



# Offshore havens and hidden riches of world leaders and billionaires exposed in unprecedented leak

The Pandora Papers reveal the inner workings of a shadow economy that benefits the wealthy and well-connected at the expense of everyone else.

By [ICIJ](#).

Image: Inkyfada / Tayma Ben Ahmed / ICIJ

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Millions of leaked documents and the biggest journalism partnership in history have uncovered financial secrets of 35 current and former world leaders, more than 330 politicians and public officials in 91 countries and territories, and a global lineup of fugitives, con artists and murderers.

The secret documents expose offshore dealings of the King of Jordan, the presidents of Ukraine, Kenya and Ecuador, the prime minister of the Czech Republic and former British Prime Minister Tony Blair. The files also detail financial activities of Russian President Vladimir Putin’s “unofficial minister of propaganda” and more than 130 billionaires from Russia, the United States, Turkey and other nations.

The leaked records reveal that many of the power players who could help bring an end to the offshore system instead benefit from it – stashing assets in covert companies and trusts while their governments do little to slow a global stream of illicit money that enriches criminals and impoverishes nations.

Among the hidden treasures revealed in the documents:

- A \$22 million chateau in the French Riviera – replete with a cinema and two swimming pools – purchased through offshore companies by the Czech Republic’s populist prime minister, a billionaire who has railed against the corruption of economic and political elites.
- More than \$13 million tucked in a secrecy-shaded trust in the Great Plains of the United States by a scion of one of Guatemala’s most powerful families, a dynasty that controls a soap and lipsticks conglomerate that’s been accused of harming workers and the earth.
- Three beachfront mansions in Malibu purchased through three offshore companies for \$68 million by the King of Jordan in the years after Jordanians filled the streets during Arab Spring to protest joblessness and corruption.

The secret records are known as the Pandora Papers.

The International Consortium of Investigative Journalists obtained the trove of more than 11.9 million confidential files and led a team of more than 600 journalists from 150 news outlets that spent two years sifting through them, tracking down hard-to-find sources and digging into court records and other public documents from dozens of countries.

The leaked records come from 14 offshore services firms from around the world that set up shell companies and other offshore nooks for clients often seeking to keep their financial activities in the shadows. The records include information about the dealings of nearly three times as many current and former country leaders as any previous leak of documents from offshore havens.

In an era of widening authoritarianism and inequality, the Pandora Papers investigation provides an unequalled perspective on how money and power operate in the 21st century – and how the rule of law has been bent and broken around the world by a system of financial secrecy enabled by the U.S. and other wealthy nations.

The findings by ICIJ and its media partners spotlight how deeply secretive finance has infiltrated global politics – and offer insights into why governments and global organizations have made little headway in ending offshore financial abuses.

An ICIJ analysis of the secret documents identified 956 companies in offshore havens tied to 336 high-level politicians and public officials, including country leaders, cabinet ministers, ambassadors and others. More than two-thirds of those companies were set up in the British Virgin Islands, a jurisdiction long known as a key cog in the offshore system.

At least \$11.3 trillion is held “offshore,” according to a 2020 study by the Paris-based Organization for Economic Cooperation and Development. Because of the complexity and secrecy of the offshore system, it’s not possible to know how much of that wealth is tied to tax evasion and other crimes and how much of it involves funds that come from legitimate sources and have been reported to proper authorities.

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## Every corner of the world

The Pandora Papers investigation unmask the covert owners of offshore companies, incognito bank accounts, private jets, yachts, mansions, even artworks by Picasso, Banksy and other masters – providing more information than what’s usually available to law enforcement agencies and cash-strapped governments.

People linked by the secret documents to offshore assets include India's cricket superstar Sachin Tendulkar, pop music diva Shakira, supermodel Claudia Schiffer and an Italian mobster known as "Lell the Fat One."



*Linked to offshore assets: singer Shakira, cricket legend Sachin Tendulkar, model Claudia Schiffer* Image: Getty Images

The mobster, Raffaele Amato, has been tied to at least a dozen killings. The documents provide details about a shell company, registered in the United Kingdom, that Amato used to buy land in Spain, shortly before fleeing there from Italy to set up his own crime gang. Amato, whose history helped inspire the highly praised movie "Gomorrah," is serving a 20-year prison sentence.

Amato's attorney did not respond to ICIJ's request for comment.

Tendulkar's attorney said the cricket player's investment is legitimate and has been declared to tax authorities. Shakira's attorney said the singer declared her companies, which the attorney said do not provide tax advantages. Schiffer's representatives said the supermodel correctly pays her taxes in the U.K., where she lives.

