

UK helped protect wealth of former Chilean dictator Pinochet

Robert Stevens
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Journalist Hugh O'Shaughnessy has written extensively on Latin American affairs for more than 40 years and is the author of a number of books on Latin America, including *Pinochet: The Politics of Torture*, published in 1999. Writing in the *Independent* on August 23, he drew on a recent report issued by the Chilean police task force, Brilac.

Brilac charges heavy British involvement in enabling Pinochet to conceal the whereabouts of his wealth. Estimated to be as much as £1 billion, this was largely obtained through Pinochet's role as an arms procurer. He enjoyed the closest, secretive relations with major British arms corporations over decades.

Pinochet died in December 2006 in Chile, after having avoided an extradition order to Spain applied for while he was receiving medical treatment in Britain in October 1998. He was initially arrested on October 17 under a Spanish provisional warrant for the murders of Spanish citizens in Chile while he was president. On October 22, he was again arrested under a second provisional arrest warrant from the Spanish judge Baltasar Garzón. The Garzón warrant charged Pinochet with systematic torture, murder, illegal detention and forced disappearances.

For the following 16 months, Pinochet was kept under house arrest in Britain in what was described by one newspaper as the "most comfortable of detention facilities" at a detached house on the leafy Wentworth estate in Surrey. After a protracted legal case, he was released in March 2000 by British Home Secretary Jack Straw, who ruled that Pinochet was unfit to stand trial on "medical grounds."

Just hours later, Pinochet left the UK via a Royal Air Force base and flew back to Chile.

Millions of people internationally wanted to see Pinochet finally brought to justice for his crimes. Straw, in explaining his decision, acknowledged that he had received some 70,000 letters and emails from around the globe, the vast majority demanding that he allow extradition to proceed.

Thousands were killed by Pinochet's police and military forces in the 1973 coup that brought him to power. The coup overthrew the democratically elected government of Prime Minister Salvador Allende's Socialist Party. The military regime proceeded to dissolve congress and banned political

parties and trade unions.

Following the coup, the Pinochet regime began a reign of terror in which tens of thousands of his left-wing opponents in the Socialist Party, Communist Party and other left groups, as well as intellectuals, workers and peasants, were rounded up, held in concentration camps and tortured. An unknown number were killed. According to one report produced in 1991, 31,947 people were tortured at the hands of the Pinochet police state.

More than 3,000 people are officially admitted to have been killed or "disappeared" in the course of his 17-year rule, before he handed over power to a civilian government in 1990. Most credible estimates put the number killed at anywhere between three and ten times the official count.

In his article, "Pinochet's Lost Millions: the UK Connection," O'Shaughnessy writes: "Though the Pinochet family protects the details of its wealth with the help of bankers and advisers from Britain and other countries, the pile of assets in cash, gold, government bonds and shares controlled by the family of the late dictator is now believed to amount to as much as £1 billion.

"The report by Brilac, the Chilean police task force, says that the freeze on the dictator's funds issued in 1998 by the Spanish investigating magistrate Baltasar Garzón, who was seeking the ex-dictator's extradition to Spain on charges of torture and murder, was in effect ignored by the financial sector in Britain, despite the fact that Britain was under an obligation to enforce it."

O'Shaughnessy notes that the complex operation to cover up the millions amassed by Pinochet through arms and drugs dealing "took place in British colonies which were ultimately controlled by Whitehall."

The Pinochet fortune was hidden in a number of offshore locations stretching from "Gibraltar, the Caribbean tax havens of the Cayman Islands and the British Virgin Islands (BVI), to former colonies such as the Bahamas and Hong Kong.

"With help from within the British finance industry, offshore bank accounts were set up at the same time as companies with names such as Abanda Finance, Althorp Investment Trust, Ashburton, Belview International, Sociedad de Inversiones Belview, Cornwall Overseas, Eastview Finance, GLP, and Tasker Investments," O'Shaughnessy continues.

Financial institutions, including UK banks, “acted on Pinochet’s behalf not just in colonial tax havens, but also in independent Commonwealth states such as the Bahamas, and in the US.”

