

The press review

1-15 May 2016

Prepared by Transparency International Luxembourg

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NATIONAL NEWS

Luxemburger Wort

#TTIPleaks

Greenpeace leaks US-EU trade papers,
fears for consumers



This photo shows a ttipleaks inscription on a glass container near the Brandenburger Gate, in Berlin on May 2. Greenpeace published documents showing that TTIP poses "major risks for climate, environment and consumer safety".

Photo: AFP

Published on Monday, 2 May, 2016 at 14:25

(AFP) Greenpeace charged Monday that a massive US-EU trade deal would place corporate interests above the environment and consumer safety, as it released classified documents from the negotiations.

The campaign group published 248 pages online to "shine a light" on the closed-door talks to forge a so-called Transatlantic Trade and Investment Partnership (TTIP), which would be the world's largest bilateral trade and investment agreement.

"This treaty is threatening to have far reaching implications for the environment and the lives of more than 800 million citizens in the EU and US," said Greenpeace as it presented the documents in Berlin.

'Transfer of power to big business'

Both Washington and Brussels want the mega-deal completed this year before US President Barack Obama leaves office, but the agreement in the making has faced mounting opposition on both sides of the Atlantic.

In Europe there is deep suspicion that TTIP will erode social, ecological and consumer protections to the advantage of big business, while the US has also seen rising protectionist sentiment.

Greenpeace said the papers show, for example, that the US wants to be able to scrap existing EU rules in areas such as food labelling or approval of dangerous chemicals if it they spell barriers to free trade.

"TTIP is about a huge transfer of power from people to big business," the group argued, having also projected an image of a classified text passage onto the facade of Berlin's parliament building.

Concerns about protection of consumers, food safety

In Brussels, Trade Commissioner Cecilia Malmstroem insisted that the papers "reflect each side's negotiating position, nothing else. And it shouldn't come as a surprise that there are areas where the EU and the US have different views".

"It begs to be said, again and again: no EU trade agreement will ever lower our level of protection of consumers, or food safety, or of the environment," Malmstrom said in a blog.

Greenpeace said the cache, a snapshot from ongoing talks, represents two-thirds of the TTIP draft text as of the latest round of talks in April, and covers a range of sectors from telecoms to autos to agriculture.

Germany's Sueddeutsche Zeitung daily, which received the documents early, said they indeed "show that the opponents' fears are not unfounded ..

The Munich-based daily said the papers show that the US side is trying to use the carrot of easing restrictions on auto imports from Europe for concessions on its agricultural exports, perhaps including genetically modified foods.

The Sueddeutsche--the paper behind the publication of the so-called Panama Papers--also charged that some political leaders who publicly defend TTIP "either don't know the status of negotiations, or are deliberately leaving the public in the dark".

The newspaper focussed on a controversial TTIP proposal to set up private investor courts that would allow multinational companies to sue governments if they deem public policy to hinder fair competition.

While Brussels and Berlin had suggested, after strong opposition, that the investor courts are off the table, the newspaper said that "that was not and is not true".

Although the EU had made such a proposal, "the Americans flatly rejected it" and the issue had not been seriously negotiated yet.

'Substantial work' remains

TTIP is billed as a free-trade deal for the 21st century, focused on harmonising regulations, lowering barriers on investment, opening access to government contracts and addressing new areas like data trade.

Last week, Obama and German Chancellor Angela Merkel made a joint pitch for TTIP, saying it would spur much-needed economic growth.

Following the latest negotiations last month, US and EU said they had made progress but "substantial work" remained to agree a deal in 2016.

They said that while 97 percent of tariff issues had been covered, three percent--the most challenging, including for farm products--remained.

French newspaper Le Monde, which also had access to the leaked documents early, said they showed that "the Europeans (are) more involved and more interested in negotiations" than the Americans, whose stance it described as "reluctant".

Greenpeace said the confidential documents prove that long-standing environmental protections are being ignored and that, for example, there is no mention at all in the proposed text of global goals to reduce greenhouse gas emissions.

"These leaked documents confirm what we have been saying for a long time," said Greenpeace EU director Jorgo Riss. "TTIP would put corporations at the centre of policy-making, to the detriment of environment and public health."