In most countries, it's not illegal to have assets offshore or to use shell companies to do business across national borders. Businesspeople who operate internationally say they need offshore companies to conduct their financial affairs.

But these affairs often amount to shifting profits from high-tax countries, where they are earned, to companies that exist only on paper in low-tax jurisdictions. Using offshore shelters is especially controversial for political figures, because they can be used to keep politically unpopular or even illicit activities from public view.

In popular imagination, the offshore system is often seen as a far-flung cluster of palm-shaded islands. The Pandora Papers show that the offshore money machine operates in every corner of the planet, including the world's largest democracies. The key players in the system include elite institutions – multinational banks, law firms and accounting practices – headquartered in the U.S. and Europe.

A document in the Pandora Papers shows that banks around the world helped their customers set up at least 3,926 offshore companies with the assistance of Alemán, Cordero, Galindo & Lee, a Panamanian law firm led by a former ambassador to the U.S. The document shows that the firm – also known as Alcogal – set up at least 312 companies in the British Virgin Islands for clients of the American financial services giant Morgan Stanley.

A Morgan Stanley spokesperson said: "We do not create offshore companies. . . . This process is independent of the firm and at the discretion and direction of the client."



The Pandora Papers investigation also highlights how Baker McKenzie, the largest law firm in the U.S., helped create the modern offshore system and continues to be a mainstay of this shadow economy.

Baker McKenzie and its global affiliates have used their lobbying and legislation-drafting know-how to shape financial laws around the world. They have also profited from work done for people tied to fraud and corruption, reporting by ICIJ has found.

The people that the firm has done work for includes Ukrainian oligarch Ihor Kolomoisky, who U.S. authorities allege laundered \$5.5 billion through a tangle of shell companies, purchasing factories and commercial properties across the U.S. heartland.

Baker McKenzie also did work for Jho Low, a now-fugitive financier accused by authorities in multiple countries of masterminding the embezzlement of more than \$4.5 billion from a Malaysian economic development fund known as 1MDB. ICIJ's reporting found that Low relied on Baker McKenzie and its affiliates to help him and his associates build a web of companies in Malaysia and Hong Kong. U.S. authorities allege they used some of those companies to shift money looted from 1MDB.

A spokesperson for Baker McKenzie said the firm seeks to provide the best advice to its clients and strives "to ensure that our clients adhere to both the law and best practice."

The spokesperson didn't directly address many questions about Baker McKenzie's role in the offshore economy, citing client confidentiality and legal privilege. But he said the firm performs strict background checks on all potential clients.

## 'You know who'

The Pandora Papers investigation is larger and more global than even ICIJ's landmark Panama Papers investigation, which rocked the world in 2016, spawning police raids and new laws in dozens of countries and the fall of prime ministers in Iceland and Pakistan.

The Panama Papers came from the files of a single offshore services provider: the Panamanian law firm Mossack Fonseca. The Pandora Papers shine a light on a far wider cross-section of the lawyers and middlemen who are at the heart of the offshore industry.

The Pandora Papers provide more than twice as much information about the ownership of offshore companies. In all, the new leak of documents reveals the real owners of more than 29,000 offshore companies. The owners come from more than 200 countries and territories, with the largest contingents from Russia, the U.K., Argentina and China.

# How big is the Pandora Papers leak?

The Pandora Papers dataset is bigger than any previous leak investigated by ICIJ, when measured in terabytes.

2.

2.6TB

1.4TB

Panama Papers (2016)

Paradise Papers (2017)

Pandora

## PANDORA PAPERS

The 150 news outlets that joined the investigative partnership include The Washington Post, the BBC, The Guardian, Radio France, Oštro Croatia, the Indian Express, Zimbabwe’s The Standard, Morocco’s Le Desk and Ecuador’s Diario El Universo.

A global team was needed because the 14 offshore providers that are the sources of the leaked documents are headquartered around the globe, from the Caribbean to the Persian Gulf to the South China Sea.

Three of the providers are owned by former senior government officials: a former government minister and presidential adviser in Panama and a former attorney general of Belize, who controls two providers.

For a few hundred or a few thousand dollars, offshore providers can help clients set up a company whose real owners remain hidden. Or, for perhaps \$2,000 to \$25,000, they can set up a trust that, in some instances, allows its beneficiaries to control their money while embracing the legal fiction that they don’t control it – a bit of paper-shuffling creativity that helps shield assets from creditors, law enforcement and ex-spouses.

Offshore operatives don’t work in isolation. They partner with other secrecy providers around the globe to create interlocking layers of companies and trusts. The more complex the arrangements, the higher the fees – and the more secrecy and protection clients can expect.