Among the banks cited in the Brilac report is Riggs. Based in Washington, it merged with PNC Financial Services in May 2005. Riggs maintained very close relations with Pinochet over nearly two decades. The dictator deposited million of dollars with them.

In 2004, the bank was forced to carry out an internal investigation into its relationship with Pinochet as the result of an inquiry by the US Senate Permanent Subcommittee on Investigations. Investigating money laundering and foreign corruption, the subcommittee found that Pinochet began his dealings with Riggs in 1985, nearly a decade earlier than previous estimates, as he attempted to funnel and conceal millions of dollars.

Pinochet and his family had many more accounts than previously disclosed. These included 10 accounts at Riggs’s Miami bank. Several accounts opened by Chilean military officers were described by bank executives as “fronts” for Pinochet.

O’Shaughnessy details how funds from the account holding Pinochet’s money at the British arm of Riggs bank were withdrawn, despite the fact that his assets were supposedly frozen when he was detained under house arrest in Britain.

He explains, “The Brilac report shows that Riggs, the Washington bank that did much of Pinochet’s business, ran a London branch near St James’s Palace, which—asset freeze or no asset freeze—was used as a moneybox by the detained ex-dictator. Riggs was taken over by a bank in Pittsburgh in 2005 after its activities for the world’s tyrants and tax-dodgers were denounced by the US Senate. The Brilac report says that when Pinochet closed his account at the branch (held under the name of Althorp Investments, one of his BVI companies) in May 2002, it contained \$219,285.74.”

O’Shaughnessy writes, “While he was under arrest at Virginia Water, Surrey, between 1998 and 2000, the elderly detainee still managed to access his funds held at Riggs bank. Pinochet’s grandson, Rodrigo García Pinochet, told the magistrate in Santiago investigating money-laundering in 2004 how he bought a rucksack to carry the £50,000 in cash that his grandfather had sent him to collect from St James’s and bring to the small house by the Wentworth golf course where the ex-dictator was confined.”

The Banco Atlantico, based in the British territory of Gibraltar, is described as one of “Pinochet’s favourite banks.” The article notes that “the Banco Atlantico was another where he had an account to which he sent \$2,658,604.84 on 19 October 1989.”

In order to hide the fact that bankers internationally were hoarding and facilitating the movement of Pinochet’s wealth, O’Shaughnessy points out, “Accounts were opened which

were designated by any combination of his Christian names or initials—Augusto José Ramón—and the surnames of his father, Pinochet, or his mother, Ugarte, and those of his wife, Lucía Hiriart Rodríguez. Some bankers preferred to call him Joe (from José), or APU (Augusto Pinochet Ugarte).”

The details on the collaboration of sections of the UK financial sector with Pinochet serve to confirm the closeness of the dictator’s relationship with the highest echelons of the British establishment. Pinochet was a regular visitor to the UK in the 1990s as a guest of Britain’s biggest arms firm, BAE Systems.

Pinochet could count on the friendship of many influential figures in the British ruling elite, who were fully supportive of the bloodbath he carried out in Chile. Following his death, the right-wing *Daily Telegraph* commented on his 16-month period of house arrest in Britain. “While there, the general played host to a stream of well-wishers, from Chilean officers to right-wing British journalists and Tory politicians, including Norman Lamont, the former chancellor, and Lady Thatcher herself.”

On his return to Chile, Pinochet continued to benefit financially from his close relationship to Britain’s banking and business elite. In 2005, BAE Systems was identified from US banking records as having secretly paid Pinochet more than £1 million the previous year.

An investigation by the *Guardian*, with assistance from the Chilean newspaper *La Tercera*, established that some of the funds were documented “as being paid through a front company in the British Virgin Islands, which BAE has used to channel commission on arms deals.”

The banking records uncovered revealed that between December 1997 and October 2004, BAE Systems paid \$1,998,871 (£1.1 million) in 14 payments.

Hugh O’Shaughnessy’s article can be read [here](#).



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