

Big Swiss Bank Pleads Guilty In Felony Case

Penalty of \$2.6 Billion for Credit Suisse

By **BEN PROTESS**
and **JESSICA SILVER-GREENBERG**

Credit Suisse has done what no other bank of its size and significance has done in over two decades: plead guilty to criminal wrongdoing.

In a sign that banking giants are no longer immune from criminal charges, despite concerns that financial institutions have grown so large and interconnected that they are too big to jail, federal prosecutors demanded that Credit Suisse's parent company plead guilty to helping thousands of American account holders hide their wealth.

As part of a deal announced on Monday, the Swiss bank met the demands, agreeing to one count of conspiring to aid tax evasion in a scheme that "spanned decades." Credit Suisse, which has a giant investment bank in New York and whose chief executive is an American, will also pay about \$2.6 billion in penalties and hire an independent monitor for up to two years.

The rebuke from federal prosecutors as well as from the Federal Reserve and New York's state banking regulator, Benjamin M. Lawsky, is intended as a blow against overseas tax dodging and the shadowy world of Swiss bank secrecy. The deal also signals a shift in prosecutors' tactics. It is the most prominent bank to plead guilty in the United States since Drexel Burnham Lambert in 1989, and the largest to do so since the Bankers Trust Continued on Page B5

A LONG PATH The plea followed years of starts and stops. PAGE B1



URIEL SINAI FOR THE NEW YORK TIMES

Mining Deaths Devastate Village

Mourners in Koseler, Turkey, which lost 14 men in last week's disaster. The village is weighing the human cost of mines. Page A6.

New York Is a Hub in a Surging Heroin Trade

By **J. DAVID GOODMAN**

The flood of heroin coming into and going out of New York City has surged to the highest levels in more than two decades, alarming law enforcement officials who say that bigger players are now entering the market to sell the drug here and to feed a growing appetite along the East Coast.

The amount of heroin seized in investigations involving the city's special narcotics prosecutor has already surpassed last year's totals, and is higher than any year

going back to 1991.

The drug makes its way here in trucks rumbling north from Mexico; as they get closer to New York, they park at truck stops or warehouses to transfer loads of heroin to cars bound for mills in the Bronx or Upper Manhattan and, eventually, to users along the Eastern Seaboard at prices ranging from \$6 to \$10 per glassine envelope.

The rise in heroin use nationwide has been well documented, as the drug has created addicts and caused the deaths of well-known figures, like the actor Phil

ip Seymour Hoffman, and young people in middle-class families from Staten Island to Vermont.

What the authorities are seeing now is the outgrowth of all that drug abuse, said Bridget G. Brennan, the special narcotics prosecutor whose office deals primarily with large-scale operations: far-flung drug organizations accelerating to meet heroin demand by setting up New York operations that are growing in sophistication and output.

"We're kind of the head of the Hydra," said Ms. Brennan, who is scheduled to testify about heroin trends during a City Council budget hearing on Tuesday. "This is highly organized, high volume, and it's being moved much more efficiently and effectively to reach out to a broader user base."

Her office recorded more than 288 pounds of heroin seized in the first four months of 2014, a figure that does not account for the everyday, street-level drug deals in the city. On Staten Island, where dealers are often users themselves and the rate of overdose is the city's highest, the office has no heroin cases because there are few big-time players there, authorities said.

Nonetheless, in arrests of users and dealers, Staten Island narcotics detectives have recorded a steep increase in the amount of heroin taken off the street there so far this year — up Continued on Page A20

Ukraine Crisis Pushing Putin Toward China

By **NEIL MacFARQUHAR**
and **DAVID M. HERSZENHORN**

MOSCOW — President Vladimir V. Putin said Monday that he was withdrawing Russian troops from the border with Ukraine, the second time he has said that in less than two weeks. He also praised the government in Kiev, which he had previously called an illegal, fascist junta, for its willingness to negotiate structural changes.

But the intended audience for these conciliatory remarks may not have been the United States and Europe, who would distrust them in any event. No, Mr. Putin's gaze was more likely fixed on China, where he arrives on Tuesday by all accounts determined to show that he, too, wants to pivot to Asia.

