

UBS whistle-blower case "morally repugnant", says leading employment lawyer

The story of Bradley Birkenfeld, the former UBS banker imprisoned after informing the Internal Revenue Service about how his bank helped rich Americans evade taxes, has brought a withering rebuke from **lawyer Ronnie Fox**.

Mr. Birkenfeld, who has been in prison since 2008 for his role in the conspiracy, was awarded \$104 million in what is believed to be the largest ever payout to a whistleblower.

Mr. Birkenfeld proved crucial to the IRS' case as he provided prosecutors with detailed descriptions of the bank's efforts to promote tax evasion and confessed to running errands for rich clients.



There can be no doubting the importance of Mr. Birkenfeld to the successful prosecution of the case. Partly as a result of the information he provided, in 2009 UBS consented to turn over the names of more than 4,000 account holders who were U.S. taxpayers and pay \$780 million to resolve a criminal case involving secret offshore accounts.

During the amnesty on tax evasion following the case more than 33,000 U.S. taxpayers have confessed to holding undeclared overseas accounts. The payment of penalties and taxes on these accounts has raised more than \$5 billion in revenues.

Much of the controversy surrounding the case relates to the size of the payout and the recipient. While an unprecedented sum, there is a legislative grounding for it. Under a 2006 law, the Internal Revenue Service can pay whistleblowers awards of up to 30% of the collected proceeds. Plus, the law doesn't preclude paying money to convicted felons, as long as they didn't plan or initiate the evasion.

Ronnie Fox, Principal at law firm Fox, focused on the legality of the payout and the manner in which it reflected Mr. Birkenfeld's importance to the successful prosecution of the case.

"There is something morally repugnant about a sneak, a tell-tale, an informer, a grass. But, without the information they bring to light many huge-scale injustices would never have been exposed."

He added, "In this country there is no limit to the amount a tribunal can award following a successful whistleblowing claim. Whether an award of \$104m (£65m) is proportionate and could ever happen here is highly doubtful."