The Pandora Papers show that an English accountant in Switzerland worked with lawyers in the British Virgin Islands to help Jordan’s monarch, King Abdullah II, secretly purchase 14 luxury homes, worth more than \$106 million, in the U.S. and the U.K. The advisers helped him set up at least 36 shell companies from 1995 to 2017.



*Jordan's King Abdullah II.* Image: Jordan Pix/ Getty Images

In 2017, the king bought a \$23 million property overlooking a California surfing beach through a company in the BVI. The king paid extra to have another BVI company, owned by his Swiss wealth managers, act as the “nominee” director for the BVI company that bought the property.

In the offshore world, nominee directors are people or companies paid to front for whoever is really behind a company. Application forms sent to clients by Alcogal, the law firm working on the king’s behalf, say that the use of nominee directors helps “preserve privacy by avoiding the identity of the ultimate principal . . . being publicly accessible.”

In emails, offshore advisers used a code name for the king: “You know who.”

U.K. attorneys for the king said that he is not required to pay taxes under Jordanian law and that he has security and privacy reasons to hold property through offshore companies. They said the king has never misused public funds.

The attorneys also said that most of the companies and properties identified by ICIJ have no connection to the king or no longer exist, but declined to provide details.

Experts say that, as ruler of one of the Middle East’s poorest and most aid-dependent countries, the king has reasons to avoid flaunting his wealth.

“If the Jordanian monarch were to display his wealth more publicly, it wouldn’t only antagonize his people, it would piss off Western donors who have given him money,” Annelle Sheline, an expert on political authority in the Middle East, told ICIJ.

In neighboring Lebanon, where similar questions about wealth and poverty have been playing out, the Pandora Papers show top political and financial figures have also embraced offshore havens.

They include the current prime minister, Najib Mikati, and his predecessor, Hassan Diab, as well as Riad Salameh, the governor of Lebanon’s central bank, who is under investigation in France for alleged money laundering.



Lebanon  
Prime Minister  
**Najib Mikati**

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## Pandora Papers - Power Players

Marwan Kheireddine, Lebanon's former minister of state and the chairman of Al Mawarid Bank, also appears in the secret files. In 2019, he scolded former parliamentary colleagues for inaction amid a dire economic crisis. Half the population was living in poverty, struggling to find food as grocers and bakeries closed.

"There is tax evasion and the government needs to address that," Kheireddine said.

That same year, the Pandora Papers reveal, Kheireddine signed documents as owner of a BVI company that owns a \$2 million yacht.

Al Mawarid Bank was one of many in the country that restricted customers' U.S. dollar withdrawals to stem economic panic.

Wafaa Abou Hamdan, a 57-year-old widow, is among the regular Lebanese who remain angry at their country's elites. Because of runaway inflation, her life savings plummeted from the equivalent of \$60,000 to less than \$5,000, she told Daraj, an ICIJ media partner.

"All my life's efforts went in vain. I have been working continuously for the past three decades," she said. "We are still struggling on a daily basis to maintain our living" while "the politicians and the bankers" have "all transferred and invested their money abroad."

Kheireddine and Diab did not respond to requests for comment. In a written response, Salameh said he declares his assets and has complied with reporting obligations under Lebanese law. Mikati's son, Maher, said it is common for people in Lebanon to use offshore companies "due to the easy process of incorporation" rather than a desire to evade taxes.

## 'Coalition of the corrupt'

Imran Khan was elated when ICIJ's Panama Papers investigation came out in April 2016.

"The leaks are God-sent," the Pakistani politician and former cricket superstar said.

The Panama Papers revealed that the children of Pakistan's prime minister at the time, Nawaz Sharif, had ties to offshore companies. This gave Khan an opening to hammer Sharif, his political rival, on what Khan described as the "coalition of the corrupt" ravaging Pakistan.

