

VIA CERTIFIED RETURN RECEIPT MAIL

October 18th, 2022

Commissioner Charles P. Rettig
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Rettig:

I am an attorney in Washington D.C. writing today on behalf of my client, Peter Schiff, owner of Euro Pacific Bank (“EPB”), located in San Juan, Puerto Rico. I am requesting an internal review and/or disciplinary action for Agent James Lee, Chief of IRS Criminal Investigation, for inappropriate behavior during a [press conference](https://www.youtube.com/watch?v=Gpjoay3mYRU) (<https://www.youtube.com/watch?v=Gpjoay3mYRU>).

On June 30 of this year, Agent Lee participated in a press conference in Puerto Rico held by the Puerto Rican Office of the Commissioner of Financial Institutions (“OCIF”) to announce the suspension of Euro Pacific Bank’s operations due to alleged non-compliance and capital insufficiency.

In the conference, Agent Lee stated: “In January of 2020, all five J5 countries participated in a globally coordinated day of action to put a stop to the suspected facilitation of offshore tax evasion and money laundering by a suspected bank in Puerto Rico. The action occurred as part of a series of investigations in multiple countries into the international financial institution whose products and services were believed to be facilitating money laundering and tax evasion for customers across the globe. It was also believed that through this institution, a number of clients used a sophisticated system to conceal and transfer wealth anonymously to evade their tax obligations and launder the proceeds of crime. The Operation from the J5 was dubbed Operation Atlantis – and the bank was named Euro Pacific Bank.”

Agent Lee went on to state: “There is no doubt that OCIF’s work sends a strong message to others. And that is that the Puerto Rican financial industry will not be a haven for tax evaders or illegal conduct.”

These statements imply criminal wrongdoing on the part of Schiff and EPB. Despite these implications, in the same press conference, in response to a reporter’s question about whether EPB helped its customers launder money or evade taxes, the OCIF Commissioner replied, “That is a conclusion that has not been made,” and that the actions related to the bank “are not based on allegations of money laundering or other financial crimes.”

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Further, there was not a single customer of EPB who was a United States citizen or resident, so none even had the potential of having a U.S. tax liability, which makes Agent Lee's mere presence at this OCIF press conference concerning and inappropriate, made worse by the aforementioned innuendo of criminal wrongdoing on the part of EPB.

It is important to note that on September 23 of this year, the Australian Federal Court found that Australian 60 Minutes defamed Peter Schiff in seven imputations. These imputations of criminal wrongdoing were mirrored by Agent Lee's statement during the June 30 press conference.

The IRS media policy states:

"If employees are contacted by the media for the purpose of obtaining the official IRS position regarding procedures, policies or other matters, employees must refer the media inquiry to their National or Field Media Relations Office. However, IRS employees may communicate with media officials orally, in writing and online, to express their views on matters of public concern without prior notification of, consultation with, or approval from the Office of Media Relations or any IRS supervisory authority. When communicating with the media under these circumstances, however, employees must make clear that they are **expressing their own personal opinions and are not acting as official IRS spokespersons.** Moreover, employees may not reveal matters protected from disclosure by law. Employees should refer tax law and case-related questions to the appropriate area of the IRS and inquiries from tax practitioners to the proper stakeholder relations office. If employees have questions regarding their communications with the media, they may contact their National or Field Media Relations Office for assistance."

Therefore, Lee may have violated this policy when he said at the June 30, 2022, press conference that:

"I'm honored to be here representing IRS criminal investigations, but also representing the J five. uh, and I, I know I speak, uh, on their behalf." And then goes on (*see attachment of his remarks at June 30, 2022 press conference with OCIF Bank Commissioner and two other J5 officials from UK and Australia*) to specifically mention Euro Pacific Bank as the bank they are talking about.

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Agent Lee's presence at the Puerto Rican press conference, innuendo of criminal wrongdoing, and blatant disregard for the presumption of innocence have led me to write this letter urging you to investigate this situation and consider taking disciplinary action against him.

In a conversation I once had with a senior Justice Department official, they told me their policy was: "We don't shame without charging." Which appears to be what Agent Lee did at the press conference – to shame Euro Pacific Bank through innuendo for facilitating money laundering and tax evasion without any actual proof or bringing forth criminal charges.

I look forward to hearing from you in the near future. I can be reached via my assistant, Maddie Melendez at (202) 320-0751 or on my cell phone (202-744-2792) and by email at ldavis@dggpllc.com.

Very truly yours,



By: _____
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cc: Kevin Q. McIver, Chief of Staff
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