Cuban Officials in Panama Papers

Author: Reporters in Cuba
Leaked data reveals the existence of dozens of businesses associated with senior figures.

Officials from Cuba’s Communist party used a Swiss lawyer to establish offshore companies for their global business activities, the so-called Panama Papers have revealed.

The unprecedented leak of 11.5 million tax documents from the Mossack Fonseca law firm in Panama exposed the offshore holdings and financial transactions of heads of state, officials and celebrities around the world.

Although Cuban law does not include any specific legislation on state officials and offshore interests, such dealings are frowned upon in the strictly communist country.

The Panama Papers revealed that Albert-Louis Dupont Willemin, a lawyer from an aristocratic Swiss family, was a high-level legal advisor and intermediary for more than 20 offshore companies with business ties to Cuba.

Dupont Willemin, who also serves as the honorary consul of Guatemala in Geneva, created two offshore companies located in the British Virgin Islands through registered agent Mossack Fonseca - Curtdale Investments Limited and Ardpoint Company Inc.

Dupont Willemin’s office said that he had no interest in commenting on this matter.

Hernán Aguilar Parra, a member of the Cuban Assembly of People’s Power, is listed in the Panama Papers as director of both companies. Parra left office last November 2015, a year after the 2014 general elections.

According to the leaked data, the offshore companies are associated with the Tabacuba Business Group, a state company that owns all production and marketing of Cuban tobacco. Parra also served as Tabacuba director until 2015, and is now believed to have left the tobacco sector.

“Deputies [of the Cuban Assembly] have restrictions,” a spokesman for the legal aid charity the Cubalex Center for Legal Information said. “The role of deputies is ad honores [not seeking any reward] and cannot be used for personal benefit. It is one of the duties established by the law.”

“The law does not impose managers or directors of companies prohibition against establishing relations with private companies,” the spokesman continued.

“But it would not be viewed favourably if a state official, taking advantage of his function of office, establishes trade relations with private companies.”

Tabacuba’s former production director, Inocente Osvaldo Encarnación, was also linked to the offshore Ardpoint Company Inc. During a telephone interview, Osvaldo Encarnación confirmed that he was a shareholder in a company but refused to give its name. He declined to comment on any links to Ardpoint.

The Mossack Fonseca records were obtained by the German publication Süddeutsche Zeitung and shared with colleagues from the International Consortium of Investigative Journalists (ICIJ).

OFFSHORE INTERESTS

Although the leaked data does not indicate any specific crime or breach of the law, it gives an intriguing insight into a web of relations.

Corporación Panamericana, based in Havana, is the entity responsible for providing Mossack Fonseca’s services to Cuban companies. According to the papers, Cuban lawyer Katiuska Penado Moreno has been the corporation’s legal representative.

In a brief phone interview, Penado Moreno said she “currently” had no links to Mossack Fonseca or Corporación Panamericana.

Penado Moreno’s name appeared on the Panama Papers in connection with four offshore companies: Miramar Investment Corporation Ltd., Mercaria Trading, Caribbean Sugar Trader and Sanford Financial Management.

Penado Moreno was listed as the beneficial owner - a legal term where specific property rights belong to one person even though the legal title belongs to another. Dupont Willemin was listed as director of the four companies.

Through Mossack Fonseca, Dupont Willemin founded Racuza SA, a firm offering computers, peripherals and software to the Cuban market.

The general director of foreign investment of the ministry of foreign trade, Déborah Rivas Saavedra, was listed in the Panama Papers as Racuza’s director. She also appears as director of Miramar Investment Corporation Ltd and Caribbean Sugar Trader.

After two days trying to reach Rivas Saavedra, her office directed enquiries to Roberto Berrier Castro, director of the Center for the Promotion of Foreign Trade and Foreign Investment. He said that he had no information on the matter.

Among Racuza’s deputy directors are José L Fernández de Cossío, Cuba’s former ambassador to Japan, as well as Porfirio Medero Paiva and Hermes Vaillant, two Cuban lawyers working for Panamericana.

Paiva, Cossío, and Vaillant are also listed as directors of Miramar Investment Corporation and Caribbean Sugar Trader.

It was not possible to locate any of them for comment.

The Panama Papers gave an insight into the legal arrangements between the Cuban government and Mossack Fonseca.
International Legal Consultancy (CJI) is a Cuban law firm that provides legal assistance and advice to individuals and corporations.

It is also a legal partner of Mossack Fonseca, and became the main agent between it and the Cuban government in charge of providing legal services.

When contacted, CJI directed enquiries to lawyer René de Jesús Burguet Rodríguez, whose name also appeared in an email exchange between CJI and Mossack Fonseca. No response was received by the time of publication.

The leaked data included other links between officials and offshore companies.

The Union of Investigations and Water Projects is a consultancy service of the National Institute for Hydraulic Resources (INRH), the government institution in charge of hydraulic and sewer networks on the island.

The Union was listed as a shareholder in Técnica Hidráulica, an offshore company located in the British Virgin Islands and created through Corporación Panamericana. The company - owned by a Cuba-based INRH trade company called Técnica Hidráulica SA - operated until 2015 when, according to the Panama Papers, it was dissolved.

CJI was in charge, according to a contract, of representing the legal affairs of Técnica Hidráulica SA’s offshore companies, managed by Mossack Fonseca.

The Panama Papers revealed that Wilfredo Leyva Armesto, also known as William Leyva, was director of Técnica Hidráulica. Leyva could not be reached for comment.

A spokesperson at the Cuban parliament said that they could not answer any questions related to the Panama Papers.

This work is a collaborative project with the Czech Center for Investigative Journalism, IWPR, Cuban freelance journalists, Cubanet and Diario de Cuba.