

Australian Media Company to Pay Peter Schiff to End Defamation Suit

The money manager had sued an Australian media company that reported on a tax investigation into his bank, Euro Pacific.



By Matthew Goldstein

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An Australian media company agreed to pay more than \$360,000 to the outspoken libertarian economist and money manager Peter Schiff to resolve a defamation lawsuit he filed over a 2020 report on a boutique bank in Puerto Rico he once owned.

The agreement, reached earlier this month, came more than a year after an Australian judge found that a report by the Nine Entertainment television program had defamed Mr. Schiff in reporting on his institution, Euro Pacific Bank in San Juan.

Mr. Schiff's lawsuit focused on a television segment aired by the Australian version of "60 Minutes." The segment covered a previously unknown investigation by a group of international tax authorities, including the Internal Revenue Service, into Euro Pacific and some of its offshore customers. The investigation was looking into whether some of the bank's customers had engaged in tax evasion or money laundering.

The New York Times did its own article on the investigation in collaboration with "60 Minutes" and The Age newspaper, also owned by Nine Entertainment. Mr. Schiff had also sued the newspaper, but the Australian judge did not find that The Age had defamed Mr. Schiff.

The Times was not a party to the litigation.

In a statement, Mr. Schiff said he filed the lawsuit because the Nine media companies “declared me guilty of crimes that investigators ultimately found no evidence to even charge me with.”

The settlement also required Nine to pay legal and court costs to Mr. Schiff and take down the “60 Minutes” report. News of the deal was first reported by publications in Australia.

In a statement, Nine said it supported its journalists and that “60 Minutes” accepted the judge’s ruling. The articles, which were found not to be defamatory, will remain online.

Last year, banking officials in Puerto Rico moved to shut down Euro Pacific, claiming it had inadequate capital levels. Mr. Schiff subsequently reached an agreement with bank regulators to liquidate Euro Pacific and agreed to pay \$300,000 in fines.

The international tax investigation, led by a group called the J5, has not filed charges against Mr. Schiff or Euro Pacific. But in February, tax officials in Britain said they had arrested two of the bank’s customers on “suspicion of tax evasion and money laundering” in connection with a related investigation.

At its peak, Euro Pacific had 8,000 depositors and more than \$140 million in deposits but did not take money from U.S. customers. Mr. Schiff had said the investigation and the news reports had led to customers to pull money from the bank, and to its eventual demise.

At a news conference last summer, an I.R.S. official said tax authorities were looking into numerous inquiries related to entities and individuals associated with the Euro Pacific.

Mr. Schiff, in his statement, said, he lost millions because of the investigation and remains frustrated that “none of the reporters have retracted anything they wrote or said, nor has anyone apologized for the damage they caused.”

Kitty Bennett contributed research.

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