

## **Reportercast September 2022 with Brad Birkenfeld: transcript**

M.R: Hello, dear people, and welcome to the fourth edition of Reportercast for September 2022. My name is Matei Rosca, the journalist hosting the podcast. We have with us today a legend of international banking, wealth management, law enforcement and campaigning against corporate crime. He has made his name as the man who single handedly tore down the centuries-old tradition of Swiss banking secrecy and arguably brought about a fundamental change in the way the rich, famous and infamous of the globalised economy conduct their financial affairs anywhere on Earth. It's arguably thanks to him personally that it's now impossible to get an anonymous numbered bank account in Switzerland and beyond. And not only that, but due to his exploits, this man was jailed - he admitted to certain economic crimes, but he was also given over \$100 million as a reward by the same US government which put him in prison. There is American justice for you. It should be clear by now that our guest's name is Bradley Birkenfeld, who is also the author of an autobiography called Lucifer's Bunker. Thanks for coming on the show, Brad.

BB: Well, thank you for having me. And just to clarify, I only admitted to a one count of tax conspiracy, which is a really quite a bogus charge, and it doesn't exist anywhere else in the world, but in America. So you can see how corrupt the justice system is in America. But just to clarify it, it was just a one count charge of commit tax conspiracy, one count.

MR: Fair enough. And before I get into the questions, I would also like to thank our advertisers at H5 Strategies in Bucharest, an executive and political consultancy group specialised in Eastern Europe, Central Asia and Africa. Now, Brad, please, for the people who have yet to read your book, tell us a bit about yourself, where you grew up, how you became a banker, and how you ended up with UBS.

BB: Certainly, well. I'm an American, I grew up in the Boston area of Boston, Massachusetts, for your audience who may or may not know where that city is. And I was the youngest of three boys in a family where my father was a neurosurgeon. And my mom was a housewife. And I had a good education in the Boston area, went to a private school, high school. And then I went on to a private, the oldest private military school in America called Norwich University, where ROTC was founded, where you can pretty much go to any branch of the military, and become an officer, but also get a degree in whatever your major is at the time. And my major was economics. So what I did was after school, I had spent a semester in London as an economics major, that I came back to America, and I worked in a bank that I'd worked in summers, State Street Bank as a currency trader. That was a great experience. I dealt in worldwide currencies. This is long before the Euro back in 1989. And really enjoyed the experience of understanding global markets, and being immersed with very intellectual people, people with MBAs, and CFAs, and PhDs, and so forth. I think it's critical for people to

understand that, you know, when you're young, you're eager to learn. And at that time, the world markets were still developing in a certain extent, because we were multicurrency and multilingual and so forth. But you had a system in which cross border trading and so forth was critical, and it was facilitated through foreign exchange. Anyways, I had left America and then went to Switzerland after four years in America to get my Master's in finance. And while I was in Switzerland, I was hired by Credit Suisse private banking in Geneva, and after a few years, my boss had left. I was recruited by my next boss to Barclays Bank in Geneva. And after several years, I was headhunted from a very large executive headhunted from in London to go from Barclays to UBS, where I was a director of the bank and was the head of business development for all of North America, Canada and the US.

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So I had quite an interesting experience and really enjoyed my time in Switzerland, not just academically but professionally. And made a very good career until I started blowing the whistle on the illegalities, committed not only by UBS, but all the Swiss banks.

10:17

MR: Well, that's very interesting. And just to give our younger listeners a flavour. Nowadays, everybody talks about due diligence, tax avoidance, you know, the making sure everything is legitimate. But back then, things were done on a handshake and a wink and maybe not every, every bank was careful to obey every rule. Is that correct? And could you give us a bit of an anecdote of, of how deals were done back then?