While Mr. Putin has been casting an eye eastward practically since he returned to the presidency in 2012, the crisis in relations with the West over Ukraine has made ties to Asia, and particularly relations with its economic engine, China, a key strategic priority. With Europe trying to wean itself off Russian gas, and the possibility of far more serious Western sanctions looming Continued on Page A7



Hyon Song-wol, in an image from YouTube, appeared after reports that she had been executed.

Cheating Death, and Rumor Mill, in North Korea

By **CHOE SANG-HUN**
and **RICK GLADSTONE**

SEOUL, South Korea — Hyon Song-wol is not quite North Korea's version of Beyoncé. But as a popular singer and leader of the nation's best-known girl band, which often performs in miniskirts, she attracts plenty of attention. Last Friday, millions watched on national television as she saluted the country's leader,

Kim Jong-un, for his "heavenly trust and warm care" in promoting the arts.

Yet to many across the border in South Korea, Ms. Hyon's performance was most surprising because she appeared at all. Voluminous news reports there, and throughout much of the world, asserted months ago that she had been machine-gunned to death on orders of the North Korean leader, said to have been her one-time boyfriend.

It was unclear whether her appearance, at a national gathering of artists, was meant as a message that more than just her execution was fiction. But it was a reminder of the near impossibility of saying with certainty what is happening in North Korea, the world's most opaque country.

"The rumor mill about North Korea is out of control," said Bill Richardson, the former governor of New Mexico, who has visited Continued on Page A7

Met Plans a Gut Renovation of Its Modern Wing

By **ROBIN POGREBIN**

The Metropolitan Museum of Art is planning to rebuild its wing for Modern and contemporary art — possibly from scratch — to create new, showcase galleries for its expanded collection from those periods, Met officials have confirmed.

Part of the first comprehensive re-examination of the museum's layout in 40 years, the planned

new wing sends a powerful signal that the Met is acknowledging its shortcomings in Modern and contemporary art and stepping up its commitment to that area in order to become truly encyclopedic.

"It seemed a logical moment to really step back and think about the needs of the museum in the next 30 years," said Thomas P. Campbell, the director of the Met. "It's the Modern wing's turn to get it right."

This comes at a time when the museum world has become more competitive and others are upping their game, namely the Museum of Modern Art, which recently announced a major renovation, and the Whitney Museum of American Art, which will soon move to a hip new home downtown.

Still, the move has its risks, given that Modern and contemporary art has never been the Continued on Page A19

INTERNATIONAL A4-11

Martial Law in Thailand

The head of Thailand's army declared what he described as nationwide martial law and urged protesters to "stop their movement." The army has staged more than a dozen coups in recent decades, and it was not clear what degree of control it aimed to take. PAGE A7

No C.I.A. Vaccination Ruses

The C.I.A. will no longer use vaccination programs as cover for spying operations abroad, President Obama's top counterterrorism adviser, Lisa Monaco, has pledged. PAGE A10

NATIONAL A12-15

An Alarm on Climate Change

Gov. Jerry Brown, saying global warming is devastating California, called for action on climate change. PAGE A12

THE UPSHOT

The Political Effect of El Niño

The return of El Niño, and the warming of the seas, could change some political thinking on the environment. PAGE A3

BUSINESS DAY B1-9

Less Flexibility at Work

Many employers say they offer seemingly commonplace benefits like flexible working hours or the option of telecommuting, but in fact companies are cutting back on time for child leave or to care for an ill parent. PAGE B1



SPORTSTUESDAY B11-16

Belmont to Allow Nasal Strips

New York regulators said horses in the state would be permitted to wear nasal strips after the owners of California Chrome, the Kentucky Derby and Preakness winner, said the colt might not run in the Belmont Stakes if not permitted to wear one. PAGE B14

NEW YORK A16-21

Jail Sentence in Occupy Case

In a case that became a cause célèbre and drew calls for leniency, a woman who was convicted of assaulting a police officer at Zuccotti Park in 2012 was sentenced to three months in jail. PAGE A16

Imam Convicted in Terror Trial

Mostafa Kamel Mostafa's case adds to the number of terrorism convictions in civilian courtrooms. PAGE A17

OBITUARIES B9-10

Gordon Willis, 82, Dies

The cinematographer, known for his daring use of shadows and minimal light, worked on "The Godfather," "Manhattan," "Annie Hall," "Kluge" and other pivotal films of the 1970s. PAGE B9

EDITORIAL, OP-ED A22-23

David Brooks

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