LuxLeaks: PwC demande un euro symbolique



PwC a demandé une peine d'un euro symbolique à l'encontre de Raphaël Halet et Antoine Deltour, anciens employés du cabinet d'audit.

LUXEMBOURG - Le cabinet d'audit n'a demandé ce mercredi qu'une peine symbolique contre les lanceurs d'alerte Antoine Deltour et Raphaël Halet.

Le cabinet PwC ne veut pas réclamer de lourde peine aux prévenus. L'avocat du cabinet d'audit a demandé ce mercredi une peine d'un euro symbolique à l'encontre d'Antoine Deltour et Raphaël Halet, anciens employés de l'entreprise. Ils sont accusés de vol et violation du secret professionnel. «Cela ne veut pas dire que PwC n'a pas subi de préjudice, au contraire, a expliqué maître Hervé Hansen. En 2012, le préjudice avait été provisoirement évalué à 10 000 euros, mais il est en réalité beaucoup plus important».

L'avocat estime que chiffrer avec précision les dommages pour l'entreprise «demanderait une instruction considérable». PwC chercherait seulement à «faire reconnaître sa qualité de victime». L'avocate de Raphaël Halet, maître May Nalepa, estime que les préjudices pour PwC sont limités, voire «fort douteux». «Le chiffre d'affaires a bondi depuis 2013. Vous analyserez si Price a souffert ou non de ces révélations!», a-t-elle souligné.

«Il n'allait pas envoyer un mail sur guichet.lu!»

Selon elle, son client a fait son geste de manière désintéressée: «C'est un enjeu de démocratie, plus important que les termes du contrat de travail». Le client de Me Nalepa n'aurait pas eu d'autres solutions après avoir «pris conscience de ce qui se passait» dans son entreprise: «Il risquait des sanctions s'il parlait à son employeur, et il n'allait pas envoyer un mail sur guichet.lu! Il es donc allé voir Édouard Perrin, car le canal était déjà ouvert après le reportage d'Élise Lucet», diffusé en avril 2012, a expliqué Me Nalepa.

Son collègue Bernard Colin, qui défend aussi Raphaël Halet, «ne comprendrait pas que le procureur requiert autre chose qu'une relaxe». «S'il y a sanction, les tordus de la finance trouveront autre chose, les multinationales, qui ne cherchent qu'à tricher, trouveront une autre parade. Halet et Deltour sont les seuls régulateurs de ce système qui marchait sur la tête». Des déclarations accueillies par une salve d'applaudissement venue du public, qui comprend de nombreux soutiens aux accusés.

Un «procès en sorcellerie»

Hervé Hansen a pour sa part ironisé sur le statut de lanceur d'alerte accordé - à tort selon lui - à Antoine Deltour et Raphaël Halet. «Ils n'ont inventé ça que lorsque des poursuites judiciaires ont été engagées». Selon lui Antoine Deltour, par exemple, aurait «eu l'intention de piller le know-how de PwC car il prévoyait de postuler dans d'autres cabinets d'audit s'il ratait les concours de la fonction publique».

Le cabinet PwC ne réclame rien à l'encontre d'Édouard Perrin, «qui n'a jamais été en relation avec l'entreprise». Maître Roland Michel, avocat du journaliste de *France 2*, a affirmé que l'inculpation relevait d'un «immense malentendu» et d'un «procès en sorcellerie». «Édouard Perrin n'a jamais été coupable de vol de documents et n'a jamais demandé de documents précis à Raphaël Halet, tous les éléments, notamment les mails, le prouvent».

L'avocat se demande «si ce n'est pas PwC, en délivrant les documents demandés au compte-goutte, qui aurait instrumentalisé le juge d'instruction».

Marchés publics : transparence exigée

Dans Politique et société 04/05/2016



En 2014, la date d'ouverture à la circulation du pont provisoire, ou «Pont bleu», avait dû être repoussée suite à une fraude constatée au cours de la procédure d'appel d'offres pour la rénovation du Pont Adolphe. (Photo archives Editpress)

Marchés publics : transparence exigée

La nouvelle loi qui encadrera les marchés publics, à partir de 2017, intègre de nouveaux critères d'ordre social et environnemental que les entreprises devront respecter dans leurs candidatures aux appels d'offres.