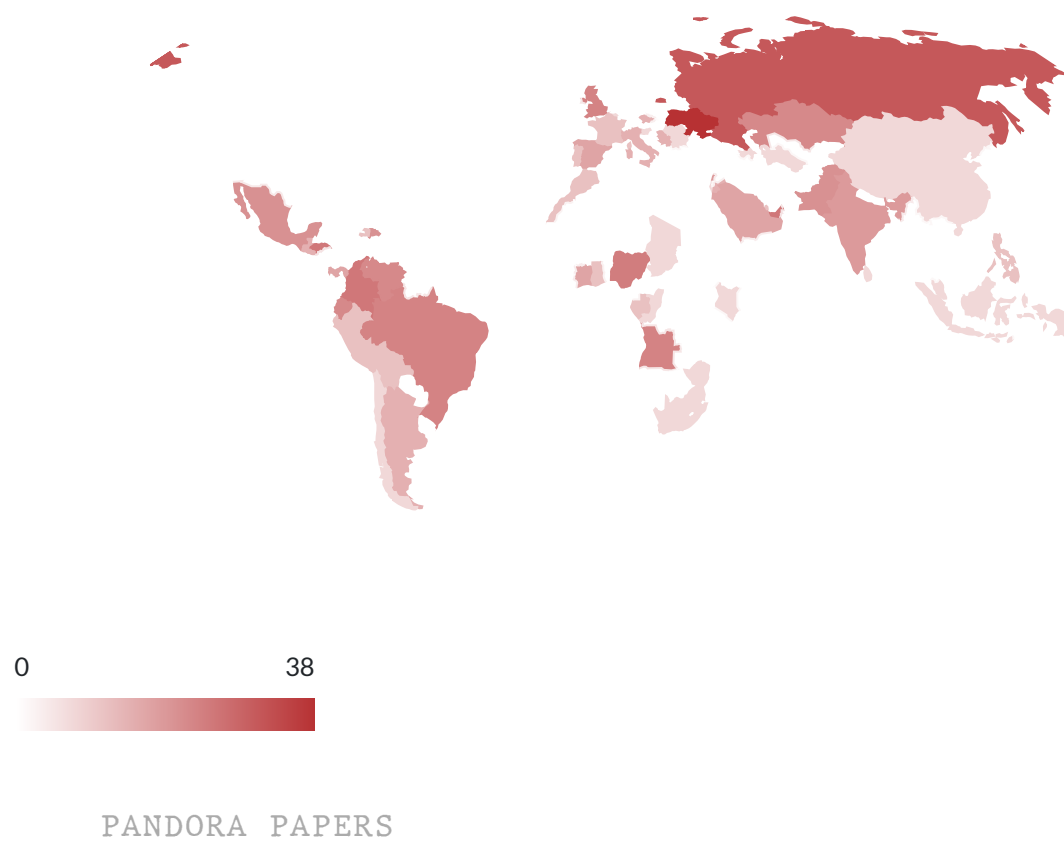
"It is disgusting the way money is plundered in the developing world from people who are already deprived of basic amenities: health, education, justice and employment," Khan told ICIJ's partner, The Guardian, in 2016. "This money is put into offshore accounts, or even western countries, western banks. The poor get poorer. Poor countries get poorer, and rich countries get richer. Offshore accounts protect these crooks."

Ultimately, Pakistan's top court removed Sharif from office as a result of an inquiry sparked by the Panama Papers. Khan swept in to replace him in the next national election.

ICIJ's latest investigation, the Pandora Papers, brings renewed attention to the use of offshore companies by Pakistani political players. This time, the offshore holdings of people close to Khan are being disclosed, including his finance minister and a top financial backer.



## Where are the 336 politicians in the Pandora Papers from?



The documents also show that Khan’s water resources minister, Chaudhry Moonis Elahi, contacted Asiaciti, an Singapore-based offshore services provider, in 2016 about setting up a trust to invest the profits from a family land deal that had been financed by what the lender later claimed was an illegal loan. The bank told Pakistani authorities that the loan had been approved due to the influence of Elahi’s father, a former deputy prime minister.

Asiaciti records say that Elahi backed off from putting money into a trust in Singapore after the provider told him it would report the details to Pakistani tax authorities.

Elahi did not respond to ICIJ’s requests for comment. Hours before the release of Pandora Papers stories, a family spokesman told ICIJ media partners that “misleading interpretations and data have been circulated in files for nefarious reasons.” The spokesman added that the family’s assets “are declared as per applicable law.”

Also today, a spokesperson for Khan told a press conference that if any of his ministers or advisors had offshore companies, “they will have to be held accountable.”

Other political figures have also spoken out against the offshore system while surrounded by appointees and other supporters who have assets stowed offshore. Some who have spoken out have used the system themselves.

“Every public servant’s assets must be declared publicly so that people can question and ask – what is legitimate?” Kenyan President Uhuru Kenyatta told the BBC in 2018. “If you can’t explain yourself, including myself, then I have a case to answer.”

The leaked records listed Kenyatta and his mother as beneficiaries of a secretive foundation in Panama. Other family members, including his brother and two sisters, own five offshore companies with assets worth more than \$30 million, the records show.

Kenyatta and his family did not reply to requests for comment.

