

## EDITORIAL: A tale of tax evasion from the new gilded age

As the rest of us start to think about the April 15 tax deadline, news breaks about how 100,000 rich people sheltered their wealth in the Swiss arm of the London-based HSBC Holdings, the world's second-largest banking company.

The International Consortium of Investigative Journalists, a project of the Center for Public Integrity, received the files of a former HSBC employee, whistleblower Hervé Falciani, detailing how multimillionaires and billionaires used Swiss banking law to hide their riches and evade taxes of their home countries.

The consortium's team from 45 countries, including the U.S., did what journalists do: They culled through the material, checked out the facts and reported the news. More reports will be emerging this week from the Center for Public Integrity.

The first batch of names, reported Sunday on "60 Minutes," in the international press and on the consortium's website, included dealers in blood diamonds, arms, oil and drugs.

They include overpaid celebrities, heiresses, despots, oligarchs and the owner of France's largest hairdressing chain. More than a few were U.S. citizens. State and federal authorities should take the tax evasion seriously.

Names listed: faded actor Christian Slater. Frank Giustra, founder of Lionsgate Films and a friend of and donor to Bill Clinton's foundation. Billionaire Alfred Taubman, a Michigan shopping mall developer who served 10 months in prison in 2002 and 2003. Mortimer David Sackler, who died in 2010 in Switzerland.

Sackler's source of wealth was painkiller OxyContin, a synthetic opioid that is among the most widely abused prescription drugs in the nation. Under pressure from regulators, the company he helped build, Purdue Pharma, Inc., is developing tamperproof forms of the pills to combat its use by addicts.

The Americans find themselves in the company of international criminals, dictators and, likely, funders of terrorists:

Jordan King Abdullah. Rami Makhlouf, cousin of Syria's president Bashar Al-Assad, thought to be among Syria's richest men. Prince Bandar bin Sultan, who was Saudi Arabia's ambassador to the U.S. for 22 years ending in 2005.

HSBC initially insisted that the journalists destroy the records. That didn't work. So the bank issued statements saying it had mended its ways, not that it was bad in the first place.

It comes as no shock that HSBC has been the focus of past investigations. The Senate Permanent Subcommittee on Investigations found in July 2012 that HSBC and its U.S. affiliate exposed the financial system to money laundering, drug trafficking and terrorist financing risks.

In December 2012, U.S. authorities fined HSBC \$1.92 billion after finding the bank allowed itself to be used to launder what the news organization Reuters called a river of drug money flowing out of Mexico and "other banking lapses." It's all part of the Us vs. Them storyline in this new gilded age.

Sometime between now and April 15 or before, the rest of us will buy TurboTax, or go to our accountants and fill out our tax returns. We may feel more like chumps than in past years. But we follow the rules. The vast majority of us, even those very few of us who are rich beyond all reason, are not criminals. We are honest and we do understand the concept of society.

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