secret, they could lure more rich Americans to place their fortunes in Switzerland.

The sight of the document caused Birkenfeld to stiffen.

"I thought what satan is for a document? That's exactly what we are living in. Where did you find that memo? Then I showed it on the intranet and right there - in that second - I realized that, that UBS would hang us all to dry for even washing our hands. But I did not think of the fandeme no. They do not do that with me, "explains Birkenfeld.

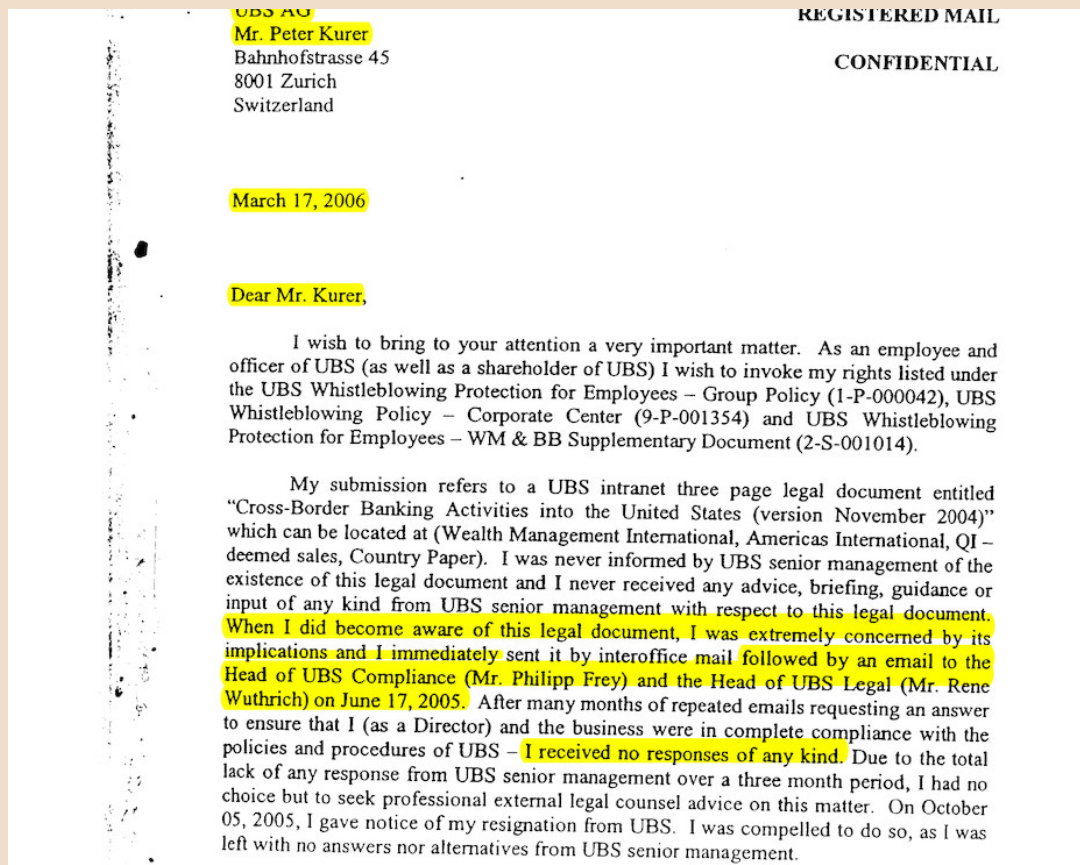
"Just there - in that second - I realized that UBS would hang us all to dry for even washing hands. But I did not think the fandeme no. They do not do that with me."

As the youngest of brainchildren Ronald Birkenfeld's three sons, Bradley was not unfamiliar with being drunk around and put in place in the internal hierarchy of the family's mouth-watering house a little outside of Boston. And at the private military academy of Norwich University in the state of Vermont, from where Birkenfeld graduated in 1988, the conditions felt no less unfair.

