‘Pandora Papers’ points to major tax evasion by global financial oligarchy

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On October 3, the International Consortium of Investigative Journalists (ICIJ) in coordination with 600 journalists from 117 countries, began publishing the “Pandora Papers” a series of articles based off of 11.9 million leaked financial services files—totaling nearly three terabytes of data—from 14 companies that provide tax evasion and money laundering services to the financial oligarchy.

The ICIJ claims to 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.” Included in this list are 130 Forbes billionaires, as well as celebrities, athletes and royalty. Just 100 of the billionaires identified in the Pandora Papers had a combined fortune of more than $600 billion in 2021.

Some 150 news outlets participated in the investigation, including the *Washington Post*, the BBC, the *Guardian*, Radio France Morocco’s *Le Desk* and Ecuador’s *Diario El Universo.*

The ICIJ analysis identified 956 companies specializing in offshore tax havens with ties to 336 “high-level politicians and public officials, including country leaders, cabinet ministers, ambassadors and others.” The ICIJ found that “more than two-thirds” of the companies identified were “set up in the British Virgin Islands.”

This is the third major exposé on the dealings of the international bourgeoisie published by the ICIJ. In 2016 the ICIJ published the Panama Papers and in 2017 the Paradise Papers. The latter actually contained more files, 13.4 million compared to 11.9 million, however the amount of data contained in the Pandora Papers is more than the Panama or Paradise leaks.

Whereas the Panama Papers dealt primarily with with Panamanian corporate service provider Mossack Fonseca, the Pandora Papers encompass records from 14 financial-services companies operating throughout the world, including in Switzerland, Belize and the United Kingdom. The leak also demonstrates the key role US states such as South Dakota, Florida, Nevada and Delaware have assumed in the global tax avoidance scheme.

The files were analyzed for nearly two years, and include private emails, secret contracts, bank statements, passports and confidential spreadsheets exposing the intricate money laundering schemes employed by princes, kings, prime ministers and presidents the world over employ in order to protect their ill-gotten wealth and pass it on to their heirs. Among the tools examined by the ICIJ were the use of trusts by the bourgeoisie to ensure that their property remains in their family, tax free, for generations.

However, like the previous exposures by the ICIJ, there is a startling gap between the financial details revealed concerning those who are official enemies of US imperialism, compared to Americans. Of the 336 politicians identified in the leaks, none are from the United States, while 19 Russian politicians and 38 Ukrainian politicians were identified. The lack of US politicians named is even more noticeable considering the ICIJ found over $1 billion held in US-based trusts, integral tools for tax avoidance and money laundering.

The ICIJ worked with the Organized Crime and Corruption Reporting Project (OCCRP) in producing the report. According to ICIJ, more than “75 journalists” from OCCRP’s network helped comb through the data. The OCCRP is supported by grants from the United States Agency for International Development, the US State Department, Google Ideas as well as George Soros’s Open Society Foundations.

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In a comment from Russia's RT, Kit Klarenberg asked, "Could the CIA be behind the leak of the Pandora Papers, given their curious lack of focus on US nationals?" Likewise, the editor of the Chinese-based *Global Times*, Hu Zijin, suggested that US and Western "intelligence agencies" were involved in the leaks, writing on Twitter that "They are creating new tools for their political intervention in developing counties."

Seemingly backing Zijin's perspective, in a statement on Monday, White House Press Secretary Jen Psaki reiterated President Joe Biden's commitment to "fighting corruption as a core national security interest."

Psaki also reiterated Biden's pledge to "work with partners and allies to address issues such as the abuse of shell companies and money laundering…" Coming from the former senator from Delaware, one of the most corporate friendly and opaque states in the nation when it comes to shielding financial records of the wealthy as it provides every loophole and benefit to credit card companies while eliminating bankruptcy protections for credit card and student loan defaulters, this statement is more than just a little hypocritical.

While the ICIJ failed to find any "corrupt" politicians in the US, it did uncover large numbers of trusts established within the US that have been used by the bourgeoisie to shield their assets from tax liabilities. In South Dakota, where Republicans have controlled the state government since the 1970s, trust companies have been allowed to flourish, allowing the financial oligarchy to stash almost $360 billion in assets through secretive trusts.

Amid ever-widening levels of inequality and more open forms of financial parasitism, the use of trusts, popular in the Middle Ages for English aristocrats, has skyrocketed in recent years, especially in the United States, where several states have passed laws eliminating rules against perpetuities, allowing for the creation of "dynasty trusts." Of the trusts identified in the papers, South Dakota had the most, with 81, followed by Florida, 37, Delaware 35, Texas, 24 and Nevada, 14.

Politicians named so far in the investigation include:

• King Abdullah II, 59, has ruled Jordan since 1999 and is a close ally of the US. The papers reveal that Abdullah II owned "36 front companies in Panama and the British Virgin Islands." These companies were used to disguise the purchase of "at least 14 luxury homes in the United Kingdom in the U.S." These holdings included the hidden purchase of a $33.5 million mansion in Malibu, California in 2014, along with properties in London and Washington D.C., totaling more than $106 million from 2003 to 2017.

• Nirupama Rajapaksa was a former member of parliament and deputy minister of water supply and drainage from 2010 to 2015. She is the cousin of current Sri Lankan president, Gotabaya Rajapakse. Nirupama, along with her husband Thirukumar Nadesan, controls a shell company that was used to buy luxury apartments in London and Sydney, while another company, Pacific Commodities, was used to transfer 31 paintings and other art pieces to the Geneva Freeport, a warehouse complex in Geneva Switzerland where the bourgeoisie stores their assets to avoid taxes. According to the specialist art journal *Connaissances des Arts*, in 2013 the Geneva Freeport held around 1.2 million artworks.

• Tony Blair, former UK Prime Minister from 1997 through 2007. Blair, along with his wife Cherie, registered a UK company named Harcourt Ventures Ltd. to buy a British Virgin Islands entity named Romanstone International Ltd., which owned a building in London valued at $8.8 million. The Romanstone property was a subsidiary of a real estate firm owned by the family of Zayed bin Rashid al-Zayani, Bahrain's industry and tourism minister. By simply purchasing the company that owns the property, the Blairs were not obligated to pay property taxes, saving them more than $400,000 according to the *Guardian.*

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