Le ministre du Développement durable et des Infrastructures, François Bausch, se frotte les mains. En bon écologiste du parti déi gréng, le ministre ne peut que saluer les institutions européennes pour leurs travaux législatifs réformant les conditions de passation des marchés publics. La future loi luxembourgeoise comprendra, en effet, des composantes écolos et durables, si chères aux verts. De même concernant les nouvelles mesures devant garantir la régularité légale des passations de marchés publics : de nouveaux garde-fous devront ainsi permettre d'éviter toute fraude de type conflit d'intérêts, favoritisme ou trafic d'influence, dont certains politiques sont friands...

Bref, la valeur ajoutée de cette future loi est indéniable, dit-on du côté du ministère du Développement durable et des Infrastructures, exemple à l'appui. À savoir celui de la rénovation du pont Adolphe, qui relie le centre-ville de la capitale au quartier de la Gare, en enjambant la Pétrusse.

Pont Adolphe : soupçons de fraude avérés

Pour mémoire, l'ouverture à la circulation du pont provisoire, dit le «pont bleu», avait dû être retardée, en 2014, en raison d'une irrégularité qui avait été décelée au niveau de la procédure d'appel d'offres. « Les offres formulées affichaient globalement toutes des prix modiques, mais une offre s'avérait particulièrement basse », a indiqué le ministre, François Bausch. Après une enquête réalisée par les services de l'État, les soupçons de pratique illégale de dumping social par l'entreprise concernée se sont avérés exacts : « Nous soupçonnions que l'entreprise en cause ne respectait pas le niveau du salaire social minimum luxembourgeois. La deuxième offre, la plus modique, a donc été retenue », a-t-il encore précisé.

Avec la nouvelle loi, ce genre de fraude ne devra plus, en principe, se reproduire. En effet, les acheteurs publics pourront, à l'avenir, refuser d'attribuer un marché au soumissionnaire ayant remis l'offre au moindre prix, si les pouvoirs adjudicateurs établissent que cette offre ne respecte pas les obligations dans les domaines du droit social et du travail, dans le cas spécifique d' «une offre anormalement basse». Dans le même sens, les acheteurs publics pourront également exiger davantage de transparence en matière de sous-traitance et obtenir le remplacement de sous-traitants qui ne respecteraient pas les règles édictées.

Luxemburger Wort

Panama Papers

10,000 offshore companies connected to Luxembourg



View of the facade of the building where Panama-based Mossack Fonseca law firm offices are in Panama City

Photo: AFP

Published on Tuesday, 10 May, 2016 at 11:04

(Lc/las/JB) More than 10,000 offshore companies created by Mossack Fonseca in Panama have a link with Luxembourg, according to data posted online Monday by the international consortium of Journalists (ICIJ).

It may seem a lot but it remains far from the figured of 700,000 cited by Le Soir's Xavier Counasse.

The data shows that the creation of offshore companies was a widespread practice before the financial crisis, with the majority dating from 1982 to 2008.

The use has largely decreased after 2010, especially among banks. A first quick examination of the database shows that it is mainly the law firms that continued to create these entities after 2010, some of which are still active.

Regarding the persons cited in the Panama Papers, the database disclosed does not mention the general manager of the Financial Sector Supervisory Commission (CSSF), Claude Marx, whose name was put forward by the newspaper Le Soir.

The documents show extensive use made of Panamanian companies by HSBC Luxembourg, which created 141 units. BGL BNP Paribas created 13 over two years. But this practice seems to be over with all entities closed in 2012 or 2013.

The Panama Papers was a mass disclosure relating to Panamanian law firm Mossack Fonseca, who enabled clients to stash wealth in the tax haven.



10 mai 2016 20:32

Perquisitions chez Mulliez au Luxembourg

LUXEMBOURG - Des perquisitions ont eu lieu mardi dans des propriétés du groupe Mulliez en France, en Belgique et au Luxembourg dans le cadre d'une information judiciaire.