"Both in the family and at the military academy, I learned to beat me. It has become my style of being aggressive and breaking the way for people I feel treated unfairly," says Birkenfeld when he describes what was going on today that he not only ignored the internal note but instead launched an overriding match with UBS and then the US authorities.

After finding the note, Birkenfeld wrote in June 2005 an email to the heads of compliance and law. But did not get any response - despite more repetitions for this. He resigned in October of the same year and wrote in March the following year to the chief judge that he was "extremely worried about the possible implications" of not having become aware of the contents of the internal memo of the UBS bosses, which, according to Birkenfeld, contradicted directly against what the managers had encouraged him and the other employees to do.

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After finding a 3-page note on UBS's intranet, Bradley Birkenfeld wrote in 2005 and again in 2006 to the UBS bosses and pointed out that he was worried if UBS actually complied with the orders not to fish for American customers at American soil, as the memorandum dictated. - Source: American legal documents

Then he traveled to the United States on his own behalf and spent two days with lawyers in the US Department of Justice Department of Justice to tell UBS's illegal recruitment of American clients and the bank's assistance to save their untaxed fortunes in the alpine country.

The lawyers in the Justice Department would not guarantee Bradley Birkenfeld amnesty, but instead demanded that he handed out the names of American customers. However, Birkenfeld did not dare without an application, as he would otherwise risk violating Swiss legislation.

Instead, he contacted several other government agencies including the tax administration, the IRS, the stock exchange authorities, the SEC, and one of the permanent committees in the Senate. Here you were more willing to equip him with the necessary application. With it in hand, Birkenfeld revealed names of about 35 of its own and colleagues clients including billionaire Ty Warner, who had over 100 million. Dollar standing on accounts in Switzerland.

19,000 Americans with accounts in UBS

The information from Birkenfeld uses the US tax administration to get a judge in Miami to file a petition against UBS. The bank was to reveal the identity of the 19,000 Americans who, according to Birkenfeld's information, had the assets of the authorities for about 20 billion. dollar or 114 billionDKK standing on non-declared accounts at the bank.

Birkenfeld hoped that his information would send his executives to the bank in jail and he became furious when the bank agreed to settle the hook to pay 780 million. dollar in fine and against revealing only the names of 4700 of the 19,000 American clients.

Birkenfeld was also charged with conspiracy with her biggest client, Igor Olenicoff, when the Department of Justice, Birkenfeld, had not told the authorities anything about Olenicoff when he had joined the names of the UBS clients.

Birkenfeld had already told the investigation director of the senate's permanent committee for investigations, Bob Roach, that Igor Olenicoff had stung 200 million already on October 11, 2007. dollars aside in Switzerland, but that knowledge was not passed on to the Ministry of Justice, which had for the time being for several years already had the binoculars aimed at the Russian-born real estate owner Olenicoff.

The article continues after the image

From: David H. Dickleson [mailto:ddickleson@schertlerlaw.com]
Sent: Tuesday, March 04, 2008 5:57 PM
To: Roach, Bob (HSGAC)
Subject: RE: Swiss Accounts

Yes. Olenikov was identified to you during the session we had on October 11, 2007. [Check your notes it was in the part of the discussion where Brad mentioned ██████████, too.] Olenikov was Brad's biggest client with over \$200,000,000 in accounts brought to UBS by Brad as Olenikov's account representative.

Olenikov just pled guilty to tax fraud and from the press reports I have read, it doesn't appear that Olenikov disclosed the UBS Switzerland funds. We went back to the IRS and DOJ-Tax people and told them that Brad had information that would help them with Olenikov, but DOJ-Tax merely threatened Brad with withholding information from them. Of course, this made it all the more imperative that Brad get immunity before providing any further information to the DOJ, but they were unbending in their denial of anything at all for Brad.

I hope that someone in Congress takes note of the poor handling that Brad has received from DOJ-Tax.

