

Answer to Question

The Leaked Panama Papers and the Motives!

(Translated)

Question:

The leaked Panama Papers are still the subject of discussion amongst the media and politicians, especially those named in the documents... I have read an article in Al-Raya Newspaper, Issue No. 73 which concludes that America is behind these leaks... and my question is: Is it true that America is behind these leaks? Moreover, what has been written about the leaks suggests that they are to strike at tax havens and this means that there is an economic aspect, but I did not find it in the article, to what extent is the economic purpose in these leaks? In other words, is the motivation for these leaks political, as stated in the article, or that there is also an economic motive? Please clarify this matter, thank you.

Answer:

As stated in the article that America is behind these leaks, it is true, as for the question of the existence of an economic motive behind the leaks, in addition to the political motivation that is stated in the article, yes, there is an economic motive, but the article focused the discussion on the political side of these leaks, and did not elaborate on other aspects... All in all, we will highlight the subject of the leaks further, and elaborate, Allah willing, the political and economic motives for a clearer picture in all its aspects, and Allah grants the success.

First, the reality of the Issue:

1- With the beginning of April 2016, the world press was ignited with the news of the wealth and corruption of political heavyweights across the world, that was revealed by the German newspaper *Süddeutsche Zeitung* after it received 11.5 million leaked documents covering the daily business of the Mossack Fonseca law firm since it was founded in Panama in 1977. It is worth mentioning that this leak to the German newspaper was received a year ago from a source the newspaper called "John Doe", described by one of the founders of the company Ramon Fonseca as the only offense in these documents which does not violate the law, i.e. hacking of the computer itself. As for the analysis of the information contained in this voluminous documents, it was handed over by the German newspaper to the International Consortium of Investigative Journalists (ICIJ) who collaborated with 370 journalists from around the world in the process of analyzing the information over a year ago, before the Panama Papers were dramatically released... while the leaks did not exceed 149 documents from the original 11.5 million (Alghad TV, 04/04/2016). They reveal the financial trades made in the tax havens of the current and former Heads of State and political figures and businessmen. The leaks have sparked a global uproar, where analysts described the Panama Papers as the largest investigative data journalism and leaks in the history of mankind, and the most dangerous in varying stages than the famous WikiLeaks.

The ICIJ revealed, "that the documents were obtained first by the German newspaper *Süddeutsche Zeitung* before they took charge of distributing them to 370 journalists from more than 70 countries for investigation, the hard work continued for about a year." (Al-Jazeera, 04/04/2016) "But the German newspaper says it has "received that information through a secret channel from an unknown source, without receiving money in return for that service, except for requesting the provision of non-specific security measures (immunity)..." (Same source) And the documents contain data for more than 214,000 offshore entities in more than 200 countries in the world. The ICIJ added that "documents showed the involvement of a large number of international figures, including 12 heads of state and 143

politicians in illegal acts such as tax evasion and money laundering through offshore companies" (Al-Jazeera, 04/04/2016). Ramon Fonseca, one of the founders of the company confirmed the authenticity of the documents cited in the investigations published in hundreds of newspapers, however, "he has denied that his company has committed any wrongdoing." He admitted "the occurrence of a successful hacking, but it is limited, to the company database," the same source. The two journalists in the German newspaper *Süddeutsche Zeitung*, who obtained the documents, confirmed, "We barely got to the half of the available leaks, and in the coming days we will publish topics that concern a lot of countries that will top the headlines!" (Al-Jazeera, 08/04/2016)

2- The repercussions associated with this great journalistic earthquake led to the resignation of the Prime Minister of Iceland; and British Prime Minister Cameron faced an embarrassing position; and Russian President Putin was enraged when he answered the question. Many countries around the world opened investigations on their officials regarding those major financial scandals, the German newspaper and the ICIJ reported that the next wave of these documents will be the most shocking.

With all this great political momentum, however, the amount of unimaginable amounts of money rolling in secret "offshore" transnational firms might suggest that the economic objectives behind these leaks are no less important than the political goals. Mossack Fonseca law firm is one of the main companies that provide legal services across the world to create offshore companies that manage vast fortunes of officials who do not want to disclose their identity while conducting financial transactions, this is by burying them in bank hideaways, hidden away called "tax havens", and this is the same for real companies that want these legal facilities provided by the likes of Mossack Fonseca. It will be like working between the borders of countries in a "Free Zone" without paying taxes inside countries, except the sum agreed upon with the "tax haven" country at the founding of the offshore company. The Panama Papers are the correspondence 214,000 offshore companies established by Mossack Fonseca as multiple tax havens. Therefore, the verdict on the Panama Papers will be based on the political and economic dimensions.

