

Falciani's Tax Bomb – The Man Behind the Swiss Leaks

A documentary by Ben Lewis

Germany/Spain, 90'

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gebrueder beetz filmproduction, Polar Star Films

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LOGLINE

The investigative documentary "Falciani's Tax Bomb" follows the tracks of the obscure whistleblower Hervé Falciani who – being responsible for the so-called *Swiss Leaks* - caused the biggest bank data theft in the history of HSBC Bank. His delicate information hit the international finance sector like a bomb and uncovered massive tax fraud strategies exceeding billions of Euros, finally triggering off a heated debate between financial experts and political leaders about the legitimacy of tax havens. Hervé Falciani is said to be the Edward Snowden of the banking system. He is currently on the run from the Swiss authorities, who have an arrest warrant on him.

BRIEF SYNOPSIS

Tax fraud is one of the most pressing issues of our time. Roughly 250 billion Euros are lost each year due to undeclared offshore-assets in tax havens.

The investigative documentary "Falciani's Tax Bomb" follows the tracks of the charismatic yet obscure whistleblower Hervé Falciani. In 2008, Falciani, an IT-specialist and former employee of HSBC's Swiss branch, leaked more than 100.000 private bank accounts with origins in over 200 countries totalling more than 75 billion Euros to the French authorities. His list was passed to numerous international governments' and tax authorities' hands - yet the handling of the delicate data varies from country to country ranging from hesitant to proactive. More than 140 journalists set up in the *International Consortium of Investigative Journalism* (ICIJ) have been analysing his data ever since. In February 2015, the data of over 200 countries were published under the name *Swiss Leaks*. From now on, the clients that hid their assets at HSBC are no longer kept secret.

How did the HSBC data leak affect the whistleblower's life and the international world of finance?

The film reveals how HSBC bankers enabled clients to disguise their fortune. The film also unveils how inflexible and defensive these difficulties were handled by national European judicial systems, such as the French or the Greek - as opposed to the US-American strategy where the government officially calls for denunciation of tax evaders, including promised rewards in the millions. Presenting a global perspective, lawyers, politicians and journalists from the concerned countries (among others Germany,

France, Spain, Greece and the USA) are invited to explain the significance of Falciani's data in the context of fiscal evasion.

Various actors get a chance to speak: from the Spanish attorney Dolores Delgado to the former German Minister of Finance Peer Steinbrück to the former Swiss President of the Federal Council Hans-Rudolf Merz, or employees of the US tax authorities.

Additionally, OECD experts and journalists of the ICIJ provide insights into political developments and current international treaties and regulation attempts.

A multimedia scroll-documentary which is released simultaneously to the film aims to comprehend the complex topic of tax evasion on an individual level: a combination of interactive elements, videos and data visualisations create an idea of how Falciani's revelations may affect the user's personal life.

LONG SYNOPSIS

Hervé Falciani is the biggest bank data thief in the history of HSBC Bank. Thanks to Falciani, passing on highly delicate information, tax evasion of billions could be uncovered.

The investigative documentary "Falciani's Tax Bomb" is a finance thriller about the charismatic yet obscure whistleblower Hervé Falciani. His image oscillates between the wayward strategist and the altruistic Robin Hood of finance. What kind of impact did Falciani's HSBC data leak have on the international world of finance?

In 2008, Hervé Falciani, an IT-specialist and former employee of HSBC's Swiss branch, leaked customer data of more than 100.000 private bank accounts with origins in over 200 countries totalling more than 75 billion Euro to the French authorities.

Tax evasion is one of today's most urging issues. Roughly 250 billion Euros are lost each year due to undeclared offshore-assets in tax havens. Over decades, saving private fortune from the exchequer was considered a peccadillo. Whoever decreased fortune either directly re-registered his residency at a tax haven or searched for ways to plant his money on the better side of the frontier. The transfer of the according money was taken over by banks offering very special "services" to their clients.

The documents published in February 2015 by *Swiss Leaks* give detailed proof of how the HSBC bank advisors assisted their clients in disguising their fortune.

Amongst the clients were royals from the Middle East, Syria's president Bashar al-Assad or China's former Premier Li Peng as well as celebrities such as the singer David Bowie or the racing driver Fernando Alonso, or the president of *Santander Bank* Emilio Botín. What is more, special relations to alleged blood diamond traders, gunrunners and patrons of terror are being revealed constantly. The HSBC-scandal paralysed the whole banking industry. Stephen Green, the former chairman of HSBC, resigned in mid-February 2015 as chairman of the advisory council for the British banking industry. So did Peter Osborne, former chief political commentator of the "Daily Telegraph" – but in his case in protest over the absence of critical reporting on the HSBC scandal in the "Daily Telegraph".