Cette enquête est «ouverte depuis 8 mois» à la suite d'une «plainte d'un membre de la famille Mulliez», a indiqué cette source, ajoutant: «Cela ressemble à un règlement de compte». La famille Mulliez, connue pour sa grande discrétion, contrôle un empire, présent pour l'essentiel dans le domaine de la distribution. Ses principales enseignes sont Auchan, Décathlon, Leroy-Merlin ou encore Kiabi ou Norauto. Selon le magazine français Challenge, Gérard Mulliez, fondateur d'Auchan, et sa famille étaient à la tête de la quatrième fortune de France en 2015, avec 23 milliards d'euros.

Selon cette source judiciaire, «énormément de documentation» a été saisie mardi, ce qui «va nécessiter plusieurs semaines de travail». Les perquisitions ont notamment eu lieu à Roubaix, dans le nord de la France, où se trouve le siège social du groupe Mulliez, au Luxembourg et à Néchin en Belgique, dans la résidence de Patrick Mulliez, fondateur de Kiabi. C'est dans cette petite ville à proximité immédiate de la frontière française que s'était domicilié l'acteur Gérard Depardieu, pour des raisons fiscales. Plusieurs membres de la famille Mulliez y résident.

En Belgique, les juges ont été saisis sur commission rogatoire internationale déposée par les autorités françaises, a indiqué à l'AFP le parquet de Tournai. Le service de communication du groupe Auchan, principal actif du groupe Mulliez, n'était pas en mesure de répondre mardi soir.

Le groupe Mulliez détient les enseignes Auchan, Decathlon, Saint Maclou, HTM (Boulangier, Saturn), Happychic (Brice, Jules).

(L'essentiel/AFP)

Luxemburger Wort

Mulliez sites across Europe

Police raid Auchan in Luxembourg for possible fiscal fraud



Published on Wednesday, 11 May, 2016 at 08:32

Police in Luxembourg France and Belgium carried out raids Tuesday on premises of the Mulliez distribution group, owners of Auchan supermarket, as part of an enquiry into possible fiscal fraud, judicial sources said.

The enquiry has been open for eight months following a "complaint from a member of the Mulliez family," a source said.

The family is one of France's wealthiest, controlling a distribution network empire throughout Europe, including Luxembourg that includes the Auchan retail chain, Decathlon sports chain and Leroy-Merlin DIY shops.

According to the judicial source "masses of documents" were seized in the searches on Tuesday which will take weeks to sift through.

One of the raids took place in the northern French town of Roubaix, where the Mulliez group is headquartered.

In Luxembourg and Belgium, judges received a formal request from the French authorities for the action, a local prosecutor stated.

Auchan's communications arm did not comment when contacted.

Le Quotidien

INDÉPENDANT LUXEMBOURGEOIS

L'ex-star déchue de la police, Michel Neyret, jugé à Paris pour corruption

02/05/2016



L'ancien numéro 2 de la PJ de Lyon, Michel Neyret, arrive au tribunal correctionnel de Paris, le 2 mai 2016.
(Photo: AFP)

«Séjours de luxe et cadeaux en échange de renseignements et de services» : l'ancien numéro 2 de la PJ de Lyon, Michel Neyret, comparaît ce lundi pour «corruption» aux côtés de huit autres prévenus devant le tribunal correctionnel de Paris.

Celui qui dirigea durant vingt ans la prestigieuse brigade antigang de Lyon est également soupçonné de s'être procuré ou d'avoir tenté de se procurer du cannabis provenant de saisies pour rétribuer des informateurs. La question des relations ambiguës entre policiers et «indics» sera au centre des débats, Michel Neyret ayant justifié ses pratiques par le souci «d'obtenir des résultats (grâce) à une politique offensive de recueil de renseignements qui sous-tendait l'existence d'informateurs de haut niveau».

Et de fait, pendant ses trente-deux ans de carrière, le policier, adulé de ses équipes et de ses supérieurs, a multiplié les performances dans des enquêtes sensibles visant des braqueurs, trafiquants de drogues ou terroristes qui ont bâti sa légende et lui ont valu la Légion d'honneur. «C'était un excellent flic pour ne pas dire un flic exceptionnel, ce qui s'est fait de mieux en tant que chef de brigade de recherche et

d'intervention», a salué lundi sur Europe 1 l'ex-directeur central de la police judiciaire Christian Lothion.