Czech Prime Minister Andrej Babis, one of his country’s richest men, rose to power promising to crack down on tax evasion and corruption. In 2011, as he became more involved in politics, Babis told voters that he wanted to create a country “where entrepreneurs will do business and will be happy to pay taxes.”



*Czech Prime Minister Andrej Babis.* Image: Stefan Wermuth/Bloomberg via Getty Images

The leaked records show that, in 2009, Babis injected \$22 million into a string of shell companies to buy a sprawling property, known as Chateau Bigaud, in a hilltop village in Mougins, France, near Cannes.

Babis has not disclosed the shell companies and the chateau in the asset declarations he's required to file as a public official, according to documents obtained by ICIJ's Czech partner, Investigace.cz. In 2018, a real estate conglomerate indirectly owned by Babis quietly bought the Monaco company that owned the chateau.

Babis didn't respond to requests for comment.

A spokesman for the conglomerate told ICIJ that it complies with the law. He didn't respond to questions about the acquisition of the chateau.

"Like any other business entity, we have the right to protect our trade secrets," the spokesman wrote.

## **'A haven of scams'**

The secret files provide a layer of behind-the-curtain context to public pronouncements this year about wealth and offshore refuges — as governments around the world struggle with revenue crunches, a pandemic, climate change and public distrust.

In February, a commentary from the Tony Blair Institute for Global Change urged policymakers to seek, among other measures, higher taxes on land and homes. Blair, the institute's founder and executive chairman, talked about how the rich and well-connected shirk paying their share of taxes as far back as 1994, when he campaigned to become the leader of the U.K.'s Labour Party.

"For those who can employ the right accountants, the tax system is a haven of scams, perks ... and profits," he said during a speech in England's West Midlands. "We should not make our tax rules a playground for .... tax abusers who pay little or nothing while others pay more than their share."

The Pandora Papers show that, in 2017, Blair and his wife, Cherie, became the owners of a \$8.8 million Victorian building by acquiring the British Virgin Islands company that held the property. The London building now hosts Cherie Blair's law firm.

The records indicate that Cherie Blair and her husband, who served as a diplomat in the Middle East after stepping down as prime minister in 2007, bought the offshore company that owned the

building from the family of Bahrain's industry and tourism minister, Zayed bin Rashid al-Zayani.



United Kingdom  
**Former Prime Minister**  
**Tony Blair**

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## Pandora Papers - Power Players

By purchasing the company shares instead of the building, the Blairs benefited from a legal arrangement that saved them from having to pay more than \$400,000 in property taxes.

The Blairs and the al-Zayanis said they didn't initially know about each other's involvement in the deal.

Cherie Blair said that her husband was not involved in the transaction and that its purpose was "bringing the company and the building back into the U.K. tax and regulatory regime."

She also said that she "did not want to be the owner of a BVI company" and that the "seller for their own purposes only wanted to sell the company." The company is now closed.

Through their lawyer, the al-Zayanis said their companies "have complied with all U.K. laws past and present."

"These are loopholes that are available to wealthy people but not available to others," Robert Palmer, executive director of Tax Justice UK, told The Guardian. "Politicians need to fix the tax system so that everyone pays their fair share."

In June, Brazil's economics minister, Paulo Guedes, proposed a tax reform package that included a 30% tax on profits earned through offshore entities. Experts estimate that Brazil's richest people hold almost \$200 billion in untaxed funds outside the country.

"You cannot be ashamed of being rich," Guedes said. "You have to be ashamed of not paying taxes."

After bankers and business leaders objected to tax hikes in the legislation, Guedes, a millionaire former banker, agreed to remove the proposed tax on offshore profits. Negotiations over the legislation are continuing.

The Pandora Papers reveal that Guedes created Dreadnoughts International Group in 2014 in the British Virgin Islands.

In response to questions from an ICIJ partner in Brazil, Revista Piauí, a spokesperson for Guedes said the minister has disclosed the company to Brazilian authorities. The spokesperson did not answer a question about the removal of the offshore tax from the legislation.

## 'Pandora's box'

In December 2018, the Bahamas enacted legislation requiring companies and certain trusts to declare their real owners to a government registry. The island nation was under pressure from larger countries, including the U.S., to do more to block tax dodgers and criminals from the financial system.

Some Bahamian politicians opposed the move. They complained the register would discourage Latin American clients from doing business in the Caribbean. "The winners of these new double standards are the U.S. states of Delaware, Alaska and South Dakota," one local attorney said.

