

Not All Offshore Account Holders Are Crooks

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Only two weeks after the collapse of the offshore business on Cyprus, an attack was waged against a different offshore haven: the British Virgin Islands, the site of 40 percent of all offshore companies in the world. A group calling itself the International Consortium of Investigative Journalists published millions of documents about the offshore activities on the British Virgin Islands.

I have no doubt that this so-called consortium of journalists — a group that somehow gained access to 2 million confidential documents and yet refuses to reveal the name of a single

member — is only a cover for other interests. In this case, that other interest is the administration of U.S. President Barack Obama, which has given the green light to a program for shutting down offshore operations.

This is a special operation by the increasingly liberal global bureaucracy. With a single stroke, it puts ordinary citizens who are trying to minimize their tax burden on the same level as corrupt officials seeking a haven for their plundered wealth. In the process, it prejudices public opinion against everyone holding an offshore account, regardless of how that money was obtained.

First, let's consider the claims made in this case. The consortium of journalists attacked the wealthy, saying, "The super rich use complex and high-priced offshore structures to own mansions, yachts, art masterpieces and other assets, gaining tax advantages and anonymity not available to average people."

I couldn't care less how legitimate businesspeople minimize their taxes as long as it is legal. What's more, as long as the populists ruling our increasingly liberal world continue to slap huge taxes on the rich to win more votes, billionaires will find ways to avoid paying taxes, and they will sink huge sums into the election campaigns of those very same populists so that the taxes they supposedly paid would come back to them as subsidies. The high taxes imposed in democratic societies are a way for politicians to gain popularity among the masses and secure bribes from billionaires who are willing to pay big bucks to secure loopholes from these taxes.

Offshore accounts are held by both ordinary wealthy people and government officials, but they are not necessarily used for the same purposes. I have no business interfering in a wealthy person's offshore account, and there is no reason to even look at it. But it looks very suspicious to me when a government official has an offshore account.

If it turns out that the offshore is owned by a member of the Gazprom board of directors and that it sells pipelines to Gazprom at inflated prices, then that is a crime. If, however, that offshore owned by a Gazprom official sells window cleaner to Moscow retailers — a scenario that is far less likely than the first — then there is nothing criminal in it.

I do not mind at all if journalists expose classified documents, but they should leak them to the relevant intelligence agencies and let them handle the investigation.

If, for example, the finance minister of Mongolia or the daughter of the president of Azerbaijan turned out to be among the owners of these offshore accounts, that would be a legitimate cause for investigation. But what I don't like is that the same extreme liberal crowd that gets so up in arms over the wiretapping of terrorists' telephones, enthusiastically welcomed the special operation to expose the owners of offshore accounts. What's even worse, they trumpet their work as "brave investigative journalism."

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