

Name: Alert ID: TMML202403206284 The Department of Justice is further postponing some immigration hearings. CHANDAN KHANNA/AFP via Getty Images Tech mogul Robert Brockman has been charged in a \$2 billion tax evasion case, the biggest in US history, the Justice Department said Thursday. Brockman hid \$2 billion in income from the Internal Revenue Service over two decades, according to an indictment unsealed on Thursday. He was charged after fellow billionaire Robert Smith turned against him to avoid prosecution himself, the Justice Department said. Brockman faces seven counts of tax evasion, six counts of failing to file reports disclosing foreign bank accounts, and counts of wire fraud, money laundering, and evidence tampering. Houston technology executive Robert Brockman has been charged in the biggest-ever tax evasion case against a US citizen, after fellow billionaire Robert Smith turned against him to avoid prosecution himself, the Justice Department said on Thursday. Brockman, the 79-year-old chief executive of Ohio-based Reynolds and Reynolds Co, hid \$2 billion in income from the Internal Revenue Service over two decades, using a web of off-shore companies in Bermuda and St. Kitts and Nevis, according to an indictment unsealed on Thursday. Reynolds and Reynolds provides software used by auto dealerships to help manage their business. The indictment alleges Brockman appointed nominees to manage the off-shore entities for him as a means of hiding his involvement, saying he even went so far as to establish a proprietary encrypted email system and use code words such as "Permit," "Red fish," and "Snapper" to communicate. At a press conference in San Francisco, US Attorney David Anderson said Brockman was also charged in a securities fraud scheme, after he bought and sold debt securities in his own company, "breaking a promise to investors that he would not buy or sell his own company's debt." The debt was purchased thanks to inside information Brockman possessed, Anderson added. He faces seven counts of tax evasion, six counts of failing to file reports disclosing foreign bank accounts, and numerous other counts including wire fraud, money laundering, and evidence tampering. "Mr. Brockman has pled not guilty, and we look forward to defending him against these charges," Brockman's attorney Kathryn Keneally said in an emailed statement. A spokesman for Smith, who founded private equity firm Vista Equity Partners, could not be reached immediately for comment. Anderson said Smith, who helped secure the charges against Brockman and famously announced at last year's Morehouse College commencement that he would pay off the college debt of 2019 graduates, accepted responsibility for his own crimes in the tax evasion scheme. Brockman and Smith have a business relationship dating back to the late 1990s, according to documents filed in connection with Smith's non-prosecution agreement. Brockman, who is referred to as "Individual A," became an investor in Smith's private equity fund in 2000, first with a \$300 million commitment, and later increasing it to \$1 billion. As part of his non-prosecution agreement, Smith admitted to using a nominee trustee and corporate manager to hide his control in four off-shore companies. Some of his untaxed income was used to buy a vacation home in Sonoma, California, and ski properties in the Alps, and to fund charitable causes, Anderson said. He will pay \$139 million in taxes and penalties, and will abandon a \$182 protective refund claim and pay interest as part of the deal. "Although Smith willfully and knowingly violated the law, Smith has accepted responsibility and agreed to provide complete and truthful cooperation," Anderson said. Smith founded private equity firm Vista Equity Partners and he is listed by Forbes as being the nation's wealthiest Black investor.