

The Geneva banks and the American programme

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Several Geneva institutions concluded agreements with the Department of Justice. On 31 December 2015, Lombard Odier signed a non-prosecution agreement providing for the payment of USD 99.8 million.¹ At the time, this was the second-highest penalty imposed on a Category 2 bank, after that of the Ticino bank BSI, which amounted to USD 211 million. According to the Department of Justice, the Geneva bank held, during the critical period beginning in August 2008, 1,121 accounts with a connection to the United States, with maximum total assets of USD 4.45 billion.² The bank stated that the amount had been fully provisioned and would have no effect on its capital ratios.³ According to the published documents, substantial withdrawals in cash and in gold had allowed American clients to break the trail of their assets.⁴

On the same day, the Swiss subsidiary of Crédit Agricole announced that it had paid USD 99.21 million.⁵ A few days earlier, Edmond de Rothschild (Suisse), a Geneva-based wealth manager, and its Lugano branch had agreed to pay USD 45.2 million. According to Washington, the institution had continued, after 2008, to manage around 950 accounts of American clients, declared or otherwise, representing up to USD 2.16 billion in assets. Bordier & Cie, another Geneva institution, was to pay USD 7.8 million.⁶

By the end of 2015, seventy-six banks established in Switzerland had concluded an agreement with the Department of Justice and paid a total of USD 1,028.70 million.⁷ The Swiss Bankers Association, then chaired by the chairman of the board of Lombard Odier, Patrick Odier, criticised the Department of Justice's lack of transparency as to the method of calculating the fines.⁸

Pictet, which had not been admitted to the programme because of the investigation opened against it, concluded a deferred prosecution agreement with the Department of Justice in December 2023. The group undertook to pay USD 122.9 million, including a fine of USD 38.9

million, to bring to an end the investigation into the wealth management services provided to American taxpayers between 2008 and 2014.⁹ According to the Department of Justice, the bank hosted during that period 1,637 accounts regarded as problematic, which held a maximum aggregate of USD 5.6 billion in January 2008, and whose holders had avoided paying USD 50.6 million in tax.¹⁰ The payment includes in particular USD 52 million in fees earned on the undeclared accounts and USD 32 million in unpaid taxes.¹¹ The bank had been in contact with the American authorities since October 2012, so that, as the *Tribune de Genève* observed, the matter had taken a decade.¹²

Geneva institution	Amount (USD)	Details
Lombard Odier & Cie	99.8 million	non-prosecution agreement of 31 December 2015; 1,121 accounts; up to 4.45 billion in assets
Crédit Agricole (Suisse)	99.21 million	settlement announced on 31 December 2015
Edmond de Rothschild (Suisse)	45.2 million	around 950 accounts after 2008; up to 2.16 billion in assets
Bordier & Cie	7.8 million	settlement announced in December 2015
Pictet	122.9 million	deferred prosecution agreement of December 2023; 1,637 accounts; up to 5.6 billion

Key point. Several major Geneva houses paid substantial penalties in the United States for having taken in undeclared assets of American taxpayers. These settlements, concluded between 2015 and 2023, brought the proceedings to an end, at the cost of considerable sums and of damage to the reputation of the financial centre.

1 Notes

1. “La banque Lombard Odier va payer près de 100 millions de dollars au fisc américain”, *Le Temps*, 31 December 2015. ↩
2. “Lombard Odier et DZ Privatbank concluent un accord avec Washington”, *RJB*, 31 December 2015. ↩
3. *Le Temps*, 31 December 2015, cited above. ↩
4. “Lombard Odier admits cash and gold withdrawals cheated US IRS”, *Gulf News*, January 2016. ↩
5. *RJB*, 31 December 2015, cited above. ↩

6. Tribune de Genève, 19 December 2015, cited above. ↩
7. RJB, 31 December 2015, cited above. ↩
8. Tribune de Genève, 3 January 2016, cited above. ↩
9. “Pictet paie 123 millions de dollars pour régler son contentieux avec les États-Unis”, Le Temps, 5 December 2023. ↩
10. Le Temps, 5 December 2023, cited above. ↩
11. Reuters, “Switzerland’s Banque Pictet admits hiding billions from US tax authorities”, December 2023. ↩
12. Le Temps, 5 December 2023, cited above; “Évasion fiscale : Pictet verse 123 millions à Washington”, Tribune de Genève, 4 December 2023. ↩

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