Second, the political consequence of the leaks:

The dangerous leaks of the wealth and property of officials in dozens of countries, cannot be unintentional, because these leaks affect heavyweights as the president of Russia, it is not the work of small countries. Following the strings of these leaks and statements by politicians about them, shows that America is behind this, as in the following:

1- The German newspaper *Süddeutsche Zeitung* was the one chosen by the unknown source to share those documents. It specializes in security matters and often it receives leaks from the German intelligence service, when they want to publish them, the newspaper was the first to reveal in 2010 the location of the Mossad operations room in Austria, which was responsible for the assassination of al-Mabhouh in Dubai. It was the one which published leaks from the German internal intelligence service, that the German national intelligence agency spied on European countries for several years on behalf of the US National Security agency (BBC, 30/4/2015). This scandal embarrassed Merkel in front of the European countries, the newspaper revealed that the goals for the German spying for America, included the French Presidential Palace, the Foreign Ministry and the European Commission as well as industrial and economic targets in Europe. It is worth mentioning that this disclosure was to ease the tension in Germany due to the agent Snowden's leaks that America is spying on a large-scale in Germany, including Chancellor Merkel's phone. This means that it was for an American purpose to dampen the tension in Germany on the grounds that there is spying taking place from the German side too!

It is clear that these US objectives have been achieved through the German intelligence services through the *Süddeutsche Zeitung* (SZ) ie, that the US security strings have a link to this newspaper over past events prior to the Panama Papers. *Süddeutsche Zeitung* Newspaper was the first newspaper to obtain a license from the American military

administration in Bavaria, on 6th of October 1945, five months after the end of World War II in Germany, [Wikipedia] and the head of the newspaper, Hans Leyendecker is a well-known German journalist, who was a CIA agent for a very long time. [<http://whitetelevision.se/> 03/04/201]

Bradley Birkenfeld, an American citizen was the whistleblower of Swiss banks to the US authorities, he said regarding the Panama leaks: "*If the National Security Agency, and the CIA, are spying on foreign governments, couldn't they spy on a law firm like this?! They give information selectively to public opinion, which does not harm the United States in any way... there is something sinister behind these leaks*". (<http://www.cnn.com/2016/04/12/swiss-banker-whistleblower-cia-behind-panama-papers.html>)

The WikiLeaks site mentioned in a tweet on its Twitter account that the leak of documents of the Mossack Fonseca firm was directly funded by the US government and the American billionaire George Soros. (Al-Wafd, 09/04/2016) And Morgan Mossack, of German origin, who is the first-founder the Mossack Fonseca is surrounded by suspicions that link him to the American CIA... and according to the "previous intelligence files."

Mossack offered to spy for the US Central Intelligence Agency (Elaph Egyptian site, 04/04/2016). Mossack refused to comment on the Paper scandal (Elaph, 08/04/2016). The comments that are heard from the firm is of his partner Fonseca, who is an adviser to the President of Panama... Note that the Mossack firm had prior dealing with US intelligence, this has been the company used by CIA agents in "what is known as the scandal of Iran - Contra in the eighties" (Russia Today, 12/04/2016).

2- These documents were moved from the German newspaper to the ICIJ based in Washington a year ago, and there in Washington the data analysis of the Panama Papers took place, nearly 11.5 million documents, and continued throughout the year! It is an expensive process, 370 journalists took part in it... (the ICIJ is known for its crooked work, it was the one that published in 2013 the \$2.5 million worth of information files stolen from 120,000 offshore companies, it is also the one that revealed in 2014 the contracts signed between multiple nationality companies and Luxembourg, to take advantage of tax concessions. In 2015, it also revealed the British bank accounts of HSBC in Switzerland. The ICIJ is funded, without a doubt, by several organizations linked to the CIA, like Ford, and institutions of George Soros... (Voltaire.net.org, 08/04/2016)

3- There are many western and eastern analysts and watchdogs believe that America was behind the Panama Papers scandal, and their evidence is the absence of American names and their companies from the Panama Papers, they have noticed that there is relatively little documentation of American politicians and businessmen and American institutions. The McClatchy Newspapers groups, is the only American news organization that participated in the analysis of documents, and no other major and large newspapers or American media agencies participated. Newspapers that participated in the analysis of documents found only four Americans mentioned in the documents, they have all been charged in the past with or convicted of financial crimes such as fraud and tax evasion, i.e. the four were known criminals from before!