BB: it's important for your audience to understand the history behind Swiss bank secrecy. And Swiss bank secrecy actually has a place. Unfortunately, it was abused and taken advantage of. So just for the historical standpoint, when the Third Reich under Hitler came to power in 1933, they had ordered anyone who moved money outside the country, Deutsche Marks, and so forth, would have been shot would have been killed. Why, that was to keep money for the new upcoming war effort, which was World War Two. So you can understand the mentality behind that. You don't have to agree with it, but it was quite severe. The Swiss took an opposite approach, in 1934, article 47 in their Constitution clearly states, if anyone opens an account in Switzerland, you will be anonymous in a numbered account, and we will never repeat, never disclose that. So you can understand why it came about because of this Nazi Third Reich aggressiveness. It's very important to understand the historical perspective and significance. Okay. But through the years that secrecy, just like you have medical privilege, you have legal privilege, you have clergy privilege, you have bank privilege, which made sense, unfortunately, was abused, as we know. So then what happened was nefarious and illegal acts were facilitated through Switzerland, through bank accounts, companies, foundations, trusts, and so forth. So what happened is, essentially, you had all these different

kinds of illegal crimes from bribery, extortion, insider trading, tax evasion, and so on, and so forth. Now, tax evasion is not considered a crime in Switzerland, I worked [outside] Switzerland, but we're contracting in Switzerland, I had my residency in Switzerland. So I follow the laws of Switzerland perfectly. The issue comes down to is what we could do when we left Switzerland. Now, if you go to Saudi Arabia, they don't have taxes. So tax evasion is not an issue. But we weren't going to Saudi Arabia. In particular we were going to North America, which does have very stringent tax laws on the income tax, capital gains tax and inheritance tax. So that's really where the audience has to sort of understand the complexity here, of every country has different tax laws, and it just depends how you treat them. But within Switzerland, those laws did not exist. Tax evasion was not a crime, it was not considered a crime. So if a Swiss, if you and I were working in Switzerland, and we made our salary and paid our tax, we could then walk in the bank, put in the money, and never pay tax on it again, legally. So it's just important to understand that not everyone was, you know, a drug dealer or arms smuggler or human trafficking or insider trade or something like this. Did that exist? Yes, it did. And it existed in many other places where you've heard many stories about this. But I think it's important to understand that there was 140 banks in Geneva when I left in 2008. And today, there's around 70. So around, give or take 80 or 90 have vanished were merged or gone out of business. So I think it's important to understand that as well. Because what had happened was, the US government failed to ever do their job. They're such a big law enforcement body. They argue how tough they are, how much they have in their budgets and law enforcement officials. But why wouldn't you have ever uncovered this international tax scandal, the largest and longest running in history, period? The problem was, and it's quite clear to you and your audience, they didn't want to uncover it. Why? Because just at UBS, I uncovered 19,000 millionaires and billionaires who were evading income tax, capital gains tax and inheritance tax. They were cheating the tax man, they're probably hiding it from a spouse and maybe business partner so you can see

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If this was really a vehicle for people to put a nest egg, fine, diversify their assets, okay, multicurrency, great. But you can't go around and think that you can use this as a vehicle to break the law. And that's what they were doing.

15:15

MR: And at some point, you just decided you, you can't, you can't accept this anymore. And you copy the load of files - there's a there's a scene in the book where you describe spending all night copying and sort of diligently putting together spreadsheets and so forth. And then, if I'm not mistaken, you travel first to Boston. And then you approach the Department of Justice. Could you take us through that a little bit first, and first start with the thinking that triggered the whistleblowing?

15:51

BB: Well, again, I was a director of the bank, I've managed a large amount of money for clients, around \$450 million. And I travelled quite frequently to America, to see existing clients and potential clients. The problem was, was when a colleague approached me within the office and showed me a three page document, which is in my book, Lucifers banker, and on my website, Lucifersbanker.com, that clearly shows that they had slipped in a three page memo without telling us about it, and without training us on this document. Now, as a director, and several other directors within the firm, they had not heard of this either. So it was really the bank, secretly putting it in our intranet, the internal computer system without telling us or training this. So what does that mean? Well, the document speaks for itself, it contradicts everything we were doing, says you can't open new accounts with clients in the US, you can't give them investment advice. You can't give the marketing materials. But they were paying us to do this. That's exactly what they were doing, telling us to do. So I realised immediately that this was a very, very dangerous situation, why? One that they lied to me and my colleagues, but they also lied to the clients and the shareholders. And this is very, very serious. Because this wasn't my bank. This was not my memorandum. This was theirs. And when they approached them on this, they were very, they were in denial - the head of legal and compliance I wrote to them personally, as a director, they never imagined not once, but twice, but three times. So after the second time, that's when I started, I didn't steal documents, I took documents that were given to me, which fits on my property. And I took them home. And I wanted to make sure I had files that would support everything I would say, because you can say whatever you want, you know, I had dinner with God last night. Well, do you have a menu? Or do you have a document that shows you were sitting with God at dinner?