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From: Roach, Bob (HSGAC) [mailto:Bob_Roach@hsgac.senate.gov]
Sent: Tuesday, March 04, 2008 5:47 PM
To: David H. Dickleson
Subject: Swiss Accounts

Hi Dave – I was wondering if Brad ever heard of a person named Olenicoff, or a company called Guardian Guarantee Company Ltd. ("GGLC"), which was controlled by Olenicoff. Olenicoff lives in California and had an account at UBS Switzerland – for at least \$89 million.

Thanks.

Bradley Birkenfeld already announced in October 2007 Bob Roach of the US Senate about his knowledge that billionaire Igor Olenicoff saved hundreds of millions of dollars at UBS in Switzerland. Source: US Legal Documents

So, Olenicoff, one month after Birkenfeld's talk with Bob Roach in the Senate, declared himself guilty of a single charge of tax evasion, he received only a fine of 52 million. dollars equivalent to just over a quarter of a billion. kr.

According to the prosecutor's prosecutor Kevin Downing, Olenicoff would have been sentenced to imprisonment if Bradley Birkenfeld had just told the Ministry of Justice what he knew about Igor Olenicoff already in 2007.

It explained Downing in court as justifying why the Ministry of Justice demanded Bradley Birkenfeld sent to prison.

But Birkenfeld and his lawyers believed he was unable to provide details to the Ministry of Justice, as the lawyers here, unlike Bob Roach in the Senate, would not contest him so that he could hand over the information without risking breaking Swiss law. However, Downing acknowledged that Birkenfeld had been decisive for the United States to conclude groundbreaking agreements with Switzerland on the exchange of information on tax refugees.

"If Mr. Birkenfeld did not come through the Ministry of Justice in the summer of 2007, I doubt that the massive fraud would have been discovered by the US government. By strengthening us to initiate the investigation back in June 2007, we have also succeeded not only to change the way in which we can obtain evidence from banks in Switzerland, but it has also prompted the Swiss government to enter into new tax treaties with the United States through which the United States can now get information on civil tax cases, which has never happened before," explained Downing.

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US billionaire Igor Olenicoff was Bradley Birkenfeld's largest client in UBS, where Olenicoff saved more than 200 million. dollar.-Photo: Tim Rue / Bloomberg / Getty Images

Birkenfeld's lawyers expected to be able to speak the sentence by 80 per cent, and Birkenfeld thus declared guilty of a single charge, but to his great surprise he was punished with 40 months in prison. He has since fired and sued his lawyers for the advice to declare himself guilty of one of the charges he received from them.

"I was made a scapegoat despite the fact that I was the whistleblower. I am the only one in all this case who has been sentenced to imprisonment. All my bosses got secret conciliation and slap. The bank agreed to settle, got an excessive fine and could only hand over the names of 4700 of the 19,000 customers. It's a disgrace," says Bradley Birkenfeld today.

Leaked note puts him in the red field

His confidence in the US authorities led another crack when the Norwegian media Aftenposten in 2011 caught fingers in one of the 251,000 telegrams between US embassies and the US Department of Foreign Affairs, which was leaked to Wikileaks.

In a telegram from the US Embassy in Bern in Switzerland, it was clear that the then Swiss Minister of Economy and Trade Doris Leuthard at a meeting with the US Chargé d'affaires at the embassy had made it clear that Switzerland wanted a political solution to the case against UBS.

And that, in spite of a politically agreed settlement with the United States, Switzerland was ready to receive more prisoners from Guantanamo and to stop a commercial business of a Swiss-based company in Iran, which, according to both the Americans and the Swiss authorities, contradicted the ban on assisting Iran with its criticized nuclear weapons programs.

"Minister Leuthard made it clear that these two activities were linked to a successful political settlement in the case of the Swiss bank giant UBS," the embassy in Bern wrote home to Washington after the meeting.