Mais le 29 septembre 2011, tout bascule lorsqu'il est interpellé à son domicile avec sa femme par la police des polices. Mis en examen pour corruption, il sera écroué huit mois avant d'être révoqué de la police et mis à la retraite. Lundi, l'ex-commissaire divisionnaire, habitué des salles d'audience où il a souvent présenté les résultats de ses enquêtes, se trouvera cette fois sur le banc des prévenus. Poursuivi pour huit délits dont corruption et trafic d'influence passifs et détournement de scellés de stupéfiant, il encourt 10 ans de prison.

«L'escroquerie à l'amitié»

Parmi les huit autres prévenus: son épouse Nicole, trois de ses anciens subordonnés Christophe Gavat, Jean-Paul Marty et Gilles Guillotin, trois membres présumés du milieu lyonnais, Gilles Benichou, Stéphane Alzraa et Cyril Astruc et un avocat David Metaxas. Stéphane Alzraa, en fuite, sera représenté par son avocat. L'affaire Neyret a débuté en février 2011 par des écoutes réalisées dans le cadre d'une enquête sur une saisie de drogue en région parisienne.

Les policiers tombent des nues lorsqu'ils entendent un inconnu, qu'ils identifieront comme étant Gilles Benichou, connu pour des affaires d'escroqueries, se vanter d'avoir dans sa poche un pont de la police: Michel Neyret. L'enquête judiciaire démontrera que le policier est intervenu à plusieurs reprises en faveur de Benichou et de ses proches, dont Alzraa et Astruc. Le policier leur a fourni des informations confidentielles et n'a pas hésité à plaider leur cause auprès de collègues et de magistrats.

Selon l'accusation, l'ex-super flic aurait bénéficié en échange de séjours au Maroc et sur la Côte d'Azur dans de luxueux hôtels, de montres de prix et de remises d'espèces, avant la création d'une société suisse au nom de son épouse avec un compte à Dubaï où il aurait dû percevoir des commissions, selon Benichou. Une version contestée par Neyret qui met en avant sa volonté d'obtenir des informations et l'amitié qui le liait à Benichou. Mais qui manipulait l'autre ?

«Michel Neyret faisait partie des gens qui étaient très attirés par ces contacts avec les voyous (...) pour avoir des informations, faire des affaires», a témoigné Christian Lothion. Mais «ces gens qu'il considérait comme ses amis ne voulaient en fait que le corrompre et obtenir de lui certains renseignements. Ce sont des escrocs professionnels qui ont inventé pour lui, l'escroquerie à l'amitié», a estimé l'ex-patron de Neyret.

«Que Michel Neyret ait commis des maladresses, c'est indéniable», concède son avocat Me Gabriel Versini, tout en contestant que «ces éléments soient sources d'infractions». Le procès est prévu jusqu'au 24 mai.

Neuer Anlauf im Kampf gegen Steuerflucht

USA Die US-Regierung unternimmt einen neuen Anlauf, um die Regeln gegen Geldwäsche und Steuerflucht zu verschärfen.



Vor allem soll bei Briefkastenfirmen und deren Hintermännern mehr Transparenz geschaffen werden, wie das Weiße Haus am Donnerstag (Ortszeit) ankündigte. Zudem sollen US-Banken - wie derzeit bereits ausländische Finanzinstitutionen - gezwungen werden, weitere Daten über ihre Kunden preizugeben.

Die USA würden damit näher an die Regelungen des internationalen automatischen Informationsaustausches rücken. "Wir sind bereit, mit dem Kongress zusammenwirken, um auf eine Linie mit den internationalen Anforderungen zu kommen", schrieb Finanzminister Jack Lew an das Parlament.

Briefkastenfirmen in Delaware

Die G20-Finanzminister hatten bei ihrem jüngsten Treffen in Washington alle Länder aufgefordert, dem Mechanismus beizutreten. Die USA sind bisher nicht Mitglied. Entsprechende Vorstöße der US-Regierung sind bisher am Kongress gescheitert, der von den Republikanern dominiert wird. Er müsste auch dem neuen Vorschlag zustimmen. Die Regierung beklagt, dass der Kongress Steuerabkommen etwa mit der Schweiz und Luxemburg seit Jahren auf Eis liegen lässt.