Months later, a confidential document indicated that the family of the Dominican Republic's former Vice President Carlos Morales Troncoso had abandoned the Bahamas as a go-to sanctuary for their



VICE PRESIDENT CARLOS MOLATES TRONCOSO had abandoned the Bahamas as a go-to sanctuary for their wealth.

For their new refuge, they chose a place 1,600 miles away: Sioux Falls, South Dakota.

The family set up South Dakota trusts, leaked records show, to lay away various assets, including shares they'd held in a Dominican sugar company. The family did not respond to questions about the assets moved from the Bahamas to South Dakota.

The Pandora Papers provide details about tens of millions of dollars moved from offshore havens in the Caribbean and Europe into South Dakota, a sparsely populated American state that has become a major destination for foreign assets.



*An aerial view of a building in the heart of downtown that houses Trident Trust Co. in Sioux Falls, South Dakota.* Image: Salwan Georges/The Washington Post

Over the past decade, South Dakota, Nevada and more than a dozen other U.S. states have transformed themselves into leaders in the business of peddling financial secrecy. Meanwhile, most of the policy and law enforcement efforts of the world's most powerful nations have stayed focused on "traditional" offshore havens such as the Bahamas, the Caymans and other island paradises.

The U.S. is one of the biggest players in the offshore world. It is also the country best situated to bring an end to offshore financial abuses, thanks to the outsize role it plays in the international banking system. Because of the U.S. dollar's status as the de facto global currency, most international transactions flow in and out of New York-based banking operations.

U.S. authorities have taken action over the past two decades to force banks in Switzerland and other countries to turn over information about Americans with overseas accounts.

But the U.S. is more interested in forcing other countries to share information about Americans banking offshore than in sharing information about money moving through U.S. bank accounts, companies and trusts.

The U.S. has refused to join a 2014 agreement supported by more than 100 jurisdictions, including the Cayman Islands and Luxembourg, that would require American financial institutions to share information they have about foreigners' assets.

Year after year in South Dakota, state lawmakers have approved legislation drafted by trust industry insiders, providing more and more protections and other benefits for trust customers in the U.S. and abroad. Customer assets in South Dakota trusts have more than quadrupled over the past decade to \$360 billion.

"As a citizen, I'm so sad that my state was the state that opened Pandora's box," Susan Wismer, a



former lawmaker, told ICIJ.

By 2020, 17 of the world’s 20 least-restrictive jurisdictions for trusts were American states, according to a study by Israeli academic Adam Hofri-Winogradow. In many cases, he said, U.S. laws have made it more difficult for creditors to put their hands on what they are owed, including child support payments from absent parents.

Using documents from the Pandora Papers, ICIJ and The Washington Post identified nearly 30 U.S.-based trusts linked to foreigners personally accused of misconduct or whose companies were accused of wrongdoing.

Among them is Federico Kong Vielman, whose family is one of Guatemala’s economic powerhouses.

In 2016, Kong Vielman moved \$13.5 million into a trust in Sioux Falls. Some of the money came from his family’s company, which makes floor waxes and other products.

Guatemalan media reported for decades on the family’s ties to politics. In the 1970s, the family was identified as a key ally of Gen. Carlos Manuel Arana Osorio, the former Guatemalan dictator known as the “Jackal of Zacapa.” In 2016, the family’s luxury hotel in Guatemala City made a gift of 100 free nights to then-President Jimmy Morales. Guatemalan media outlets reported that a possible payment for “political favors” was suspected.

In 2014, U.S. labor officials filed a complaint against Guatemala’s government that included allegations that the family’s palm oil company underpaid workers and exposed them to toxic chemicals. Company records show Kong Vielman was previously the company’s treasurer.

## Which US states have the most trusts in the Pandora Papers?

The investigation shows how U.S. trusts have become a go-to vehicle for financial secrecy.

South Dakota	
Florida	37
Delaware	35
Texas	24
Nevada	14

### PANDORA PAPERS

A year later, U.S. environmental authorities, providing technical assistance to Guatemala, found that the company released pollutants into the Pasion River. The family company, Nacional Agro Industrial SA, known as Naisa, was not charged.

Naisa told ICIJ that it followed the law and did not pollute the river. The labor complaint was resolved by an arbitration panel, the company said.

Kong Vielman declined to respond to questions about the South Dakota trust.

Another wealthy Latin American who set up trusts in South Dakota is Guillermo Lasso, a banker who was elected as Ecuador’s president in April. Leaked records show that Lasso moved assets into two trusts in South Dakota in December 2017, three months after Ecuador’s parliament passed a law prohibiting public officials from holding assets in tax havens. The records show that Lasso moved two offshore companies to the South Dakota trusts from two secretive foundations in Panama.

