
Paradise Papers Exposes Wheelings and Dealings of Wealthy 1%

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A major new financial investigation has begun to unveil some of the prominent figures in the world of politics, entertainment, and sports along with some of the major multinational companies who have been using offshore tax havens to hide their wealth.

The investigation that mostly focuses on the British offshore havens, is led by International Consortium of International Journalists, ICIJ, an organization known for "The Panama Papers." For this newer expose it will be releasing a trove that contains nearly 13.4 million documents. The documents in question come from two offshore companies and 19 tax havens and were obtained by the German newspaper Süddeutsche Zeitung and the ICIJ, in collaboration with several media companies worldwide.

Some of the mega-rich and influential people exposed in the documents include Canada's Prime Minister, Justin Trudeau's main campaign funder and his senior adviser, Stephen Bronfman, Britain's Queen Elizabeth II, several of Trump's cabinet members, including his commerce secretary, Wilbur Ross. Rock star Bono has also been implicated.

Apart from having millions of pounds tucked away in the Cayman Islands and Bermuda, Britain's Queen also has a stake in BrightHouse, a "rent-to-own" loan company accused of using predatory schemes such as loaning people household goods with an interest rate of over 90 percent.

Other revelations going beyond dubious tax havens is the one involving Wilbur Ross, Trump's commerce secretary who appears to have ties with Vladimir Putin's family-owned business. Ross is known to have a stake in a shipping company, Navigator, which has made millions from the Russian gas company Sibur, which in turn happens to count as one of their board members Putin's son-in-law, Kirill Shamalov, the documents reveal. Some of the other known figures from his cabinet include his chief economic adviser Gary Cohn, secretary of state Rex Tillerson, and Treasury secretary Steven Mnuchin.

The revelations don't end there, among them: Two Russian billionaires used offshore networks to buy a stake in the Arsenal and Everton football clubs. Trudeau's Bronfman owns the known tax haven, Cayman Island Trust. UK-based Lord Ashcroft, a major donor to UK's Conservative's party sheltered a staggering US\$450 million in tax havens. The owners of private jets and luxury yachts received billions of dollars in tax refunds from the Isle of Man and Malta.

Brazil's finance minister, Henrique de Campos Meirelles' name also appears in the leaked documents. Meirelles started a foundation in Bermuda "for charitable purposes" that he claims will support educational charities after his death. Ugandan foreign minister, Sam Kutesa also started a trust in the island of Seychelles to manage his wealth offshore.

The allegation go beyond individuals: Nike, Apple, and Uber are among the multinational corporations that have used the tax havens as their piggy banks, according to the documents. Social media giants, Twitter and Facebook received millions of dollars from Russia-owned corporations like VTB, a Russian state-controlled bank and through an associate of Jared Kushner, Trump's son-in-law, the leaked documents further reveal.

"Tax havens are one of the key engines of the rise in global inequality," Gabriel Zucman, an economist, told the Guardian. "As inequality rises, offshore tax evasion is becoming an elite sport."

Bermuda-based Appleby, an offshore company, is one of the major sources of the leaked documents with nearly 13.4 million documents exposed. The documents span a period of over 60 years. The documents from 1950 to 2016 reveal documents such as emails, billion-dollar loan agreements, and bank statements of at least 25,000 entities linking people in nearly 180 countries, according to Reveal News.

Nearly 31, 000 individuals and clients revealed in the cache of records are U.S. citizens or have U.S. addresses, which is the highest number for any given country. Followed by the United Kingdom, China, and Canada. Appleby claims to be a part of the "magic circle" of top-ranking offshore service providers and has fought the allegations that it has helped its customers in hiding their money.

"There is no evidence of any wrongdoing, either on the part of ourselves or our clients", the organization said in a statement, adding: "We are a law firm which advises clients on legitimate and lawful ways to conduct their business. We do not tolerate illegal behaviour."

Some of the other corporations implicated in Germany are the rental giant Sixt, postal service provider Deutsche Post, hotel chain Meininger, Siemens, Allianz, Bayer and Deutsche Bank.

So far, nearly 120 politicians from 80 countries have been implicated in the documents.

Experts claim that the vast amounts of money which are tucked away in the form of tax havens have severe implications on national economies, as the tax evaded takes away from the social programs that could benefit the low and the middle-income groups.

"There is this small group of people who are not equally subject to the laws as the rest of us, and that's on purpose," sociologist Brooke Harrington, a certified wealth manager and Copenhagen Business School professor, also the author of "Capital without Borders: Wealth Managers and the One Percent," told the Süddeutsche Zeitung . These people "live the dream" and enjoy "the benefits of society without being subject to any of its constraints."