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I say that in jest. But you see, what I'm saying is that if you don't have documents that support what you say, it's very, very easy to attack someone to criticise them as just, you know, angry or bitter or what have you. So anyways, I had all of this and I knew it was the only way to make sure that the story could be told properly and truthfully. So at that point, I quit the bank, they wouldn't give me an answer to the three page document of cross border business. So I said, I will get an answer whether you like it or not. And then I'm on something called gardening leave - for most European banks is where you get paid six months of your full salary, but you just don't go to work. That's so you don't cannibalise your clients, meaning take them to a new bank or what have you. And the bank wants to sort of protect those assets. Understandable, but I was still an employee, on full salary, and I just stayed home or went on vacation, what have you. So I sent my complaint to the Board of Directors a UBS Zurich. Well, my legal and compliance department won't answer me. I'll go right to the top. So I sent by certified mail to every member and said, now it's your problem.

18:58

And that's the best. Why because the legal liability of a bank is if you knowingly break the law, your directors and officers insurance does not cover you. Well, they called an investigation, they asked for my help. Ironically, they need my help to tell them how they're breaking the law. So I brought my attorney and we met with them. But I found out two, two and a half weeks later from my former colleagues, you know, I met them privately. And they covered it up again, they cover up the whole investigation. So this wasn't about an investigation. This was about a way to cover themselves so they could get away with it. This was blatant, this is knowingly criminal conduct. So I said, Okay, now I will I will checkmate you so I went to the US. I thought my own government would accept me. But what I found out later was they were very hostile towards me. The first reason is you have incompetent Civil Service at the Department of Justice. That's the first thing. I mean, really incompetent people, and I can if anyone reads my book, and it's in Romanian as well. English, German, French, Italian, Japanese, Greek, Russian, so it's convenient. Secondly, how is it that all these years for the last 50 years, let's say, the US government never penetrated Swiss bank secrecy? Why? You can go into wars spend billions of dollars, you can fly to the moon, you can go under the sea, but you can't find out what's going on in Switzerland. Really? Interesting. Okay. So one courageous Brad Birkenfeld, comes in and gives them the motherlode and they attack me. And the only banker to go to jail and the financial crisis was me. Why? Because they didn't want to expose all their rich millionaire and billionaire friends, CEOs, politicians, Hollywood actors and actresses, because it's incestuous. This was across the board. The rich and powerful elite are keeping offshore money to the detriment of the taxpayers. So this is really the problem that the powerful people in America who were that rich to open a Swiss bank account, were angry with me, the Department of Justice was angry with me, the State Department was angry with me, the Treasury Department was angry with me, the IRS was angry with me, the White House was angry with me, as well as the Swiss government and other Swiss banks. So I was really a man without a country. Let's be frank, and nobody wanted to support Oh, that's the guy who got indicted. That's the bad guy.

21:34

MR: So you went, you went to America with the documents, you went to the Department of Justice, and they weren't really that interested. And next thing you knew there was this guy, Kevin Downing, who wanted to put you away? Can you tell us a bit about that?

BB: Well, it wasn't they weren't interested. They were hostile towards me. I mean, they really felt as though they said you're not a whistleblower. So it's not up to you to decide - if you call me a giraffe that doesn't make me a giraffe, you know. But you can see the hostility between someone like myself who's fairly well educated and well travelled and so forth, and really useless and incompetent civil servants who sit in Washington. So Kevin Downing and his cohorts there. Really, were embarrassed, because I essentially was saying, Why haven't you

