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Confiscation American style

If the Czech government started confiscating some of the billions in illicit funds that have been salted away in foreign bank accounts, wrote one of our regular readers, the U.S. ambassador would be among the first to object. Well, actually, the U.S. government is already doing exactly this to some its own wayward citizens. Any U.S. person who fails to declare a 10% or greater ownership stake in a foreign corporation (using [Form 5471](#)) is subject to civil or criminal penalties. Under [Form TD F 90-22.1](#), any U.S. person failing to disclose foreign bank accounts holding more than \$10,000 can be fined and/or sent to prison for five years. (See the [Wall Street Journal](#).) In some cases, the fine can be more than the amount in the account, which is essentially confiscation. To some people, such draconian measures smack of totalitarianism. To some others, they are an obvious and inevitable way to close the budget gaps.