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S E C R E T BERN 000273

DEPT FOR ISN/RA (J.ALLEN-CLOSE), NEA/IR, EUR/PRA, AND
EUR/AGS (Y.SAINT-ANDRE), NSC FOR JEFF HOVENIER, DEPT OF
JUSTICE BRUCE SWARTZ

E.O. 12958: DECL: 06/30/2019
TAGS: IR, MNUC, PARM, PHUM, PREL, PTER, KWAC, ECON, ETRD,
EINV, SZ
SUBJECT: SWITZERLAND SHUTTING DOWN COLENCO'S BUSINESS WITH
IRAN

REF: 08 BERN 464

Classified By: CDA L.Carter for reasons 1.4(b) and (d)

1. (S) Summary: Swiss Minister for Economics and Trade Doris Leuthard called CDA in to advise that the Swiss Federal Councilors had decided in a special session to shut down Swedish firm Colenco's commercial activities in Iran. The Minister also reaffirmed the commitment of the Swiss government to accept several detainees from Guantanamo Bay for resettlement in Switzerland. Minister Leuthard made it clear that these two activities were linked to the achievement of a political settlement in the case of Swiss banking giant, UBS. The US court is scheduled to hear arguments in the civil case on July 13 and it is clear that the GOS hopes a settlement can be reached before the hearing date. End Summary.



A secret telegram from the United States Embassy in Switzerland to Washington, leaked to Wikileaks, described how Switzerland and the United States had decided to close the UBS case with a political settlement. As a thank you for helping the ministry, the United States, on the other hand, got the help of Schwiez to close a company that trafficked the Iranians and help relocate prisoners from Guantanamo. Source: Wikileaks

A spokesperson for the Swiss Minister for Economic Affairs and Trade subsequently tried to reduce the connection to international media, but Birkenfeld does not matter.

"I'm still furious about it. Unfortunately, it shows how corrupt a world we live in. Even when I sacrifice everything and go to the authorities in the belief that justice is going to prevail, there is great politics in it because the authorities is corrupt and incompetent," says Bradley Birkenfeld.

Obama played golf with UBS's American boss

The day after Bradley Birkenfeld was sentenced to his imprisonment, the US media reported that US President Barack Obama spent five hours at the golf course with his good friend Robert Wolf, who was the head of UBS in the United States, who had contributed \$ 250,000 to Obamas presidential campaign.

"Yes, that was the message the US chose to send to the outside world when sent to jail," Birkenfeld said.

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Bradley Birkenfeld was flanked by his lawyer Stephen M. Kohn when, on January 8, 2010, he initiated the sentence of 40-month prison in Minersville, Pennsylvania. Photo: Bradley C. Bower / Bloomberg / Getty Images

However, the stay in prison did not offer a single sleepless night if you ask the protagonist himself.

"I learned early - both in the siblings and at the military academy, that I do not get to the point of weakness, so I did not even imprison it, as I also call Camp Cupcake because it had bunk beds, gym and other necessities. I can honestly say there were no black moments in all the 30 months I ended up having to resign, "says Birkenfeld, who still needs to show weakness when he tours the world and talks about his experiences.

"When somebody called me a stick, I always replied that if I'm stuck - why am I the only one in a smuggled prison? Then that kind of talk always stopped"

But could your fellowmen distinguish between a whistleblower and a sticker?

"Most. But when somebody called me a stick, I always replied that if I'm stuck - why am I the only one in smoked prison? Then that kind of talk always stopped," says Birkenfeld.

Billions returned to the treasury

The US tax authorities used the information from Birkenfeld offensive. Three different amnesty schemes were entered into Americans with accounts in Switzerland. Alone in seven months in 2009, 15,000 Americans chose to send 4.1 billion. dollar back to the US Treasury and apply for amnesty.

A large number of other Swiss banks were also forced to settle and to name their American customers. Credit Suisse had to cough up by 2.6 billion.Dollar in 2014, Julius Baer slipped by 547 million. dollar while Zuegher Kantonbank agreed to pay 90 million. dollar in a settlement. At the same time, Switzerland agreed to implement OECD's standards for the automatic exchange of tax information.

The case thus de facto put the Swiss law, which since 1934 had forbidden to disclose bank customers' identity - out of power.