done this? Why do I have to knock on your door fly from Geneva to Boston, Boston to Washington to tell you about the deep, the biggest, the largest and longest running tax scandal in the world? So you can see there was, there was a real problem, you and I realised right then and there, this was going to be a big, big problem. But fine, you know, I'm a big boy, I can handle it. But the point is, it just shows you, if this is the kind of thing you're going to show them. What else are they screwing up in law enforcement. And sadly, it's extensive, and your show is not long enough to talk about all of them. But it was possible. It was their incompetence. They didn't uncover it. They didn't want anyone to uncover it. Even when I was there talking about it. They were very aggressive towards me. So I said, What am I doing here? So I pretty much kicked my attorneys under the table and said, Get me out of here. I don't want to deal with these idiots. Ultimately, it came down to very simple thing. There's two things in America under the legal system you can get one is immunity, and one is a subpoena. Immunity gives you immunity. So you can't be prosecuted. A subpoena forces you from a government standpoint, to testify about the truth, which I told you about truth, I was coming to them. They didn't come to me, I went to them. And they wouldn't give you either of them. They said no, we're not gonna give you I said you're not getting the names. So well, we want the names. So I want to subpoena. So we won't give you this. Well, sorry, can you give me one because I'm in jeopardy in Switzerland, I have no protection. And that's where I lived at the time. So I left there and went to the US Senate and prior to subpoena from the US Senate, which was at the time democratically controlled and this was a Republican DOJ. Ultimately, what happened was, it was so furious, because then I went to the SEC, the Securities and Exchange Commission, the Internal Revenue Service and the US Senate, and testified for hours upon hours with documents and documents and documents. So in essence, I gave them the keys to the kingdom, and they loved it. But DOJ hated it. Once again, why? They couldn't take credit for this. They didn't do their job. They hate whistleblowers. And they didn't like the way I was talking to him. Like, you know, I pretty much said you guys are really stupid. Why are you even working here?

MR: I would suggest that if you said that, then you can imagine how they might have got a bit offended, but you know, nevermind, nevermind all of that. Can we put also one question to that? That I just had on my mind. Did you ever in your two years in prison, did you ever join a gang go get any prison tattoos?

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BB: No, no, take this. For your audience. This wasn't a real prison. This is called the camp. And a camp means no fence, no prison cells, it was just bunk beds. It's almost like a, you know, a sort of a reform school, if you will, you know, I was playing tennis every day lifting weights, I was jogging and so forth staying in shape, reading a lot helping other inmates with their cases. So there was nothing like that this was really a very simplistic place to be, in which

sure they took my liberty away. But I spent all the time giving phone interviews, people would come from all over the world to interview me.

25:34

And I helped other inmates, but there are injustices that I saw, I witnessed them. And I thought that was important to do so. And I started the to work of my book, which I did publish once I got out of prison. And it was it was it's highly successful. It's in eight languages.

MR: Fantastic. And then came the vindication, basically, the press coverage vindicated you. You know, the fines, or the recovery orders, and there was the award. And could you say for the record how much the award was and how much you had to pay in tax?

BB: And, yeah, let's do that. Well, the nice thing about this award was it was the very first Iris was a board award, I was the first one and the largest one, it was \$104 million and I paid around \$35 million in tax. So give or take, I took away \$75 million. Net. And the interesting thing about that is is that not only was this vindication, but it shows you that the information I gave was unprecedented, historic. And ultimately, three weeks later, I got a FedEx from London, and they put me in the Guinness Book of World Records.

26:55

They had to create a new category for me. So I was quite, I was quite proud of that.

MR: very interesting, very interesting. And can we put another thing to bed and this time? But did you know there was going to be an award at the end of this when you started on the journey of exposing UBS and exposing Swiss banking?

BB: No, I didn't. And again, this is a very critical question again, for your audience to understand. When I started whistleblowing, it was around April of 2005. I quit the bank in October of 2005. The whistleblowing law did not commence or pass until December 2006. So I had started my whistleblowing internally at the bank resigned from my post that the bank went to the Board of Directors long before the law was ever passed. So quite frankly, I sacrificed my career, my finances, my reputation, my life, all of this, because this was the right thing to do. And this is the story that your audience should really understand. Yes, the money is great, but it wasn't about the money because I didn't even know the award existed. And it didn't because it wasn't in place yet. That's very, very important. Second, I want to do the right thing. I worked, I was making a lot of money, I could have kept doing the same thing. But I said, No, I want to expose this. And that's exactly what I did. I exposed it, I did the right thing versus the wrong thing. Now some people will criticise me say, Oh, you get paid a lot of money. In this scenario, you're a part of the problem. Well, no one else did anything. And there was 140 banks operating for decades. Nobody did anything. The US government didn't do anything. But yet

