

## Scott Michel Quoted on CNBC, Tax Shelters: Why Israel Could Be the Next Switzerland

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CNBC  
*Excerpt taken from the article.*

It looks like Israel is going to be the next Switzerland --at least as far as the Department of Justice's investigation into offshore tax avoidance is concerned.

One June 14, the Department of Justice unsealed an indictment against three American tax preparers for helping clients avoid taxes by moving money to Israel.

The transgressions details in the indictment were relatively small-time. The indictment said the father and son duo of David and Nadav Kalai and their colleague David Almog at a firm called United Revenue Service helped several client duck taxes by moving money to two Israeli banks, identified only as "Bank A" and "Bank B."

Sources tell CNBC the new case is just the beginning of a potential series of indictments, which may snare some of the wealthy American clients who have hidden money in Israel, many for generations. That's likely to be politically controversial, especially at a time when the U.S. and Israel are working closely together to contain a geopolitical threat from Iran.

Add to that the political sensitivity of an Obama administration Department of Justice in an election year targeting a group of clients of whom many are likely to be Jewish or have historically family ties to Israel.

"There are a substantial number of Americans with unreported assets in Israel," said Scott Michel, a partner at the law firm Caplin & Drysdale who specializes in criminal tax fraud investigations. "I wouldn't be surprised if it is on a par with Switzerland."

[Click here to read the rest of the article on the likelihood of continuing tax investigations involving Israeli banks.](#)

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