

Name: Alert ID: TMML2024037402666 Among the international figures named in the "Panama Papers," the trove of more than 11 million leaked financial and legal documents made public over the weekend, is the richest man in Syria, Rami Makhoul. Makhoul, 46, is a cousin and close friend of Syrian President Bashar Assad. He's also one of the most hated men in the country. His flagrant corruption helped spark Syria's 2011 uprising, when protesters attacked his businesses and chanted "Rami Makhoul is robbing us." He sure was. Makhoul exploited his close connections to the Assad regime to amass a fortune of some \$5 billion and control some 60 percent of the Syrian economy. In 2011, Reuters reported that Makhoul had total or partial monopolies in Syria's telecommunications, real estate, oil, airline, duty free, construction and import sectors. Any foreigner who wanted to do business in Syria had to go through Makhoul, analysts say. The 11.5 million leaked documents from the Panamanian law firm Mossack Fonseca, obtained by the International Consortium of Investigative Journalists and the German newspaper Süddeutsche Zeitung and published on Sunday, together make up the largest-ever data leak about offshore companies. They shed more light on how Makhoul stashed his cash overseas with the help of foreign business partners. Mossack Fonseca set up and ran several companies owned by Makhoul that were registered in the British Virgin Islands, where it's relatively easy to hide cash from tax, regulatory and criminal authorities. Makhoul's businesses appear to be classic "shell" companies -- financial entities that don't really do anything in their own right, instead mainly serving as places through which to move money. The U.S. has been chasing Makhoul's wealth since at least 2008, when it banned American companies from dealing with him or his businesses because of his role fueling corruption in Syria. Analysts believe that Makhoul serves as Assad's "bagman," managing the president's own ill-gotten gains. The Panama Papers reveal that international banks and law firms kept working with Makhoul and other regime allies in spite of U.S. sanctions and as war broke out in Syria. Mossack Fonseca rejected the advice of its own compliance department to cut off the Syrian tycoon in 2011, as protesters took to the streets to decry the regime. Despite years of U.S. sanctions, one partner in the firm dismissed the claims against Makhoul as "rumors." He defended the decision based on the advice of U.K.-headquartered bank HSBC, whose role as Makhoul's banker was revealed in previous leaks and prompted a U.S. Senate investigation. After the Syrian regime responded to the protests with deadly force, and the European Union imposed sanctions on Makhoul and other members of regime in mid-2011, HSBC and Mossack Fonseca finally cut ties with him. "We did not know this individual until his name and association were reported in the media," Mossack Fonseca said of Makhoul in a statement following the leaks. "While we were the registered agent for a company that, as we later discovered, was resold to him, we did not deal with him directly. Due to the banking secrecy laws in Switzerland we did not have access to information regarding the final beneficiary of the company in question." The law firm has denied that the Panama Papers establish any wrongdoing, noting that there is nothing illegal about setting up offshore companies. The Guardian notes that there are legitimate reasons why people might want anonymity, or to protect their money overseas. Still, the scale of the practice is staggering. One 2012 study reported that at least \$21 trillion, and perhaps as much as \$31 trillion, has been parked in offshore accounts to put it beyond the reach of various authorities, and Mossack Fonseca itself says it has set up more than 240,000 offshore companies. The Panama Papers reveal that Mossack's clients include more than 143 world leaders, officials and their relatives, as well sports stars, arms dealers and drug lords. Icelandic Prime Minister Sigmundur David Gunnlaugsson stepped down on Tuesday after revelations about his offshore dealings sparked massive protests. Makhoul's country cannot, for now, hold him accountable. Syria has spent the past four years imploding after protests against corruption and repression were crushed, and today is embroiled in a complicated, brutal war with nearly half a million casualties to date. If Rami Makhoul symbolizes corruption in Syria, his brother Hafez symbolizes repression. Hafez Makhoul is the 45-year-old former Damascus branch chief of a Syrian intelligence agency called the General Security Directorate. When the U.S. imposed sanctions on him in May 2011, the Treasury said Hafez Makhoul had a "leading role in responding to protests in Syria," including the deadly crackdowns on protesters from the first days of the uprising. Hafez was also named in the Panama Papers as the director of yet another company registered in the British Virgin Islands by Mossack Fonseca. In Assad's Syria, corruption and repression work hand in hand. The Makhoul brothers are a striking example of the dirty dealings of the regime's inner circle. Rami Makhoul used the intelligence apparatus run by his

brother to intimidate his business rivals. One prominent economist, who criticized authorities for giving Rami a contract to set up the country's largest cell phone operator, ended up spending seven years in jail. It's not totally clear how the brothers have fared since the war. At the start of the uprising, Rami Makhoul reportedly angered Assad by warning in an interview with The New York Times that the regime would fight to the death for its survival. Shortly after, Makhoul declared that he would quit business and donate his profits to charity. But most Syrians didn't believe him, and last June a Swiss court rejected Makhoul's attempt to unfreeze his assets in the country, expressing skepticism that he'd actually dissociated himself from the regime as he claimed. Hafez Makhoul, meanwhile, lost his intelligence post in 2014, and was later reported to have left Syria for Belarus or Russia. Unlike his brother, he was able to persuade a Swiss court in 2012 to unfreeze some \$3 million he was holding in the country. The leaks also show that Mossack Fonseca helped Syrian companies that worked with the regime as the war escalated. The law firm helped three Syrian companies that were blacklisted by the U.S. to create front companies in the Seychelles, according to the French newspaper and ICIJ media partner Le Monde. The companies were sanctioned for selling fuel to the Assad regime that could potentially have been used in the warplanes terrorizing Syrian towns and cities. Mossack Fonseca kept working with one of the companies associated with the regime, Pangates International, nine months after sanctions were imposed in July 2014, according to the documents.