when you bring it to them, they attack the messenger who brings it to them. So you can see, this is why the story is so powerful. And it shows how it's sort of a David and Goliath approach, if you will, in which we can have the power and hopefully I've motivated someone in your audience or many people in your audience to say, hey, this guy, he had the courage, you know, some people are shy or they they're married, or they have kids, they don't want to be bullied or lose their job and be harassed, intimidated all of these things. And that's exactly what we're doing is trying to help people understand the complexities of whistleblowing not just in America worldwide, I was based in Switzerland, and this involved America. But it's important that we all look and try and make our society a better place to live. Whether it's an oil company dumping oil in the river, whether it's teachers slapping little kids, illegally, whether it's pharmaceutical companies, sellers of drugs that don't work or kill us, or whatever it might be. These are, with Volkswagen. I mean, there's a perfect example in Europe, and there's many many others but yeah, absolutely. That's it.

29:37

MR: Could we say that maybe, you know, if you continued your career and you know, continue turning a blind eye, you still would have lived a very comfortable life, the life of a millionaire, jet setting, private jets, caviar and all of that because after all, you were a highly paid banker and your lifestyle didn't change that dramatically, actually, after the whistleblowing. But could we say how much money the United States Government recovered after the whistleblowing?

BB: Well, it's still it's still coming in. Let's put it that way over a decade later. Several years ago, the amount was around \$25 billion. Now, that's not just the fine of the banks. And they fined 100 Swiss banks, 100 Swiss banks were fined and you can Google this. It's all out there. It's all noted, IRS, and the DOJ never mentioned my name, but it's because of me that all these banks were fined - 100 Swiss banks, okay, that's number one. Number two, we had 19,000 clients and \$20 billion, that UBS [cohort] of American clients. So these clients have come in to pay around 30% of their account balance, over a 10 year period, meaning over a 10 year window, they looked at the highest level of the count, and they hit that amount times 30. Roughly speaking, that's how the formula work, whether the account was 10, and went down to seven, they don't care. They go for the 10,000,000; 3 million next client, and so on and so forth. So the IRS a week after I published my book in America in 2016, announced that over 100,000, Americans became tax compliant. Now we had 19,000, UBS, that meant another 81,000 Americans came in. But what's very important about this is very simple. Is that money, then leaves Swiss banks, it comes back to the American bank, it gets invested, and it gets taxed to perpetuity. So the numbers we're speaking are exponentially larger, many, many billions, and billions and billions on top of this. So I effectively transformed a trillion dollar industry, to the benefit of the taxpayers and the government.

MR: And also, there's the money that never even got transferred out of the United States because the Swiss laws were changed. So it wasn't that easy to launder to evade tax in Switzerland, as a consequence of the whistleblowing. So there's the money that the Americans kept without even having to return because it never went anywhere.

BB: Well, that's that's another point. And there's many, many other things, tax treaties were done. Senate hearings were held. The entire executive management staff of UBS was fired. Clients left colleagues left. There was a, what do you call it? There's this amnesty, there was three amnesties put in place. They've never had three amnesty programmes [before]. There were too many people, they couldn't indict 100,000 people, they'd be in court forever. So what they did was they tried to make it simple. They just come in and pay 30% You'll keep you anonymous and move on, which I don't generally agree with. But there was some other things there as well. So why is it that one person has to step forward to change a decade's long trillion dollar illegal business? Whether it's the drug business, whether it's the arms business, whether it's human trafficking, terrorist financing, insider trading, and offshore banking? Why is it the British still have all these offshore centres in the BVIs? In Jersey and Guernsey in Gibraltar and all this? Why is it that the Americans and foreign governments for that matter, haven't held UBS accountable in the court of law? Why did they settle for a settlement? Why?

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MR: Well, it's an interesting question. Certainly about, you know, the there's also a cultural difference, I think. And after your case, the Americans actually built upon the whistleblowing regulations. And they developed this idea of offering rewards and they're offering record rewards every year now, and discovering a lot of wrongdoing. And arguably, as a result, corporate America is a lot more civilised these days than it used to be. And they're doing a lot more good in the world. But in Europe, there's still a lot of reluctance and scepticism towards whistleblowing. The European Commission has kind of tentatively said it might offer rewards to whistleblowers, but it's not clear how that project is going. And the countries are not doing much, in Germany, the biggest economy of Europe is, I suppose, quite hostile. And the culture in Germany is quite hostile to whistleblowing. Now, why do you think that is?

