
MEMORANDUM

RE: U.S. SENATE (8/1/06 REPORT) TAX HAVEN ABUSE:
WALTER ANDERSON CASE

DATE: MAY 8, 2008

The 8/1/06 Report: United States Senate (Permanent Subcommittee on Investigations/Committee on Homeland Security and Governmental Affairs), Walter Anderson Case:

Anderson: Hiding Offshore Ownership. This case history examines actions allegedly taken by a wealthy American to hide hundreds of millions of dollars in stock and cash offshore by disguising his ownership of the corporations that controlled those assets and failing to pay taxes on those assets. Walter C. Anderson was indicted for tax evasion in 2005, and is now awaiting trial. The government has developed evidence that Mr. Anderson took advantage of secrecy laws in multiple tax haven countries to create a structure of offshore corporations and trusts. According to the indictment, through a series of assignments, sales, and transfers, Mr. Anderson placed into these offshore entities about \$450 million in cash and stock, including large interests in telecommunications firms. He allegedly disguised his ownership of these assets through a range of techniques including shell companies, bearer shares, and nominee directors and trustees. In one instance, according to the indictment, Mr. Anderson set up an offshore shell corporation in the British Virgin Islands, gave its shares to a second shell corporation he established in the same jurisdiction, and had the second corporation send the shares to a bearer-share corporation in Panama, which he controlled. The government stated that it seized a document granting Mr. Anderson's mother the exclusive option to purchase, for \$9,900, ninety-nine percent of the bearer share corporation which then held assets worth millions of dollars. According to the indictment, Mr. Anderson used these methods to evade more than \$200 million in Federal and District of Columbia income taxes.

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