Credit Suisse nears $2.5 billion deal to end U.S. tax-evasion probe: sources

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The New York bank regulator, the Department of Financial Services, could get an additional $500 million or more, but those talks are ongoing, one of the sources said.
Credit Suisse might be willing to pay a bit more than $2.5 billion in total, though the bank is worried if it goes much higher than that figure, it could undermine its credit rating, a second source said.

Representatives of the agencies and of Credit Suisse declined comment.

A settlement could come as early as next week, the sources said, but it could get pushed back as final details are ironed out.

Credit Suisse is expected to plead guilty as part of the settlement, the people said, a rare result for a financial institution accused of misconduct.

Prosecutors have not often sought such a stiff punishment in part due to the implications such a plea might have for regulators or for the market.

Bank regulators have some authority to revoke licenses in the wake of a criminal conviction, giving the New York banking department a crucial bargaining chip in the negotiations.

The New York regulator, which is led by Benjamin Lawsky, has the authority to revoke the bank's license to operate in that state if the bank pleads guilty.

The Wall Street Journal reported on Thursday that the Justice Department would receive $1.7 billion and the New York regulator expected to receive $600 million.

(Reporting by Aruna Viswanatha and Mark Hosenball in Washington, Karen Freifeld in New York and Aman Shah in Bangalore; Editing by Sriraj Kalluvila and Lisa Shumaker)