BB: Well, let's put it this way. I've testified I've helped the German tax authorities, the Greek tax authorities, the Canadian tax authorities, the British tax authorities, and I've testified in the French trial against UBS in Paris. The problem is, a lot of these politicians that you saw in France, had offshore accounts. They're part of the problem. The Greeks don't pay taxes, all the great politicians have money in Switzerland. So the very fact that someone in the EU in Brussels has not moved their ass to do something is something, well, I take that personally. So I've been to Brussels, I've lectured in Brussels, I've criticised the politicians there. I followed them around and harassed them in public. Why? Because they're just, they're just giving lip service to people. If you're a taxpayer in the EU what you want, why wouldn't you be angry that

they're not doing anything to support this? The Americans, they love that, the Americans did do everything right, I'll be the first one to say. But with this situation, Senator Grassley, who set up this law and enhance the law from 1986 has been the most successful law in US history. So I digress, I met with great prosecutors, I gave them information. It's all there on my website, it's there in my book, I helped the Canadians, they buried it, no trial, no fine. Nothing. Canada, on a per capita basis had more money than the US market did. at UBS, they had 5 billion, we had 20 billion, but we are 350 million, [and they are] 35 million. So you can see they're 10% of our population. So why nothing? Because if your audience reads my book, The last chapter called The French Connection talks about the head of the CRA Canadian Revenue Authority, sat on the board of UBS, Canada.

36:26

The conflicts of interest are endless. The corruption is endless, the incompetence is clear. So this is why whistleblowing is so critical to hold corporations and governments accountable. And they don't want to do it, we will do it for them.

MR: Well, exactly. And when you, when you encounter whistleblowers, especially a hard headed one,

they don't really give you much of a choice because they go to the media, they go to the authorities, they go to people like Chuck Grassley, and it is just worth mentioning, because again, Grassley has been along around a long time. And he really is one of one of the individuals who did most of everyone to fight economic crime and money laundering and anonymous shell corporations and so forth. So he really is an enemy of economic crime around the world. So it's people like that. And people like you who are actively fighting against this stuff. And you can't really rely on the system. And yet, and yet, you said you wanted to build an NGO, or some sort of organisation helping whistleblowers? Now, I'm not gonna say more. But why don't you say something about that?

BB: Well, as I said, my book is in eight languages. And the last three languages we're looking to do is Portuguese, Spanish and Chinese to essentially cover the worldwide language barrier, if you will. And in your country, Romania, which was a country, I was very proud to get my book published there. Because my grandfather was Romanian, and he went to America, he went to New York City. 100 years ago, two weeks ago, he landed at Ellis Island. And that to me, I dedicated the book of Romania to him. And I lectured all across from any inclusion in Iasi, Constanta, in Bucharest in this next year, I went all over and gave the books away. Why? Because I wanted to educate people and let them know. I am here today because of my grandfather, who was Romanian. And I wish you could have seen what I could have done, and what I did in the world to change the world. So this to me was so powerful to come to Romania. Romania is such a small country. And what's the connection? Well, I just explained that to you and your audience. But more and more, I come to Romania every year, several times as many Romanian friends as yourself and many others. I like to help the people I like

the food. I like the culture. Anyways, the whole point above this is is to get in close to people. I'm not just trying to help people because they say I'm helping them or I'm going to do a business or something like that. We're looking to set up something very, very aggressive in Europe that will help all whistleblowers, there's two problems. The first problem is, is that the laws in Europe, as you rightly said, are invisible. They don't exist. You have to protect whistleblowers, and you have to compensate whistleblowers, why they're the ones taking the risks, and that EU law enforcement should embrace that because whistleblowing is an extension of law enforcement. They're saving them time, money, anguish, all of this to solve a crime. So why not help them? Why not embrace them? Now, you may not like the fact that they're gonna get paid. Well, sorry, that's just the way the world works. How many times have you seen advertisements to get a drug dealer or a terrorist and they say there's a 10 million

40:00 dollar reward, whatever. What are you doing? You're paying the whistleblower.

