

# People with secret bank accounts exposed

LONDON, UK: Millions of emails and leaked records from offshore tax havens have exposed the identities of thousands of holders of offshore accounts, including the family of the president of Azerbaijan and French President Francois Hollande's one-time campaign treasurer, *The Guardian* and *Le Monde* newspapers reported on Thursday (4 April).



The alleged involvement of Jean-Jacques Augier adds to the pressure on Hollande, who is already on the defensive after his former budget minister Jerome Cahuzac was charged in a tax fraud probe.

*The Guardian* said the information came from a leak of two million documents and emails which mainly concern the British Virgin Islands, but also the Cayman Islands.

The investigation into offshore accounts has been carried out by a variety of media organisations in conjunction with the Washington-based International Consortium of Investigative Journalists (ICIJ).

*The Guardian* says there is no suggestion that any of the individuals named in its report have behaved unlawfully and that the only thing they have in common is that "they have used a jurisdiction which provides them with secrecy", allowing them to avoid tax.

One of Mongolia's most senior politicians, former finance minister Bayartsogt Sangajav, told the ICIJ he was considering resigning after the study claimed he had set up an offshore entity and a secret Swiss bank account which at one point contained more than US\$1m.

"I shouldn't have opened that account. I should have included the company in my declarations," he said. "I should probably consider resigning from my position."

## Virgin Islands

*The Guardian* said three entities were set up in the British Virgin Islands in 2008 in the names of Azerbaijan President Ilham Aliyev's daughters Arzu and Leyla. The companies list Hassan Gozal, a wealthy businessman whose company has won major contracts in Azerbaijan, as a director. None of the parties involved made any comment.

*The Guardian* and French newspaper *Le Monde* reported that Augier, who controlled the purse strings for the last year's election campaign of President Hollande, holds shares in two companies registered in the Caymans, including a distributor

based in China.

Augier told *Le Monde* he had done "nothing illegal" and said they had been set up to form partnerships with foreign entrepreneurs.

But the report is another headache for Hollande, who is reeling after Cahuzac, his former budget minister, was charged in a tax fraud probe after he admitted having a secret foreign bank account which he had repeatedly denied having.

Another case cited by *The Guardian* was the wife of Igor Shuvalov, a businessman close to President Vladimir Putin who has been first deputy prime minister since 2008, is recorded as setting up several offshore companies. Olga Shuvalova made no comment.

The ICIJ's exploration of offshore accounts began when it obtained a computer hard drive packed with corporate data as a result of Australia's Firepower scandal, a case involving fraud and offshore havens.

The European Commission reacted to the reports by calling on EU states to do more to tackle tax fraud, estimating it costs their cash-strapped governments around a trillion euros a year.

"For the Commission, there can be no exceptions whether for individuals, companies or third countries who abet tax evasion," Commission spokesman Olivier Bailly said.

Source: *AFP* via I-Net Bridge

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