Die USA stehen international wegen mehrerer Steueroasen auf eigenem Territorium in der Kritik. Häufig kritisiert wird etwa der Bundesstaat Delaware an der Ostküste. Europäische Steueranwälte werben mit Steuersparmodellen über Briefkastenfirmen in Delaware. Der Vorschlag der Regierung beinhaltet, dass die Eigner von Firmen in den USA künftig auch dann eine US-Steuernummer benötigen, wenn sie Ausländer sind und nicht in den USA leben.

Nigerian leader, Kerry join UK anti-corruption summit

Agence France-Presse on May 8, 2016 @ 1:05 AM

The presidents of Afghanistan, Colombia and Nigeria will join US Secretary of State John Kerry at an anti-corruption summit in London next week, which British leader David Cameron said Sunday will make the issue a global priority.

The prime minister wants those attending Thursday's day-long summit to sign the "first ever declaration against corruption" that would acknowledge the damage it causes and commit them to tackling it.

"For too long there has been a taboo about tackling this issue head on. The summit will change that. Together we will push the fight against corruption to the top of the international agenda where it belongs," Cameron said.

Issues under discussion will include how to "lift the lid on practices that allow the corrupt to act with impunity", he said in a statement released by Downing Street.

Nigerian President Muhammadu Bahari, Afghanistan's Ashraf Ghani and their Colombian counterpart Juan Manuel Santos will be among those attending, as will Norwegian Prime Minister Erna Solberg.

IMF Managing Director Christine Lagarde, World Bank president Jim Yong Kim, and the head of advocacy group Transparency International, Jose Ugaz, are also expected.

Russia's foreign ministry announced it would be sending deputy foreign minister Oleg Syromolotov.

The summit will also address corruption in sport, with representatives of sports committees, believed to include football governing bodies FIFA and UEFA, due to attend.

Cameron said corruption was the "root of so many of the world's problems", from holding back economic growth to undermining security "by pushing people towards extremist groups".

"The battle against corruption will not be won overnight. It will take time, courage and determination to deliver the reforms that are necessary," he said.

Since the G8 summit in 2013, Cameron has led international calls to tackle aggressive tax avoidance and evasion and global corruption, and is hoping to build on the momentum for change sparked by revelations from the Panama Papers.

But campaigners have warned the British leader must also act on issues within his own jurisdiction, namely the secrecy of British tax havens and the way anonymous money flows through the London property market.

The publication of millions of files from Panamanian firm Mossack Fonseca revealed the large-scale use by wealthy individuals and firms of anonymous companies to evade scrutiny, many of them in British overseas territories.

Cameron's late father was named in the files for an investment fund he had set up in the Bahamas in the late 1980s, but the premier insisted he had done nothing wrong.

<http://www.theguardian.com>

Corruption can no longer be dismissed as a developing world problem

Tuesday 10 May 2016 07.00



By Thursday morning all the A-listers will have arrived. From Washington will fly in a succession of jets, bearing US secretary of state John Kerry as well as the bosses of the IMF and World Bank. Fifa and Uefa will send over their top bureaucrats. Captains of business will trail retinues of lobbyists.

All will join David Cameron and leaders from around 40 nations at an opulent London townhouse overlooking St James's Park. Gathered there, in the slow-beating heart of Downton-ian Britain, they will launch into an almighty battle – over the meaning of a single word.

Not just any old word, mind you. It ranks among the most important terms for describing our broken-backed global capitalism. Indeed, it forms the very title of the day-long summit: corruption.

Explaining why he's called the world's first assembly on corruption, Cameron has said: "It destroys jobs ... traps the poorest in desperate poverty, and undermines our security by pushing people towards extremist groups." Absolutely right. What's wrong is his definition of the term.

For Cameron, corruption equals bribery. It means greasing the palm of a bored official just to get through customs, tipping a hundred to a thuggish traffic cop so you can drive on. Or, at the luxury end of the market, a despot such as Nigeria's General Sani Abacha, stealing billions from his home country and hiding the haul in foreign banks.