MR: Exactly, exactly. And there's, this is something that Europeans have yet to get their heads around. And can I twist your arm and get you to put a date or a year at least on this organisation? When is it going to be a to be launched? When? When will you, when will you help your first whistleblower?

BB: Well, well, I've helped many whistleblowers I have many right now that contact me and I'm more than willing to help any whistleblower that comes forward. Again, there's two types of help the whistleblowers: there's the monetary side, which is very important, because it's expensive if you quit your job, or you have a family or your children or a husband or wife or whatever.

40:46

The American system, whether it's a US company, or stock listed company, or a subsidiary or US dollars involved in foreign corruption, or illegal waste, fraud and corruption, you can get paid as any person in the world to the US system anonymously. And we filed many cases for foreigners in this regard, why? It shows the system works, number one, number two, it's a quick way to eradicate this waste, fraud and corruption. And third, it sends a message if you don't like whistleblowing, don't break the law.

41:22

It's that simple. But unfortunately, as we know, there's a lot of greed and jealousy and corruption and crimes that go on. So we need whistleblowing. We support it just like a system of stabilising society. Don't you want to live in a good society where people do the right thing? We stop at a red light, we go to green light, we don't generally speed on the highway. We don't steal from the bank or whatever it might be. Why? Because we're civilised.

MR: Absolutely. And before the next question, I would like to thank our advertisers, that H5 Strategies in Bucharest, again, they're a consulting firm specialised in Eastern Europe, Africa and Central Asia, and they advise executives and politicians. And now it's also worth saying that our advertisers will never get involved in the content. And this podcast and Reporter.London, the website, is always going to be independent of any outside interference, but we thank our advertisers for the support.

BB: Well, I would, I would counter that with you. And I'd say I think you and I should go see your advertisers. They're your advertisers. I'm not trying to get in the middle of this and say, Why don't they have a lecture in Bucharest where you and I do this type in person? That could be something we can certainly follow up. Right?

MR: It could be something interesting. But so, I wanted to bring something up again, about current events. Now with the war in Russia. We know there's a lot of Kremlin linked money in Europe, especially in Europe, rather than America or elsewhere. And there's a lot of sanctions. So a lot of these companies are obviously trying to find ways around the sanctions. So isn't it the case that it's a bit urgent now to stimulate whistleblowing, to encourage whistleblowing and to reward it even, to be able to make sure that the Kremlin isn't able to continue its campaign of conquest and war in Ukraine and actually obey the sanctions?

BB: Well, it's a very good case in point that you raised the war in Ukraine. There's no war on Russia, but in Ukraine. Sadly, I think the problem we have here is again, you have a dictator, who has abused his power, who has brainwashed and put propaganda to his people, because I really don't think the Russian people understand fully what's going on. It's similar in some respects to this poor woman in Iran recently who was killed by the police for not wearing a headscarf. Now, I'm not trying to get into religious issues here of course. But when you abuse someone physically and hurt them and kill them in this case, or in Russia's instance, where you invade a very innocent country, which was part of Russia before, and kill innocent women and children. This is unacceptable. I don't care who you are, I don't care how much money you have, how powerful you think you are. We all have to unite to expose and undermine their illegal operations. This is what's a powerful tool to unite and strengthen people to come forward and do the right thing. Now, sadly, the European Union and other governments are weak, and they haven't really taken this to the next level. I would cancel every flight from Russia. I would cancel every Russian operation in Europe and say, you want to invade an innocent country. We don't want you part of our society period. And that's just the way it has to be. And I think that's where the governments have to be strong.

But hopefully there'll be other whistleblowers who will come forward to expose this. The problem is, and I would hold these bankers and accountants accountable as well, why they use straw man and frontman to shield the money. So, the name is there. This is the oldest trick

in the book, we know exactly how this is done. And people like me and other bankers who have come forward as whistleblowers can help in that regard. But the governments aren't really doing their job. Again, they are failing. So we really need people to come forward and do the right thing. We really need governments to start doing their job. And we need to hold these people accountable for breaking the law. And that's in an essence, what we need to do, especially in this Ukraine situation here, which is very, very dangerous, number one, but it's very sad to see innocent women and children suffering.

