

Ex-UBS Banker Is Said to Have Been Informant in Inquiry

By Lynnley Browning

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Federal prosecutors who arrested a senior private banker at Credit Suisse in the United States in January in connection with a federal investigation into offshore accounts learned his identity from an indicted UBS banker, according to court papers unsealed on Tuesday.

The Credit Suisse banker, Christos Bagios, worked at UBS, a Swiss rival to Credit Suisse, from 1999 to 2008 before joining Credit Suisse in February 2009.

One of his superiors at UBS was Renzo Gadola, a Swiss citizen who worked from 1995 to 2008 at UBS, where he was a senior private banker and the executive director of the division that oversaw UBS's undeclared offshore private banking services for wealthy Americans. Mr. Gadola left UBS to form RG Investment Partners, an investment advisory firm in Zurich.

Mr. Bagios, a Greek citizen and Swiss resident, was arrested in January the criminal complaint against him does not specify when in New York and charged with conspiracy and fraud; the complaint unsealed on Tuesday also said that prosecutors had learned about Mr. Bagios's involvement through recent interviews with Mr. Gadola.

“Gadola advised an I.R.S. agent on Jan. 26, 2011, that he and Christos Bagios were part of a team of UBS bankers who serviced hundreds of undeclared

accounts at UBS owned and controlled by U.S. taxpayers,” the indictment said, which was filed in Federal District Court in Ft. Lauderdale, Fla.

Prosecutors in Miami charged Mr. Gadola in December with conspiracy to defraud the United States by helping wealthy Americans evade taxes from 2000 through December 2010. Last month, four Credit Suisse private bankers were charged with criminal fraud in connection with their sale of offshore private banking services that allowed wealthy Americans to evade taxes. Mr. Bagios alerted prosecutors to the four bankers, a tip that led to the indictment, according to a person briefed on the matter who spoke only on the condition of anonymity.

Taken together, the criminal charges have dealt a further blow to Swiss bank secrecy as private bankers who were once colleagues increasingly inform on one another to the authorities.

Mr. Bagios was the international private banking representative for UBS in San Francisco and Los Angeles during the mid- to late 1990s. The indictment said that when he left UBS, he took with him 100 to 150 private clients holding accounts of \$400 million to \$500 million.

UBS, which fell under a federal investigation in 2007 for its undeclared offshore private banking services, reached a \$780 million deal with the authorities and agreed to turn over scores of client names. The authorities have increased scrutiny of other Swiss banks and banks with operations in Switzerland, including Credit Suisse and Basler Kantonalbank, a Swiss regional bank in Basel.

David Walker, a spokesman for Credit Suisse, and Allison Chin-Leong, a spokeswoman for UBS, declined to comment on Tuesday.

Mr. Bagios is still employed by Credit Suisse, according to another person briefed on the matter who spoke only on the condition of anonymity.

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