In other words, it's something largely done by people in poor countries. As sardonic critics of this argument say, "Corruption has a black face." That's why the prime

minister believes Thursday should be mainly about cracking down on states that take aid even while being blighted with bent officials, and tackling graft in sport.

And it is the argument of a hypocrite. Hypocrisy is the fervent agreement that bad things do happen – but Other People do them, never you or your country. On this reading, thievery is corruption. But receiving the same black money, laundering it and directing it back out to a tame tax haven or two – well, that's just competition, isn't it?

Time was when Britain, Europe and the US could get away with making this argument. The wealthiest countries in the world could with one hand wag a stern finger at the poorest nations, while with the other hand collecting their loot, and pushing it through their financial centres.

They could point to the surveys circulated by Transparency International in which perceptions of national corruption as reported by business leaders and “country experts” were totted up. Those publications proved, year after year, that the poorer the country, the more failed the state, the more corrupt the society. They also stated that the world's “cleanest” countries included Switzerland, Singapore, the UK and the US.

All those breezy, boomtime justifications became exponentially harder to make after the 2008 crash. The era of austerity has left even rich governments scrabbling for tax revenues to fund their hospitals and schools. More importantly, it has prompted cash-strapped voters – from a Trump supporter in Indiana to a Corbynista in Kentish Town – to ask exactly who has been making how much money at their expense.

That brings us back to this week's summit – because it's here that developing nations such as Nigeria will join campaigning groups to make the argument that modern corruption now has a white face. They will argue that the onus is on Britain and other rich countries to crack down on the tax havens in their own backyards.

And they are right. Corruption of the sort that we normally discuss should be stamped out. It makes the lives of billions of the world's poorest people harder and more insecure.

But it is peanuts compared to the much bigger sums that are raked in by the lawyers, accountants and other silky advisers who base themselves in the City of London and use Britain's network of crown dependencies and overseas territories in Jersey, Guernsey, the Caymans and the British Virgin Islands.

Until the UK stops encouraging, advising and facilitating guilty men and women looking to stow their shady cash offshore, corruption will continue to flourish.

Modern corruption is a suit in a Panamanian office, who takes that general's billions and sends it on to a private bank account, no impertinent questions asked along the way. It is the Mayfair estate agent who sells that multimillion-pound townhouse to an oligarch. It is that accountancy firm in the City that fills out the paperwork structuring the rich man's affairs so that the money goes through one of their far-flung branch offices to wind up in a trust in the tax-free zones of the Caymans or the British Virgin Islands.

As yesterday's letter from 350 top economists points out, there is no economic justification for these tax havens. They do not serve primarily to keep taxes in other countries down, but to allow very rich people to duck out of their obligations to the societies they live in. They shelter dirty cash from dictators, and siphon money out of developed countries.

Like Gordon Brown before him, Cameron claims that Britain's offshore havens are autonomous. They do not need to accept London's tax laws – indeed; it is unclear whether they will turn up on Thursday. Yet the havens depend on London.

Take the Caymans, which, as Nicholas Shaxson notes in his book *Treasure Islands*, are effectively run by a governor appointed by the Queen, on the advice of Whitehall. The governor is responsible for “defence, internal security and foreign relations; he appoints the police commissioner, the complaints commissioner, auditor general, the attorney general, the judiciary and a number of other senior public officials. The final appeal court is the Privy Council in London.” And the national anthem is God Save the Queen.

Last week I met a tax lawyer in London who mused on how little Britain actually benefited from its spider's web of tax havens. “A few people in the City of London make huge fees – I'd love to see how much that money benefits the rest of the country.”

But weren't we powerless to stop Jersey and the rest? The lawyer went through the precedents. Britain, he pointed out, had repeatedly imposed its law on its overseas governments. In 2000, London forced the Caribbean territories to decriminalise homosexual acts by Order in Council. He thought the same thing could be done to force the offshore havens publicly to disclose who were the ultimate “beneficial” owners of the trust funds.

How long would that take? “Oh, two sides of A4. It could be done by the next morning. All it takes is the will.”