The film accompanies Hervé Falciani in his relentless efforts of passing the delicate data on to the

right authorities and the important power brokers. Yet, his list can only have a true impact if resolute politicians and prosecutors prevail against super restrained or even tax-evasion-tangled powerful politicians.

In Germany, Falciani approached the German secret service BND -but they cancelled the meeting due to illness. Consequently, Falciani decided to leak the list to the French attorney Éric de Montgolfier who, for his part, passed it on to Christine Lagarde in the French Ministry of Finance. From there, the list was passed to revenue authorities all over the world - yet the handling of delicate data varies from country to country ranging from hesitant to proactive. The film analyses at close range who and what is behind the HSBC data leak's headlines: It is the story of a six-year cat-and-mouse game between the whistleblower Hervé Falciani, the Swiss judicial authority and tax authorities all over the world.

Falciani flees to France and ends up in Spain where he is arrested eventually. This is the starting point of the on-going procedure with Switzerland. What's going happening in Falciani's head as he tries to convince the governments to prosecute HSBC without putting himself at risk?

The French Treasury held back action, which astonished French attorney Éric De Montgolfier. Meanwhile the Treasury informed him "that certain staff were in favour of an evaluation of the data whereas others weren't." - "Why not?", the dedicated jurist asks, not without an ironic twinkle in his eyes. Afterwards, he defies a Swiss prosecutor who was calling for the return of Falciani's list to Switzerland "in an offensive manner", as he recalls.

"In the department of public prosecution in Bern the case was regarded as an affair of state. To them, Hervé Falciani's data theft wasn't just an attack on the bank but Switzerland as a whole", says de Montgolfier.

Meanwhile, Peer Steinbrück, retired German Minister of Finance, moved for the purchasing of stolen tax data to raise "the pressure both on the tax fraudsters in Germany and on the Swiss banks." He states: "We've decided to enforce tax laws."

The Greek, then, also obtained the list – but never managed to evaluate it. The investigative journalist Kostas Vaxevanis blames the former minister of finance, Evangelos Venizelos, for "taking the list (...) but holding it back and thus abusing his position" whereas the politician rejects all the blame by stating that examining the list wasn't a minister's but instead a tax inspector's job." By the time, it turns out that three names had been deleted from the list – all of them belonging to relatives of the former Greek Minister of Finance. A confrontation that unveils the entanglements and massive corruption happening in Greece.

In the film, the OECD economics expert Pascal Saint-Amans and the Belgian ICIJ-Journalist (*International Consortium of Investigative Journalists*) Lars Bové help understanding the discussed data within a larger economic context. By referring to specific examples, it becomes clear how banks actively assisted the tax avoiders in bypassing the national Treasuries. Lars Bové explains that a client, for instance, "had called his banker under false names - mostly names of famous football players like Zidane or Cruyff - and asked for the price of caviar. So, he applied code words for the sums of money on his accounts. To keep everything secret, they acted like in a James Bond film. We

would have never received these insider informations about the HSBC if Falciani hadn't leaked the list.”

Swiss Leaks has been published in February 2015. With the help of dedicated 140 journalists, the *International Consortium of Investigative Journalists* (ICIJ) is evaluating Falciani's documents. To date, many governments had been holding knowledge close to the vest. But now, all names and numbers have been published in the whole of Europe and Falciani's tax bomb hit the world of finance. Wealthy tax dodgers worldwide felt safe. Yet, the data stolen by Falciani shook their system. The HSBC is forced to admit the misconduct of its affiliated firm in Switzerland. Yet, the Federal Office of Justice in Geneva initiates a procedure in the case of suspected money laundering. Meanwhile, Hervé Falciani claims that the top management had all the while been informed about the activities taking place in the Geneva branch. The “Edward Snowden of banking” is still on the run from being arrested by Swiss authorities. Falciani now works closely with the Spanish anti-fraud party “Partido X” , lives in Paris and works as a computer scientist.

Did Falciani actually overthrow bank secrecy and did he significantly add to the banishment of tax havens? In the film, Hans-Rudolf Merz, former President of the Federal Council in Switzerland, advocates the bank secrecy and sums up: “Money is like water, it flows and will always find its way through the leaking cracks. Hence, there will always be tax evasion.” The world of tax fraud has most certainly changed though – thanks to whistleblowers like Hervé Falciani.