The French *Minute* Newspaper has confirmed this observation, it indicated "that the failure to mention the United States in the Panama Papers has fueled suspicions among everyone that the CIA is behind the leak for instability in some countries, especially Russia. The newspaper reported that from China to Russia through to the United Kingdom, the disclosure of the Panama Papers exposed the involvement of many prominent officials around the world without so far pointing out the main player in global financing, which is the United States of America. The paper concluded by saying that "despite the justifications offered by the US about the lack of its link with these leaks, but all doubts are hovering around it, in light of the old policy it followed based on the revelation of the dirty leaks in order to influence the opponent and creating a state of frenzy and instability in the world at the time it determines, according to the course of events in order to serve its interests." (akhbarelyoum, 09/04/2016)

4- These leaks included political figures that America intended to shaken, weaken, and expose their corruption, the main ones are:

a- Putin, the first wave of leaks focused on Putin's men, this was considered to be a part of US politics, which raises problems for Russia in the Caucasus, Central Asia, Ukraine, the most recent but not the final one was the removal of Russia from participating in the recent nuclear summit set in Washington. The Kremlin's response was direct, when its spokesman Peskov, who accused Washington of being behind the leaks, saying, "The majority of workers in the ICIJ are not journalists, but many of them are current and former employees of US State Department and the CIA and other bodies of US intelligence." He stressed, "We know who funds this institution". (Russia Today 4/4/2016)

Putin said, in the context of questions and answers via Russian television regarding the Panama Papers, "No matter how bizarre is the matter, but this information is not credible, but we have the impression that they do not come from journalists, but from men of law." Putin questioned: "Who is practicing these provocations? We know that they are employees of official US organizations." He stressed that the German newspaper *Süddeutsche Zeitung*, which revealed the scandal "belongs to the media group belonging to the US financial institution, Goldman Sachs" and predicted more of such provocations with the approach of the Russian parliamentary elections in September." (Ash-Shurooq, 14/04/2016)

b- The leaks included, the British prime minister himself, who appeared disorderly in dealing with this issue, and his popularity actually declined 8 points during the week of the leaks, despite the disclosures of his tax records and that the issue citing him in the Panama Papers only amount to 30,000 sterling pounds! Nevertheless, this is a critical time for the British prime minister who wants to throw his weight to push the British public to vote for the survival of Britain in the European Union. (The British Prime Minister David Cameron, faced questions, criticisms and demands to reveal his tax records after his father's name was mentioned in the Panama Papers... and the documents showed that Cameron's father Ian was a client of the legal services firm, Mossack Fonseca, and used secret measures despite the legality of investment in the company outside Britain... Cameron stressed in an interview with the British ITV News that he paid all the taxes due on the interest earned by the sale of those shares, pointing out that the objective of the establishment of the company by his father was not for tax evasion. (Arabi 21, 16/04/2016)

c- The leaks included China as well, the papers revealed *"The brother-in-law who can't be named is none other than Deng Jiagui... Deng is among a handful of elite Chinese with family ties to at least eight current or former top leaders named in reporting and documents about offshore holdings published this week by the International Consortium of Investigative Journalists (ICIJ). In addition to Deng, the papers note in-law ties to Liu Yunshan and Zhang Gaoli, who are on the Communist Party Politburo Standing Committee, the seven-member group that ultimately rules China. Also appearing in the leaked documents from a Panamanian law firm is a host of relatives of four former politburo members."* (The Washington Post, 7/4/2016) There is no doubt that this contributes to the concern of the Chinese President and affects to some extent China's political movements, even if the communist regime in China does not care so much!..

d- The leaks have included a number of current and former Muslim rulers... but they are insignificant for two reasons: first because they are agents for America and Britain. It included American agents like Makhlof's sons who surround Assad in Syria, and King Salman in Saudi Arabia and the sons of the ousted Mubarak in Egypt and many others, as well as Britain's agents like the Princes of Qatar and the UAE and the former Prime Minister of Jordan Abu Al Ragheb, and many others. And the second: is that these rulers are already despised and so the paper leaks do not add anything that draws attention, and the public do not care about them... If the leaks had toppled the Prime Minister of Iceland, it is not significant enough to the level of threat to the thrones of these rulers, then those rulers must be immersed in the corruption, and these documents are but a small addition to their

situation. The leaks regarding them were probably for distraction from the real mastermind of these leaks, someone might argue: that the mastermind is America, because it is exposing the British agents... And another might answer: No it is Britain, and it is exposing the American agents!! It is clear that this reasoning does not play a significant argument.