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Afghanistan and Nigeria ‘possibly most corrupt countries’, Cameron lets slip



Cameron caught boasting to Queen about ‘fantastically corrupt’ countries

David Cameron has been caught on camera telling the Queen that Nigeria and Afghanistan are two of the most corrupt countries in the world, during a reception at Buckingham Palace to celebrate the monarch’s 90th birthday.

The prime minister made the embarrassing remarks before the government’s anti-corruption summit on Thursday, at which Nigeria’s president, Muhammadu Buhari, will deliver a keynote address entitled “Why we must tackle corruption together”.

Cameron was overheard telling the monarch that “leaders of some fantastically corrupt countries” would be attending the meeting, before singling out the two nations.

A spokesman for Buhari, who won elections last year vowing to fight corruption, said he was deeply “shocked and embarrassed” by the comments, which he assumed must refer to problems in Nigeria that pre-dated his presidency.

An official in the Afghan embassy described the intervention as “unfair”, arguing the country had made important progress in this area.

The prime minister’s comments could also raise questions about aid payments to both countries, given that the UK spent £237m in Nigeria in 2014 and £198m in Afghanistan.

In a pooled video feed, Cameron was heard telling the Queen: “We had a very successful cabinet meeting this morning, talking about our anti-corruption summit. We have got the Nigerians – actually we have got some leaders of some fantastically corrupt countries coming to Britain.”

Speaking in front of the archbishop of Canterbury, Justin Welby, and Speaker of the Commons, John Bercow, he continued: “Nigeria and Afghanistan – possibly two of the most corrupt countries in the world.”

The Queen did not immediately respond but Welby, who has worked in Nigeria when he was an oil executive, quickly cut in. “But this particular president is actually not corrupt,” he said, insisting that Buhari was “trying very hard”.

As the bizarre scene unfolded, Bercow then asked jokingly: “They are coming at their own expense aren’t they?”

“Yes,” responded the prime minister, with a laugh, before adding that the summit could be interesting as everything would be done in front of journalists.

It is not the first time that the prime minister has been indiscreet over matters relating to the Queen. In 2014, he was recorded saying that she had “purred down the line” when he told her the result of the Scottish independence referendum.

Cameron’s official spokesman hinted that he might have realised he was being filmed this time. “The cameras were very close to him. There were multiple cameras in the room,” he said.

The spokesman stressed that British aid money to Nigeria and Afghanistan is not paid directly to either government, and pointed out that both Buhari and Afghanistan’s president, Ashraf Ghani, had admitted to wide-scale problems in their countries.

In a book, to be published on Thursday as the summit gets under way, Ghani admits that Afghanistan is “one of the most corrupt countries on earth” while

Buhari says corruption is a “way of life” in Nigeria under “supposedly accountable democratic governments”.

“Both leaders have been invited to the summit because they are driving the fight against corruption in their countries. The UK stands shoulder to shoulder with them as they do so,” he adds.

However, Cameron’s comments triggered angry reactions. The spokesman for the Afghan embassy said: “President Ghani and his government since in office have taken major steps to fight corruption. Countering corruption is a top priority along security issues for the national unity government.”

Transparency International, which monitors corruption worldwide, said in its most recent index, published in 2015, that Afghanistan was the 166th least corrupt nation, above only North Korea and Somalia. Nigeria was in 136th place.

But Cobus de Swardt, the managing director of Transparency International, said that while it was true that the countries had high levels of corruption, both leaders had sent “strong signals” that they want things to change.

Others rounded on the British government, arguing that it needed to focus on its own challenges. Robert Palmer of Global Witness said the Nigerian and Afghan leaders “are not helped by the secrecy sold by UK tax havens or the army of lawyers and bankers from places like London willing to handle stolen money or look the other way – we must get our own house in order to”.

Buckingham Palace responded: “The royal household does not comment on private conversations between the prime minister and the Queen.”

In a second embarrassment, the monarch was herself later caught on camera at a garden party making controversial comments about the Chinese government.

She said that President Xi Jinping’s state visit to Britain last year had been a testing time for the police and told an officer it was “bad luck” that she had been in charge of security at the time. She also said she had heard the Chinese had been very rude to Britain’s ambassador to China during the trip.

A spokesperson for Welby said that he had no particular view but supported the summit “to combat corruption in all walks of life”.