

# ICIJ Releases Offshore Leaks Database

## Revealing Names Behind Secret Companies, Trusts

*Readers can search information about the ownership of more than 100,000 offshore entities in tax havens and discover the networks around them*

By Marina Walker Guevara

When Bernard Madoff built his \$65 billion house of cards; when food distributors passed off horsemeat as beef lasagna in Europe; and when Apple, Google and other American companies set up structures to channel their profits through Ireland— they all used tax havens.

They bought secrecy, minimal or zero taxes and legal insulation, the distinctive products that tax havens market and that allow companies to operate in a fiscal and regulatory vacuum. Using the offshore economy is akin to acquiring your own island where the rules that most citizens follow don't apply.

[The International Consortium of Investigative Journalists](#) publishes today a database that, for the first time in history, will help begin to strip away this secrecy across 10 offshore jurisdictions.

The Offshore Leaks Database allows users to search through more than 100,000 secret companies, trusts and funds created in offshore locales such as the British Virgin Islands, Cayman Islands, Cook Islands and Singapore. The Offshore Leaks web app, developed by [La Nación newspaper](#) in Costa Rica for ICIJ, displays graphic visualizations of offshore entities and the networks around them, including, when possible, the company's true owners.

### Attacking Apathy

The data are part of a cache of 2.5 million leaked offshore files ICIJ analyzed with 112 journalists in 58 countries. Since April, stories based on the data — the largest stockpile of inside information about the offshore system ever obtained by a media organization — have been published by more than 40 media organizations worldwide, including *The Guardian* in the U.K., *Le Monde* in France,

*Süddeutsche Zeitung* and *Norddeutscher Rundfunk* in Germany, *The Washington Post* and the Canadian Broadcasting Corporation (CBC).

ICIJ's investigation — called Offshore Leaks by the Twittersphere and the public — has shaken the political and economic establishments from South Korea to Canada, sparking investigations, resignations and a renewed sense of urgency among world leaders that this is the time to rein in offshore abuses.

EU Commissioner Algirdas Semeta [said](#) the ICIJ's investigation has transformed tax politics and amplified political will to tackle the problem of tax evasion — knocking down what the *Euobserver* called “[a wall of apathy](#)” in Europe that had thwarted previous attempts to attack offshore secrecy.

“I personally think Offshore Leaks could be identified as the most significant trigger behind these developments ... It has created visibility of the issue and it has triggered political recognition of the amplitude of the problem,” he told *EU Observer*.

Semeta said the need for tax transparency overrides the principle of data privacy.

During a visit to the White House in May, British Prime Minister David Cameron made [a strong pitch](#) for tackling what he called “the scourge of tax evasion,” one of the central themes of next week's “G8” meeting, in Northern Ireland, of leaders of eight of the world's wealthiest countries. “We need to know who really owns a company, who profits from it, whether taxes are paid,” said Cameron, who is under pressure from the international community to address the role of Britain's crown dependencies and territories in the offshore economy.

Anti-corruption advocates are pushing Cameron to persuade the other G8 leaders to support proposals that would require owners of shell companies to register their holdings in public registries.

ICIJ's Offshore Leaks Database reveals the names behind more than 100,000 secret companies and trusts created by two offshore services firms: Singapore-based Portcullis Trust Net and BVI-based Commonwealth Trust Limited

(CTL). TrustNet and CTL's clients are spread over more than 170 countries and territories.

The Offshore Leaks web app allows readers to explore the relationships between clients, offshore entities and the lawyers, accountants, banks and other intermediaries who help keep these arrangements secret.

While the database opens up a world that has never been revealed on such a massive scale, the ICIJ Offshore Leaks Database is not a "data dump" – it is a careful release of basic corporate information. ICIJ won't release personal data en masse; the Offshore Leaks Database doesn't include records of bank accounts and financial transactions, emails and other correspondence, passports and telephone numbers. The selected and limited information is being published in the public interest.

### **Pressure for Change**

ICIJ's reporting to date has revealed the offshore dealings of politicians, oligarchs, rogue nations and even religious leaders. While many of the arrangements are perfectly legal, extensive reporting by ICIJ and others show that the anonymity granted by the offshore economy facilitates money laundering, tax evasion, fraud and other crimes.

Even when it's legal, transparency advocates argue that the use of an alternative, parallel economy undermines democracy because it benefits a few at the expense of the majority.

After 17 months of reporting, ICIJ reporters and partners are still digging into this massive trove of financial information. The Offshore Leaks Database gives ICIJ an opportunity to reach journalists and regular citizens in every corner of the world, particularly in countries most affected by corruption and backroom deals. ICIJ believes many of the best stories may come from its readers when they explore the database.

As it fields tips from the public, ICIJ will continue to work on in-depth, cross-border investigations with its network of reporters and media partners. At the

same time, ICIJ will continue to reject demands from governments that it turn over all of the files in its offshore trove. ICIJ is an independent network of investigative reporters — not an arm of government.

Some of the same governments that at one time requested ICIJ and its partners to hand over the full cache of files later announced that they have been working on a gigantic leak of offshore documents similar to those obtained by ICIJ. U.S., U.K. and Australian tax authorities said they will share the data with other governments.

The release of the Offshore Leaks Database happens at a time of economic turmoil. Many countries are still fighting the effects of the 2008 financial crisis, putting leaders around the world under unprecedented domestic and international pressure to make sure tax revenue is not lost to offshore havens.

Within days of ICIJ's April release of dozens of stories based on the secret offshore files, French president Francois Hollande called for the "eradication" of tax havens. Europe's largest economic powers — the U.K., France, Spain, Italy and Germany — announced that they will start exchanging bank information.

The surprise was even bigger when tiny Luxembourg, long known as one of the world's most secretive tax havens, said it will share information with tax authorities about European and U.S. citizens with bank accounts in the country. Another "onshore" European tax haven, Austria, saw the country's most powerful banker, Herbert Stepic, resign in May in the wake of an Offshore Leaks story that revealed he used companies in Hong Kong and the British Virgin Islands to conduct property deals he did not report to his employer, Raiffeisen Bank International AG.

Meanwhile, U.K. Prime Minister Cameron is trying to clean up his own backyard: the 10 crown dependencies and overseas territories that serve as tax havens. He has summoned their top ministers to London this weekend to try to convince them to share tax information widely with governments around the world. In a letter to the territories, Cameron told them that the time has come to "knock down the walls of company secrecy."

Semeta, the EU tax commissioner, said the change in EU politics – after years of stalling – is due to “a perfect storm” of events, including ICIJ’s Offshore Leaks.

“Secrecy is no longer acceptable. We need to get rid of it,” Pascal Saint-Amans, tax policy director for the Organization of Economic Cooperation and Development, told *The Toronto Star*. “If the rules make it possible, then we’ll change the rules.”

