

Switzerland sentences tax evasion whistleblower Hervé Falciani to 5 years in prison

Leaked HSBC client files exposed \$255B stashed offshore, including \$4B in accounts tied to Canada

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Switzerland has sentenced a former bank IT employee referred to as the "Edward Snowden of tax evasion" to five years in prison for leaking records on 106,000 account holders, including about 1,800 from Canada, in a move that led to billions of dollars in unpaid taxes being recovered by countries around the world.

Whistleblower Hervé Falciani, a former head of computer security at HSBC's private banking arm in Geneva, was sentenced in absentia Friday after being convicted of corporate espionage for taking records that showed the bank helped hide the equivalent of \$255 billion of clients' money.

- [Offshore bank account probe nets Canadians](#)
- [Leaked documents show HSBC helped hide billions](#)
- [Canadian billionaires used HSBC's secretive Swiss branch](#)

He did not attend the trial and remains at large in his native France, where he can avoid arrest because France doesn't extradite its own citizens.

Falciani began copying the records to his personal computer in 2006, and later fled when he was confronted by his employer.

In a [2010 interview with CBC News](#) in Nice, France, he said he was driven by profound qualms about the secrecy of the Swiss banking industry and how it enabled wealthy people around the world to shield money from tax authorities.

"I came to the point that something was very wrong and should be changed," he said. "A huge industry is made just to go around rules that we can't go around as simple citizens."

Watch CBC's 2010 interview with Hervé Falciani:

HSBC indicted in France

As a result of the documents Falciani exposed, tax investigations were launched in France, Italy, Britain, India and Canada, among other countries.

The value of accounts tied to Canada was around \$4 billion, from which the Canada Revenue Agency said it has recovered \$28.4 million in unpaid taxes on hidden money, while Revenue Quebec has recouped an additional \$34.4 million. France recovered half a billion euros in unpaid taxes.

The Falciani revelations were among the first in a [series of leaks of offshore banking data](#) in recent years that have exposed how wealthy people worldwide use networks of secret accounts and shell corporations to hide income and avoid or evade tax.

But Swiss authorities and HSBC have maintained that Falciani's actions amounted to theft. He was finally charged last December following a six-year investigation, with the country's attorney general

alleging Falciani was motivated by profit and tried to sell the account info he took.

A month prior, France had indicted HSBC on allegations the bank helped launder the proceeds of tax fraud through the same Swiss private banking accounts.

A separate Swiss investigation into HSBC resulted in the bank paying a \$53-million settlement and avoiding criminal charges. Switzerland has not charged any HSBC bankers or executives.

U.S. and Belgian authorities are still looking into the bank.

Canada never brought tax evasion charges against any of HSBC's Canadian account holders.

It is not illegal to have an offshore account or numbered company, but all the income must be properly reported to tax authorities.

Read more about offshore banking leaks:

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