MR: And so back to sort of geopolitics and the finance of geopolitics. London itself is a global financial capital. And we've had changes of Monarch, changes of Prime Minister and all sorts of political turmoil lately, and in between these, there were some economic crime reforms that I think might be delayed, if not sort of shelved for good. Now. Even in those reforms, there wasn't any talk of providing rewards to whistleblowers, and there's still a lot of resistance. Now, what's your message to lawmakers in the UK, who govern the City of London about rewards to whistleblowers and about setting up some sort of independent body to protect whistleblowers from retaliation?

BB: First and foremost, invite me to talk to Parliament in the UK, I'll travel there for free and I'll speak for free. That's first thing and if you don't want to invite me, you've got something to hide. Secondly, they're part of the problem, not part of the solution. Some of those people in Parliament I'm quite sure have offshore accounts. Tony Blair has been exposed and several others and they come up with all these excuses why they have these offshore accounts. Interesting. They didn't mention them before, they ran for public office, but they mentioned if they get caught third, why is it that the UK, it's not a financial centre, it's a money laundering centre. The money laundering that's going on in the city of London is disgusting. The real estate market, the art market, why is it today that Sotheby's and Christie's does not expose the old, the buyer of multimillion dollar pieces of artwork? Why? Why should that be anonymous?

MR: Okay, interesting.

BB: Yeah, that's called money laundering. Trust me I used to go to Christie's and Sotheby's I saw what went on. It's a joke. So Christie's and Sotheby's and remember about the price fixing they had back, I don't know, 20 years ago, where the US held them accountable and find them. Christie's and Sotheby's were fined for collusion, price fixing. Okay, but why is it anonymous? It's because it's money laundering. Secondly, why is it that the UK promotes all these offshore centres Guernsey, Jersey, Isle of Man, Gibraltar, Bermuda less so but still there, Hong Kong less so but it's still there. BVIs and so forth. Why? When they talk it is big game about righteousness. Sorry to say it's bullshit, because this country single handedly develop this offshore world. Now, of course, I just gave you Guernsey Jersey Isle of Man, Gibraltar, Bermuda, Hong Kong, Singapore BVIs and the Caymans. So what I'm trying to say here is you

can't fix the problem unless you really want to fix the problem. And these people don't want to fix it. Why? Because they're benefiting from it. It's like a drug dealers had to stop the drug trade. Why would they do that? Unless there was a penalty that was so severe and so harsh. So why don't the foreign banks why does it the Central Bank of Europe now that the UK is out in Brexit? Sanction UK about that, right?

MR: Well, how about we try to put a slightly more optimistic twist on this. And, you know, think of people like Stephen Cohn and yourself who made the, you know, in the US, made a good living out of whistleblowing. And Stephen Cohn is helping other whistleblowers get rewards from the American system. Now, why doesn't Europe provide a competing system? If there is, there is an industry to be had there is an economy to be had around whistleblowing. Is there a business case for whistleblowing?

BB: Well, there certainly is. The problem is, is that, you know, law firms are slowly starting to catch on and see that this is a very lucrative business to expose wrongdoing and get their clients paid and protected. It's very important that protection as well as payment. But the problem here is they keep reverting back to World War Two [talk] about how people were double agents or spies or the Vichy government and France and all this kind of stuff. Now, enough of that, it's 2022. Can we stop the nonsense, and these are, we're big boys and girls, we have to come up with laws that make society a better place. You've got Russia invading Ukraine, you've got a woman getting killed because she doesn't wear a headscarf in Tehran, you've got Taiwan about to be swallowed by China, really. And you can't come up with a very simple approach to stop this offshore illegal banking. That does terrorist financing human trafficking, guns, drugs, and so forth.

MR: Well, on that note, cherished audience, Brad Birkenfeld, he never holds back. Thanks again for joining me. And one last shout out to H5 Strategies in Bucharest, consultancy for executives and politicians around Eastern Europe, Africa and Central Asia. Brad, I really look forward to some of your next adventures. And thanks very, very much for being with us today.

BB: It's my pleasure. And I'll make sure I get you that document next week when it comes out.