Thus, after scrutinizing the political dimension, it shows that America is behind these leaks.

Third, the economic dimension of the leaks:

America sought economic objectives from these leaks mainly to achieve two central aspects: elimination of tax evasion, and in particular from US firms that possess massive wealth whereas taxes on their money would save the American financial situation, which is in crisis... And the second is to expose tax havens and specifically the British ones to jolt the British economy and attract capital in these havens to revive the US economy... and this is as follows:

1- The globalization policy followed by the US during President Clinton's term led many American capital owners to place their wealth outside its borders. The US wants to break down the barriers of the countries and to colonize them economically. The US treasuries were searching for their prey in weak stock markets, and the US industries as well as were looking for cheap labor. It had succeeded in financial control through globalization, but on the other hand, American capitalists also found a way to evade heavy US taxation, they did not want to return to the borders of their country's tax system. In order to complete the system of globalization and to facilitate capital movement, the introduction of a new type of transnationals so-called "offshore" firms emerged, they registered in one country, but are active in another country, and they deposit their money in a third country, but may be run by another company from a fourth country. This was often the "offshore" name their representatives, such as Mossack Fonseca or other people other than the actual owners. These non-illegal procedures have led to the distortion of the actual capital owner and thus American capitalists were in a position to evade a large amount of their government's taxes in which they were enabled by these 'front organizations' (shell companies) to conceal the names of the real owners. Since they are registered in countries and islands with a weak tax system, in fact, most of the offshore companies pay lump sums each year to the host country at their inception - the tax havens countries - thus the capitalists worked and profited without having to pay actual-value taxes.

2- This is from the viewpoint of tax evasion; however from the angle of the corruption, especially for politicians with massive capital, the Swiss banks were a hideout of the enormous amounts of dirty money but with the advent of the global openness and according to globalization and the emergence of the offshore organizations, this opened up new horizons for these politicians in order to bury their illegal wealth. Accordingly Britain was quick to ease the tax systems for many of the territories under the British Crown Dependencies in the Caribbean Sea such as the Virgin Islands, Jersey and Guernsey, the Isle of Man, as well as it did with some of its follower-agent countries like Cyprus, Dubai and the Seychelles in the Indian Ocean. Thus, these small islands became big tax havens that host astounding capital from the fortunes of corrupt officials and real trade companies, who flee from their countries' taxation.

What Britain did, was copied by America in some of its states like Wyoming, Delaware, Nevada and in some countries under its control like Panama. It is worth mentioning that this service - and the financial operations of the company Mossack Fonseca and similar operations are legal, but they have an open-door for tax evasion and concealment of wealth.

Although the owners of the tax evasion companies carry out actual business operations in stock markets and other places, but the corrupt officials' funds are not used in actual trade, so they use the system of the offshore companies as a way to hide and bury treasures in the

hidden islands. Therefore they or their representatives hire law firms like Mossack Fonseca to manage their wealth, and so these companies managed to establish financial funds with huge capital that reflects the enormous volume of accumulated wealth through government corruption in many countries. These financial funds are used for the invasion of weak stock markets in order to loot them; and it is facilitated by officials in that country, "the owners of the deposited money" and through a network of corruption and paying large bribes to facilitate their work in that country, to suck people's money and steal them, and escape to those islands that people who are ripped off barely know!