Lasso said that his past use of offshore entities was “legal and legitimate.” Lasso said he complies with Ecuadorian law.

Trusts set up in South Dakota and many other U.S. states remain cloaked in secrecy, despite enactment this year of the federal Corporate Transparency Act, which makes it harder for owners of certain types of companies to hide their identities.

The law is not expected to apply to trusts popular with non-U.S. citizens. Another glaring exemption, financial crime experts say, is that many lawyers who set up trusts and shell companies have no obligations to examine the sources of their clients' wealth.

"Clearly the U.S. is a big, big loophole in the world," said Yehuda Shaffer, former head of the Israeli financial intelligence unit. "The U.S. is criticizing all the rest of the world, but in their own backyard, this is a very, very serious issue."

## 'Extraordinary expenses'

Billionaire Erman Ilıcak's construction empire had a big year in 2014.

The Turkish mogul's company, Rönesans Holding, finished building a 1,150-room presidential palace for his country's pugnacious leader, Recep Tayyip Erdoğan, amid media rumblings about cost overruns and corruption and a court order attempting to stop the project.

Another notable event involving the Ilıcak family took place in 2014, this time out of the public glare. The corporate titan's 74-year-old mother, Ayse Ilıcak, became the owner of two offshore companies in the British Virgin Islands, according to the Pandora Papers.

Both companies were fronted by nominee directors and nominee shareholders. One of the companies, Covar Trading Ltd., held assets from the family's construction conglomerate, the records say. During its first full year in operation, Covar Trading earned \$105.5 million in income from dividends, according to confidential financial statements. The money was stashed in a Swiss account.

It didn't stay long.

That same year, the statements show, the company paid almost the entire \$105.5 million as a "donation" listed under "extraordinary expenses." The statements do not describe who or what received the money.

Ilıcak did not reply to questions for this story.

Ilıcak and the other billionaires in the Pandora Papers come from 45 countries, with the largest number from Russia (52), Brazil (15), the U.K. (13) and Israel (10).

The American billionaires mentioned in the secret documents include two tech moguls, Robert F. Smith and Robert T. Brockman, whose trusts have been the targets of investigations by U.S. authorities. Both were clients of CILTrust, an offshore provider in Belize operated by Glenn Godfrey, a former attorney general of Belize.



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Smith agreed last year to pay U.S. authorities \$139 million to settle a tax probe and is cooperating with prosecutors. A U.S. grand jury indicted Brockman, Smith's mentor and financial backer, in what prosecutors called the biggest tax fraud in U.S. history.

Smith declined to comment. Brockman has pleaded not guilty.

Neither CILTrust nor Godfrey have been accused of wrongdoing. Godfrey did not respond to requests for comment.

A law firm in Cyprus, Nicos Chr. Anastasiades and Partners, appears in the Pandora Papers as a key offshore go-between for wealthy Russians. The firm retains the name of its founder, Cyprus President Nicos Anastasiades, and the president's two daughters are partners there.

The records show that, in 2015, a compliance manager at the Panama law firm Alcogal found that the Cypriot law firm helped a Russian billionaire and former senator, Leonid Lebedev, conceal ownership of four companies by listing law firm employees as owners of Lebedev's entities.

Lebedev – an oil tycoon and movie producer with Hollywood connections – fled Russia in 2016 after authorities accused him of embezzling \$220 million from an energy company. Lebedev did not respond to requests for comment. The status of the Russian case is unclear.

The Cypriot law firm also prepared reference letters for Russian steel magnate Alexander Abramov, including one drafted days after the U.S. added the billionaire's name to the list of oligarchs close to President Putin. Abramov didn't respond to requests for comment.

Theophanis Philippou, the law firm's managing director, told the BBC, an ICIJ partner, that it has never misled authorities or concealed the identity of a company owner. He declined to comment on clients, citing attorney-client confidentiality.

Another Russian in the Pandora Papers who has ties to Putin is Konstantin Ernst, a television executive and Oscar-nominated producer. He has been called Putin's top image-maker, a creative talent who sold the nation on the idea that the president is "Russia's strong-willed savior."



*Russian TV boss Konstantin Ernst.* Image: Artyom Geodakyan/TASS via Getty Images

The Pandora Papers reveal that Ernst was given a chance to participate in a lucrative opportunity soon after producing the opening and closing ceremonies of the 2014 Winter Olympics at Sochi, creating a spectacle that boosted Putin's reputation inside and outside the country.

Ernst became a silent partner, hidden behind layers of offshore companies, in a state-funded privatization contract – a deal to buy dozens of movie theaters and other property from the city of Moscow.