To date, it is estimated that the US has received 15 billion. dollar collected into the treasury in fines, conciliation and voluntary extra payments due to the settlement with the Swiss banks, and Bradley Birkenfeld became known globally as the whistleblower who launched the show - a fight that is far from today.

Fight continues in Paris

As late as October this year, Birkenfeld was in Paris to be interviewed by the French authorities, who required 1.8 billion. dollar by UBS for having sent Swiss bankers to France to recruit wealthy French customers with tax depletion.

According to Bloomberg, the authorities estimate that the French have plunged 9.8 billion. euro aside at UBS in Switzerland without paying taxes on the money. UBS risks both being punished for assistance in tax evasion and for money laundering, but refusing to act objectively.

The French case has been tried in vain in vain, but the negotiations broke down in 2017.

"After more than six years of legal wrecking, we finally have the opportunity to answer the often unfounded accusations that have been regularly leaked to the media - which clearly violate the rules of confidentiality and innocence presumption," UBS wrote to a number of media prior to that first hearing in October this year.

Birkenfeld had difficulty hiding his enthusiasm for seeing his former employer on the dock. Prior to spinning television cameras, he used the breaks between the hearings to hand out copies of his book "Lucifer's banker". Among other things, one of UBS's lawyers was given a copy in his hand, which he could not refuse to receive in front of the global press.

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Bradley Birkenfeld had difficulty hiding his enthusiasm when he gave UBS lawyer Denis Chemla (tv) a copy of his book "Lucifers Bankman" in October 2018.

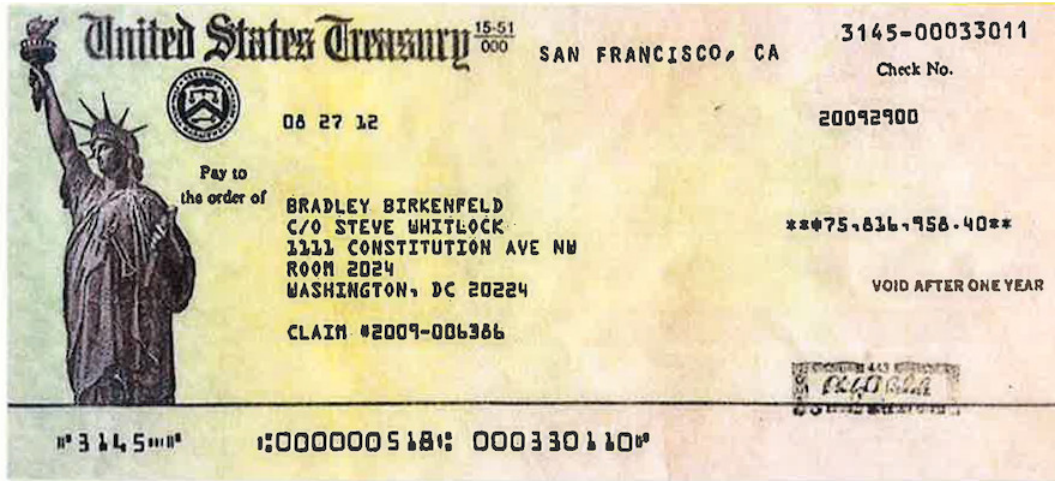
-Photo: Christophe Petit Tesson, EPA, Ritzau Scanpix

Birkenfeld's enthusiasm in Paris, however, can not be measured by what he felt when he half a year before his release to a residency was finally informed that his lawyer Stephen M. Kohn, a lawyer for the whistleblower in Denmark, had succeeded Banking, Howard Wilkinson, secured him a financial compensation because his assistance was crucial to bringing the billions of dollars back to the US Treasury.

The American scheme, which rewards whistleblowers, allows for sending up to 30 per cent. of the fortified fortunes continued to whistleblowers, so Birkenfeld received 104 million. dollar equivalent to 618 million. DKK at the price of the day, as the Americans managed to pull 400 million. dollar extra in the treasury as a direct result of his assistance.