3- After America fought its expensive wars in Iraq and Afghanistan, it was more in need for money, especially when the global economic and financial crisis exploded in 2008 and the subsequent fierce economic war between America and Europe, and both Europe and America adopted the policy to protect their markets. Then came the banking sector battles and currency battles, which still continues unabated to this day. The famous European banks such as Barclays, Credit Suisse, Deutsche Bank and Standard Chartered... etc., came under severe sanctions by US Bank regulators, and now the focus has shifted from this economic war towards tax evasion, with a view to expose tax havens, and bring the money into the US banking system. In many respects, this war is yet to be over, which drove the United States to make great strides in exposing secret Swiss banks. (<http://www.wsj.com/articles/inside-swiss-banks-tax-cheating-machinery-1445506381>)

Moreover, it seems that the British tax havens are the goal. The newspapers reported that the island of Panama is most popular as a British tax haven, and that the number of British companies that have been registered were subject to the leaks are 113,000 out of 215,000. (<http://www.wsj.com/articles/panama-papers-raise-pressure-on-u-k-to-rein-in-offshore-tax-havens-1459966548>). Nicholas Shaxson, author of *Treasure Islands*, a book about tax havens, said that "London is the epicentre of so much of the sleaze that happens in the world," This is described by a British expert calling London the centre of a "spider's web". which are the remains of the vast empire like the Virgin Islands. (<http://www.channelnewsasia.com/news/world/panama-papers-reveal/2672152.html>)

4- With the weakness of tax collection, the US debt unprecedentedly rose and continued to rise in a form that threatens the future of America as a superpower. (When President Obama came to office on 20th of January 2009, the total federal debt amounted to \$10.6 trillion, and according to the latest statistics, the debt rose to more than 19 trillion dollars. The 2016 budget plan, signed by Obama, included raising the debt ceiling from \$18.5 trillion to \$19.6 trillion, and under the dynamic debt growth, it seems that the US government will be forced to raise the debt ceiling again. (Russia Today, 02/02/2016)). As a result, America began searching for big money across the world to prevent the bankruptcy of the American country. It began this policy through a campaign to break restrictions of the secret deposits in Swiss banks, and had finally succeeded in breaking the privacy strongholds used in those banks, Swiss banks have become obliged to disclose its files of US citizens to the US government. Indeed, America started attacking the global economy sectors that are far from its influence, like its attack in 2015 of the International Federation of Association Football (FIFA) with the pretext of corruption, to find a foothold in this major economic sector...

Although the United States stresses in the collection of taxes in America, what Oxfam mentioned (the Egyptian Youm7, 15/14/2016) that 50 giant US corporations hide \$1.4 trillion in tax havens, is the essence of what America is looking for from the leak of the Panama Papers. Here we can say with certainty that America through the leaked documents, also aims to revive its economy and not only strike the President of Russia, China, and British Prime Minister. This view is enhanced if we know that the volume of money hidden in those hidden islands is estimated at 30-40 trillion dollars (Russia Today, 5/4/2016), this is real astronomical wealth that the world has never known before, due to the looting operations of many populations during a century. To understand this figure it is worth a million tons of gold, a significant number... that is, it is this wealth that can rescue the US economy and

state, no doubt that this is a significant gain if it was able to attract these funds to be taxed in the United States.

5- America wants to achieve both economic aims: to prevent tax evasion operations and bring big fortunes of the corrupt back. It was clear also, in the first comment by President Obama on the issue of the Panama Papers when he said: "In the news over the last couple of days we've had another reminder in this big dump of data coming out of Panama that tax avoidance is a big global phenomenon. It is not unique to other countries because frankly there are folks here in America who are taking advantage of this same stuff," the president said. "A lot of it's legal, but that's exactly the problem. It's not that they're breaking the laws, it's that the laws are so poorly designed that they allow people, if they've got enough lawyers and accountants, to wiggle out of responsibilities that ordinary citizens have to abide by." (<https://www.whitehouse.gov/the-press-office/2016/04/05/remarks-president-economy-0>)

Thus once again studying deeply the economic dimension confirms that America is behind these leaks.

Finally, it is not surprising that such documents exist that reveal the corruption of the capitalist ideology, and the lack of values in it except for the material value, whose followers engage in increasing wealth through dirty ways... This ideology is completely evil, and this evil will not go away as long as this ideology dominates the world.

The world will be a better place when the governing evil capitalism is eradicated, together with all man-made systems not legislated by Allah (swt)... and then the great ideology of Islam will dominate, embodied in the righteous Khilafah State (Caliphate) which will spread goodness wherever it is present, and the world will be blessed with this good... And then the Earth will shine with this good and the truth will be proclaimed everywhere:

"And say, "Truth has come, and falsehood has departed. Indeed is falsehood, [by nature], ever bound to depart." [Al-Isra': 81]

Allah is All Capable.

28 Rajab 1437 AH

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