

JUSTICE NEWS

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Four Defendants Charged in Panama Papers Investigation for Their Roles in Panamanian-Based Global Law Firm's Decades-Long Scheme to Defraud the United States

Four individuals have been charged in an indictment unsealed today in the Southern District of New York with wire fraud, tax fraud, money laundering and other offenses in connection with their alleged roles in a decades-long criminal scheme perpetrated by Mossack Fonseca & Co. ("Mossack Fonseca"), a Panamanian-based global law firm, and related entities.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Geoffrey S. Berman for the Southern District of New York, Chief Don Fort of IRS Criminal Investigation (IRS-CI), and Special Agent in Charge Angel M. Melendez of U.S. Immigrations and Customs Enforcement's Homeland Security Investigations (HSI) New York made the announcement today.

Ramses Owens, 50, a Panamanian citizen; Dirk Brauer, 54, a German citizen; Richard Gaffey, a U.S. citizen, of Medfield, Massachusetts; and Harald Joachim Von Der Goltz, 81, a German citizen, have been charged in an 11-count indictment. Owens, Gaffey and Von Der Goltz are charged with one count of conspiracy to commit tax evasion, one count of wire fraud, and one count of money laundering conspiracy. Owens and Brauer have been charged with one count of conspiracy to defraud the United States and one count of conspiracy to commit wire fraud. Gaffey and Von Der Goltz are additionally charged with four counts of willful failure to file an FBAR. Von Der Goltz has been additionally charged with two counts of making false statements.

Three of the four defendants named in the indictment have been arrested. Brauer, who worked as an investment manager for Mossfon Asset Management, S.A. ("Mossfon Asset Management"), an asset management company closely affiliated with Mossack Fonseca, was arrested in Paris, France, on Nov. 15. Von Der Goltz, a former U.S. resident and taxpayer, was arrested in London, United Kingdom, on Dec. 3. Gaffey, a U.S.-based accountant, was arrested in Boston, Massachusetts earlier today. Owens, a Panamanian attorney who worked for Mossack Fonseca, remains at large.

"Law firms, asset managers, and accountants play key roles enabling entry into the global financial system," said Assistant Attorney General Benczkowski. "The charges announced today demonstrate our commitment to prosecute professionals who facilitate financial crime across international borders and the tax cheats who utilize their services."

"As alleged, these defendants went to extraordinary lengths to circumvent U.S. tax laws in order to maintain their wealth and the wealth of their clients," said Manhattan U.S. Attorney Berman. "For decades, the defendants, employees and a client of global law firm Mossack Fonseca allegedly shuffled millions of dollars through offshore accounts and created shell companies to hide fortunes. In fact, as alleged, they had a playbook to repatriate un-taxed money into the U.S. banking system. Now, their international tax scheme is over, and these defendants face years in prison for their crimes."

“The unsealing of this indictment sends a clear message that IRS-CI is actively engaged in international tax enforcement, and more investigations are on the way,” said IRS-CI Chief Don Fort. “IRS-CI specializes in unraveling these intricate offshore tax schemes and following the money around the globe wherever it may lead. Cases like this help maintain the public’s confidence in our tax system by letting them know that we investigate and prosecute those who evade their tax obligation.”

“Today we announce the indictment of four individuals who allegedly defrauded the U.S. government through a large scale, intercontinental money laundering and wire fraud scheme, associated with Mossack Fonseca and its affiliates,” said HSI Special Agent-in-Charge Angel M. Melendez. “HSI’s El Dorado Task Force, together with the IRS, built a case that uncovered an alleged complex trail of offshore shell corporations and bogus foundations used to disguise the beneficial ownership of huge amounts of money. These efforts reflect the commitment of U.S. law enforcement to follow that trail and apprehend these criminals regardless of where they are in the world.”

According to the indictment, from at least in or about 2000 through in or about 2017, Owens and Brauer conspired with others to help U.S. taxpayer clients of Mossack Fonseca conceal assets and investments, and the income generated by those assets and investments, from the IRS through fraudulent, deceitful, and dishonest means. To conceal their clients’ assets and income from the IRS, Owens and Brauer allegedly worked to establish and manage opaque offshore trusts and undeclared bank accounts on behalf of U.S. taxpayers who were clients of Mossack Fonseca. Owens and Brauer allegedly marketed, created, and serviced sham foundations and shell companies formed under the laws of countries such as Panama, Hong Kong, and the British Virgin Islands, to conceal from the IRS and others the ownership by U.S. taxpayers of accounts established at overseas banks, as well as the income generated in those accounts. As structured by Mossack Fonseca, the sham foundations typically “owned” the shell companies that nominally held the undeclared assets on behalf of the U.S. taxpayer clients of Mossack Fonseca. The names of Mossack Fonseca’s clients generally did not appear anywhere on the incorporation paperwork for the sham foundations or related shell companies, although the clients in fact beneficially owned, and had complete access to, the assets of those sham entities and accounts.