The leaked records show that, by 2019, the value of Ernst's personal stake in the property holdings topped \$140 million.

Ernst told ICIJ that he has "never made a secret" of his involvement in the privatization deal, and that the deal was not compensation for his work during the 2014 Olympics.

"Ernst told ICIJ that he has 'never made a secret' of his involvement in the privatization deal, and that the deal was not compensation for his work during the 2014 Olympics."

“I haven’t committed any illegal actions,” he said. “Nor am I committing any now or about to. This is how my parents raised me.”

## ‘Our way of life’

As a human rights and anti-poverty activist, Mae Buenaventura joined the fight to secure the return of billions of dollars the late Philippine dictator Ferdinand Marcos, his family and cronies concealed in Swiss accounts and other hard-to-trace locations.

Many in her home country, Buenaventura said, “know that the wealthy have ways and means to accumulate riches and also hide them in a way that ordinary people cannot get their hands on.”

The Marcos scandal also educated the world, encouraging stepped-up efforts to discover illicit money and punish the people who hide it.

Over the last 20 years, political leaders have vowed to “eradicate” tax havens. They’ve called shell companies and money laundering “threats to our security, our democracy and our way of life.” They’ve passed new laws and inked international agreements.

But the offshore system is nothing if not adaptable, and cross-border financial crime and tax dodging continue to thrive.

When an offshore provider or jurisdiction is exposed by a leak or comes under pressure from authorities, others use its misfortune as a marketing opportunity, snapping up clients fleeing for safer havens.

An ICIJ analysis identified hundreds of offshore companies that ended relationships with the scandal-tarred law firm Mossack Fonseca after the release of the Panama Papers investigation. Other providers took over as the companies’ offshore agents.

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One of those companies was controlled by an offshore trust whose beneficiaries included the wife of Jacob Rees-Mogg, a member of the British Conservative Party and current leader of the House of Commons.

The Pandora Papers indicate that a holding company and a trust benefiting his spouse, Helena de Chair, owned “pictures and paintings” worth \$3.5 million.

Another company that moved away from Mossack Fonseca was a BVI entity controlled by the widow and two sons of Indian underworld figure Iqbal Memon. Memon has been identified in news reports as a major drug dealer with links to terrorists. His widow and sons are accused of laundering drug money and have been wanted since 2019 by authorities in New Delhi.

In the Philippines, money being moved around in the shadows continues to be a problem, despite the attention given to Marcos’ offshore loot. In recent years, the U.S. has labeled the Philippines as a “major money laundering jurisdiction.”

Philippine political figures in the Pandora Papers include Juan Andres Donato Bautista. He served from 2010 to 2015 as the chairman of the Presidential Commission on Good Government – the panel established to track down Marcos’ billions.

A month after he was appointed to lead the commission, Bautista created a shell company in the British Virgin Island that held a bank account in Singapore, secret records show.

Bautista was later tapped to head the country’s election agency, but lawmakers impeached him in 2017 after his wife claimed he’d hoarded millions of dollars in undeclared domestic and foreign accounts.



In a phone call and emails to ICIJ, Bautista said he created his BVI company on the advice of bankers. The bank account was opened before he joined the government, he said, adding that it never received significant deposits and that he disclosed his interests to authorities. He denied wrongdoing and said there are no formal charges against him.

Despite failures by the Philippines and other nations to curb the flow of covert money, Buenaventura and other reform advocates say there are reasons for hope.

Street protesters helped topple top leaders in Iceland and Pakistan after the Panama Papers. The Philippines has joined dozens of countries that now require companies to disclose their real owners. Philippine authorities have recovered roughly \$4 billion stolen by Marcos and his circle, using it to buy land for landless farmers and to compensate families of people targeted for murder or “enforced disappearance” by the Marcos regime.

Many obstacles remain. Big banks, law firms and other powerful groups often oppose stronger transparency rules and tougher enforcement against offshore abuses. And in the Philippines and many other countries, anti-corruption activists endure legal threats, arrests and violence.

Last month police fired water cannons at protesters who marked the 49th anniversary of Marcos’ declaration of martial law by drawing attention to similarities with current President Rodrigo Duterte’s rule.

Buenaventura said she and other grass-roots activists will keep working to expose wealth that’s “deeply hidden.”

“Our slogan is: The truth will come out.”

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**Correction:** Alexander Abramov was named in a U.S. congressional report submitted under the Countering America’s Adversaries Through Sanctions Act of 2017. An earlier version of this story erroneously stated that Abramov was sanctioned.

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