The check came 14 days after Birkenfeld had been released from prison. It was 75.8 million. USD after tax equal to 450 million. In fact, he should have paid 40 million. kr. more tax if he had not hurried to apply for a residency in the neighboring community. There was the tax for the lower one - a kind of last stop he calls the maneuver today.

"I saved 7 million dollars by driving 50 kilometers north. More turning than the fox," says Birkenfeld.



Bradley Birkenfeld got two weeks after his release in 2012 104 million. dollar equivalent to 616 million. DKK of the US tax administration. After tax, it amounted to DKK 75.8 million. dollar. Birkenfeld would like to hand a laminated copy of the check as a bookmark when signing his book "Lucifers Bankman".

Some of the first thing that the newly made multi millionaire made with the money was to buy a black Porsche Cayenne Turbo for \$ 130,000. But two weeks later, an unusual problem arose, so Birkenfeld had to call the dealer who became nervous about the call from what he hoped could be a faithful customer for many years.

"What is the problem with the car? Is it broken? The dealer asked the question." I replied, "No. The problem with Porschen is that it feels lonely and needs a stomach. "And then I asked him to find a navy 911 Turbo S. Cabriolet," Birkenfeld roars as he recounts the history of the Hotel Hilton in Malta .

Fluted before the reward scheme was introduced

The American scheme of whistleblower reward was first introduced in January 2007, and almost 2 years after, Birkenfeld first cried out for illegal in-house UBS, and he is tired of constantly being met with the assertion that he was only blowing in whistle because he saw an economic gain.

"I could not predict that there would be a scheme that would cater for whistleblowers, so I did not do it for the sake of money, but because it was the right thing to do. It required a big courage, but I have no idea, What did I have to go through? Has it been worth it? Yes, even though justice has never been the best. I personally got my raise when it became clear that I would be honored. something that went my way, "Birkenfeld says, continuing:

"But the most important thing is the effect my case has had and not my personal story. I really transformed a multimillion-sized offshore industry because I had the courage that was going to happen."

Fighting for rewards for other whistleblowers

Today Birkenfeld lives in Malta, where he is refurbishing a three-story house raised above the harbor in one of the island's eastern coves. The money is today more than they were when he got them paid. "I am a banker," as he says.

It is at least Birkenfeld's own assessment that his wealth has grown, although it is difficult to assess the realization value of the

art collections and luxury properties he has bought around Europe. Not to mention what they are about 60 complete champion suits and associated helmets from the winners of Formula 1 race can bring. Or the nose tip of deceased Ayrton Senna accident races for that matter. Just as it is difficult to value the three collections of sports memorabilia from childhood idols in the ice cream club Boston Bruins, which Birkenfeld has bought.

For Birkenfeld, the money has also given the freedom to travel around the world - close to Switzerland - and encourage better conditions for whistleblowers. Together with his lawyer Stephen M. Kohn, he tries to influence legislators in, inter alia, Europe to introduce laws that provide whistleblowers protection and financial compensation because they often risk their lives and careers by revealing illegalities.

"Had I even had a wife and children, it could also be that I had accepted an economic team jersey instead of shouting"

"You can not have an effective whistleblower program if whistleblowers do not have the opportunity to be protected from governmental government reprisals and those you reveal. There must also be an opportunity to get an amnesty and you have to be compensated financially. Most people Whistleblowers have families and do not necessarily risk putting everything in control. If I had a wife and children, I could also have accepted a financial team jersey instead of shouting, "says Birkenfeld.

Have you been back in Switzerland?

"No, and I'm also doubting that I'm coming. They look me a bit like a landlord, and I do not want to give them the chance to find some obscene excuse to arrest me. But I do not care , "says Birkenfeld.

And the inscription on the tombstone of that time? If it goes to Birkenfeld, it becomes bombastic:

"When people say, but you were part of it, I explain the course to them and then most people realize what gigantic effect I have had as a whistleblower. The world has Bill Gates and many other big and rich people who Help from others has built up a fortune for the benefit of others. But I took the whole risk as an individual, made the right one and transformed myself one billion industry for the benefit of the whole world. "