

Norm Coleman

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Senator Norm Coleman
Ranking Minority Member
Permanent Subcommittee on Investigations
Hearing on “Tax Haven Banks and U. S. Tax Compliance”
July 25, 2008
OPENING STATEMENT

AS PREPARED

A week ago, this Subcommittee held a hearing on abuses in offshore tax havens. We found a series of masquerades and maneuvers that were shocking in their audacity. Today, as the Chairman noted, we continue that inquiry. At the outset, it is important to note the reasons for today’s session.

While last week’s hearing was standing room only for those in the audience, just as notable were the empty chairs at the witness table. Mr. Greenfield was subpoenaed to appear before this Subcommittee last week, but he chose to defy the Subcommittee’s subpoena and not attend the hearing. Mr. Lowy left the United States on a redeye flight to Australia, just before the United States Marshals Service could track him down and serve him with a Subcommittee subpoena. A third witness, LGT Global, also refused to appear, even though it is enjoys wide-ranging access to the US financial markets.

These actions stand in stark contrast to those who had the guts – and the respect for this Subcommittee – to appear and answer for the conduct we’ve uncovered. We rightly gave credit to UBS for appearing as it did, for the candor with which it dealt with our members and our investigators and for its willingness to take both responsibility for past actions as well as a commitment to a principled path for how it would deal with these matters in the future. We also recognize the actions of Mr. Marsh and Mr. Wu for appearing before us, for at a minimum they did not compound their apparent disregard for their tax obligations with disrespect for this process. And we now appreciate that Mr. Greenfield has – at long last – recognized the need to comply with the requests of this Subcommittee. And we also appreciate that Mr. Lowy returned from Australia to appear before us today. All we seek here today is what we ask of any person or entity that we engage with: a measure of candor and respect for the law.

I want to note that, at the end of the day, the tax-cheating schemes uncovered by the subcommittee’s investigation demonstrate one simple, undeniable fact: the actions of a few to scam their way out of tax obligations hurt all Americans. A privileged few believe they are entitled to shirk their obligations and heap their tax liability on the sagging shoulders of other Americans to make up for what they evade.

As Senator Levin noted last week, we can’t get to all the banks, or to all the tax cheats. But we can move the ball forward by uncovering this misconduct bit by bit, one by one. Make no mistake: today’s hearing demonstrates forcefully that we will not relent in our pursuit of those that continue to mock our justice, our courts, and our tax system.

We will continue our efforts to ferret out for those who evade paying their fair share to the country whose freedoms they so richly enjoy. In holding this hearing today, we impart that message, upholding the traditions and integrity of the Subcommittee, and most importantly, ensuring that those who try to take advantage of the American people do not rest easy.

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