In furtherance of the scheme, and in exchange for additional fees, Owens and Brauer allegedly provided support to clients who had purchased the sham foundations and related shell companies by providing corporate meeting minutes, resolutions, mail forwarding, and signature services. Moreover, Owens and Brauer are alleged to have purposefully established the bank accounts in locations with strict bank secrecy laws, which impeded the ability of the United States to obtain bank records for the accounts. Owens and Brauer also allegedly instructed U.S. taxpayer clients of Mossack Fonseca about how to repatriate funds to the United States from their offshore bank accounts in a manner designed to keep the undeclared bank accounts concealed. Among other things, Owens and Brauer instructed clients to use debit cards and fictitious sales to repatriate their funds covertly, the indictment alleges.

Von Der Goltz was allegedly one of Mossack Fonseca’s U.S. taxpayer clients. At all relevant times, Von Der Goltz was a U.S. resident and was subject to U.S. tax laws, which required him to report and pay income tax on worldwide income, including income and capital gains generated in domestic and foreign bank accounts. U.S. citizens, resident aliens, and permanent legal residents with a foreign financial interest in or signatory authority over a foreign financial account worth more than \$10,000 are required to file a Report of Foreign Bank and Financial Accounts, commonly known as an FBAR, disclosing the account. Von Der Goltz is alleged to have evaded his tax reporting obligations by setting up a series of shell companies and bank accounts, and hiding his beneficial ownership of the shell companies and bank accounts from the IRS. These shell companies and bank accounts allegedly made investments totaling tens of millions of dollars. According to the indictment, Von Der Goltz was assisted in this scheme by Owens and by Gaffey, a partner at a U.S.-based accounting firm. In furtherance of Von Der Goltz’s fraudulent scheme, Von Der Goltz, Gaffey, and Owens are alleged to have falsely claimed that Von Der Goltz’s elderly mother was the sole beneficial owner of the shell companies and bank accounts at issue because, at all relevant times, she was a Guatemalan citizen and resident, and — unlike Von Der Goltz — was not a U.S. taxpayer.

As alleged in the indictment, Gaffey, in addition to assisting Von Der Goltz evade U.S. income taxes and reporting requirements, also worked closely with Owens to help another U.S. taxpayer client ("Client-1") of Mossack Fonseca defraud the IRS. Client-1 allegedly maintained a series of offshore bank accounts, which Mossack Fonseca helped Client-1 conceal from the IRS for years. The indictment further alleges that, upon the advice of Owens and Gaffey, Client-1 covertly repatriated approximately \$3 million of Client-1's offshore money to the United States by falsely stating on Client-1's federal tax return that the money represented proceeds from the sale of a company. After Client-1 repatriated approximately \$3 million in this manner, approximately \$1 million still remained in Client-1's offshore account, the existence of which remained hidden from the IRS.

The charges in the indictment are merely allegations, and the defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The investigation was conducted by IRS-CI and HSI with significant assistance by the Justice Department's Tax Division and the FBI. The Justice Department's Office of International Affairs and law enforcement partners in France and the United Kingdom secured the arrests of the defendants located overseas.

This case is being prosecuted by Trial Attorneys Michael Parker and Parker Tobin of the Criminal Division's Money Laundering and Asset Recovery Section of the Justice Department and Assistant U.S. Attorneys Sarah E. Paul, Nathan Rehn, Kristy Greenberg and Andrew Adams of the Manhattan U.S. Attorney's Office's Complex Frauds and Cybercrime Unit and Money Laundering and Transnational Criminal Enterprises Unit, with substantial support from previous co-counsel, Assistant U.S. Attorney Ann Marie Blaylock of the Western District of Kentucky.

Attachment(s):

[Download Ramses Owens et al Indictment](#)

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Component(s):

[Criminal Division](#)

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