

# Miami Banks Probed On 'Swiss' Accounts

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MIAMI—Four federally chartered banks here have hundreds of Swiss-style numbered accounts with individual balances ranging to \$1 million or more.

The little-known practice of maintaining the no-name accounts dates back to 1959, when the U.S. government sought to help wealthy Cubans conceal assets from the Castro regime.

Now the confidential accounts are coming under scrutiny by the Justice Department and congressional investigators. Government sources say some of the funds may be linked to organized crime figures and to Latin American and U.S. politicians.

The Internal Revenue Service also is taking a new interest in the potential for tax evasion. After initially refusing to join the case, IRS officials now say they are willing to evaluate any data obtained by government lawyers.

Assistant U.S. Attorney Charles A. Intriago, heading an investigation of official corruption in Florida; recently won a court order that could crack the secrecy of the approximately 500 numbered accounts.

So far as can be determined, the practice of offering numbered accounts to wealthy clients is limited to the Miami area. But Robert Serino, enforcement chief for the comptroller of the currency in Washington, said other banks across the country could legally start numbered accounts without specific permission from the government.

The policy has been under study by the staff of a House Government Operations subcommittee headed by Rep. Benjamin S. Rosenthal (D-N.Y.). Sources said the panel will conduct hearings on the issue.

The banks involved—some of Miami's largest, most prestigious institutions—have argued in court papers that they have no knowledge of organized crime par-

ticipation.

The banks are Southeast First National Bank of Miami, Flagship First National Bank of Miami Beach, City National Bank and Southeast First National Bank of Coral Gables.

Court papers show that contrary to published policies of some of the banks, numbered accounts have not always been limited to aliens or U.S. citizens living abroad. Intriago, who has not yet examined all the accounts, said he has found one U.S. resident as a depositor.

Unlike Switzerland, where numbered accounts are beyond the reach of U.S. government subpoenas, the no-name American accounts can be subpoenaed.

But bankers acknowledged they did not always search their numbered files when government lawyers sought the accounts of a specific suspect. Nor have some banks always notified the IRS of interest earned by persons holding numbered accounts that are subject to taxation, Intriago told the court.

J. Bernard Shumate, president of Southeast First National of Miami, which is the largest repository with 465 numbered accounts, defended the practice in an interview. Shumate said there are "a number of reasons why people may want to have these accounts," including political fears by wealthy Latin Americans.

"We have respected their desires," he said.

Conscious of criticism that Mafia figures may have tried to use the confidential accounts, Shumate said:

"We screen our depositors very carefully. If we find one that is less than desirable, we ask them to take it out—or we don't let them in in the first place."

It was learned that many of the numbered accounts have balances of several hundred thousand dollars and that some contain more than \$1 million.

In explaining his bank's policy, Shumate said in an affidavit that "the purpose of numbered accounts is to

provide the customer with greater security than would otherwise be provided under normal banking practices."

The Miami banks, according to government sources, have the identities of numbered account-holders in a special file, but their names are not part of the computerized records that most bank employees could see.

According to other documents filed in court, Southeast First National of Miami drafted new eligibility requirements in July, 1974, stating that nonresident aliens and U.S. citizens living and working abroad could open numbered accounts if they were known to be members of an "honorable family engaged in an above-reproach occupation."

Intriago's motion contended that the 1974 requirements "differ markedly from those that were in force" for the previous 15 years, "giving rise to the possibility that numbered account-holders prior to July, 1974, do not meet the new criteria."

In fact, his filing said, "on at least one known occasion an alleged member of an organized crime gambling group maintained a numbered account at the bank."

This referred to Evaristo Garcia Vidal, a reputed associate of Florida mobster Santos Trafficante. Charged by U.S. authorities with obstructing justice in 1969, Vidal is a fugitive in Costa Rica.

After a federal judge ruled that investigators could begin inspecting the numbered accounts, Intriago said, "the IRS declined to allow an agent to accompany me, even though the judge has authorized it."

Warren Williams, acting IRS intelligence chief for Florida, who declined Intriago's offer, told a reporter he could not discuss the matter. But Tom Murphy, recently named intelligence chief for the Jacksonville, Fla., district, said, "We are aware of the investigation Mr. Intriago has going. . . . We are willing to cooperate and will evaluate any information that is developed."