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The Corruption of Britain

The Pandora Papers reveal that Westminster is covering for crooks

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*Last week, a man called **Malcolm Offord** joined the Government as a minister in the Scottish Office. This was a surprising appointment. His electoral experience seems limited, although he did fail to win a Lothian region seat in the Holyrood vote earlier this year. He was also backer of a pro-Union group in the 2014 referendum.*

But the financier's real qualification for office seems to be the accruement of a fortune so great that it enabled him to donate £147,500 to the Tories. So now he has been given a lovely lifetime place in parliament to rule over us with a peerage, plus the added bonus of a ministerial job with all those nice perks of office and status.

Offord will find himself in good company in the House of Lords. The *Financial Times* last year worked out that the elevation of billionaire Tory benefactor **Michael Spicer** made him the 22nd former donor to be given a peerage in 13 years. Between them, they had given more than £50m to the three main parties.

Boris Johnson displays a special fondness for placing pals and party donors in the upper chamber; such folk comprise about one quarter of the people he has ennobled. The prime minister even overruled the appointments' commission to force disgraced former party treasurer **Peter Cruddas** into the Lords. Lo and behold, the grateful new peer bunged another half a million into Tory coffers a few days after taking up his seat.

Yet Britons like to believe their country is not corrupt, preferring to lecture others on good governance. The harsh truth is the House of Lords, an archaic institution stuffed with people who bought seats or inherited titles, serves as a grotesque symbol of the blatant corruption that stains our nation. Instead of hiding the fact that well-connected people can buy power and influence, we hand them fancy titles, silly crests and scarlet robes.

Perhaps this is part of the same deluded exceptionalism that makes many Britons believe their empire was less brutal, damaging and greedy than others. Yet once again, we see how Britain is being built on foundations of stolen loot, led by the City of London as its

accountants, bankers, estate agents, financiers and lawyers wash mountains of dirty cash for the planet's dodgiest people. Another scandal has broken with the Pandora Papers, the latest massive cache of leaked papers, giving a glimpse into the hidden wealth, tax dodging and money laundering of some of the world's richest and most powerful people. And with sickening inevitably, we see once again how our nation sits at the epicentre of these tawdry activities.

Take the revelations about the Aliyevs, the ruling family of oil-rich Azerbaijan which is led by a friend of Prince Andrew and has been home to huge British investment. When I visited Baku in 2012, I met an astonishingly brave woman called Khadija Ismayilova, who has endured blackmail, been filmed on hidden cameras having sex in her home and been imprisoned on trumped-up charges to stop her exposing corruption.

Another activist told me why he always locked his car: "Not just to stop people taking things but to stop the police planting drugs or a weapon." Now we learn that a network of offshore companies tied to this gruesome family and its close associates has traded almost £400m of UK property over the past 15 years — including flogging a £67m property to the Queen's crown estate.

Yet this is an autocratic regime frequently condemned for its nefarious activities that include rigged elections. Ismayilova and other journalists risked their liberty to fight for the democratic values we claim to espouse, revealing how their first family benefitted from state contracts awarded through hidden shell companies — including the £177m showpiece Crystal Hall used for the Eurovision Song Contest, which gave me cover to enter the country as a journalist. The European Union and human rights groups have condemned the "widespread and pervasive" corruption that scars Azerbaijan. Yet the Aliyevs were not stopped from buying and selling many lucrative properties in Kensington, Knightsbridge and Mayfair. One purchase was even made through an offshore company owned by the ruler's son when he was 11.

Again, these sleazy disclosures cut deep into the heart of the UK establishment. They include one Russian businessman whose companies have backed 34 Tory MPs and made millions from an allegedly corrupt Russian pipeline deal, while another prominent Tory donor who backed Johnson's leadership campaign was reportedly involved in one of Europe's biggest corruption scandals. Only last month it emerged that **George Osborne** won business from a firm run by **Oleg Deripaska**, an oligarch close to Vladimir Putin and banned from the United States. It came through his friendship with the firm's chairman Lord Barker, a former Tory minister in the coalition given a life peerage.

Similarly, half of Russian money-laundering involves Britain while our lawyers earn fortunes from their oligarchs fighting legal battles in London's courts. No wonder Putin sees the West as so weak. The Pandora Papers show how even **Raffaele Amato** — the mobster tied to a dozen murders who inspired the gangster TV show *Gomorrah* — was able to use a shell company registered in the UK to buy property.

Five years ago, **David Cameron** hosted a landmark anti-corruption summit in London that underlined the self-deception — just a few weeks before losing the Brexit ballot and going off to lobby for Lex Greensill. We pour vast sums in aid into combating corruption around the world, then ignore how much of it is stolen by repulsive regimes.

The current chancellor **Rishi Sunak** seems complacent, claiming Britain's track record on tackling money laundering is "very strong" while promoting freeports, So is it any wonder the Government does so little to stem the flow of dirty money, let alone shut down the tax havens under our jurisdiction that do so much harm to the world? Looters and thieves need help to stash their stolen cash. And according to the Tax Justice Network, the three places that do most to support such practices are the British Virgin Islands, Cayman Islands and Bermuda — all of which come under our flag. An analysis of these latest documents by the International Consortium of Investigative Journalists found 956 companies in offshore havens tied to 336 leaders, politicians and senior officials — with more than two-thirds set up in the British Virgin Islands.

Westminster could stop providing cover for crooks, despots and dodgy oligarchs with ease, if it were not so complicit. The Government has repeatedly pledged to bring in a register of the owners of the 100,000 offshore-owned properties; instead, we discover **former Prime Minister Tony Blair** and his wife **Cherie s**aved themselves £312,000 in stamp duty using such tactics. The National Crime Agency's international corruption unit has an annual budget of about £4m — which one quarter of the sum spent by its target, **Zamira Hajiyeva**, wife of a fraudulent Azerbaijani banker, in Harrods on jewellery and designer clothes. Needless to say, her £15m Knightsbridge home was owned by a company based in the British Virgin Islands.

Meanwhile, governments encourage City advisory firms to spread like knotweed in the undergrowth of Whitehall, where they rake off big sums from taxpayers even as they advise plutocrats and multinationals how to avoid paying fair dues to the exchequer. The "Big Four" accountancy firms have been accused by parliament of using expertise from staff seconded to the Treasury to help clients avoid tax. But as the civil service was cut back, ministers increased use of these consultancies. The pandemic boosted their earnings again as normal rules on tendering were ditched. So we see a firm such as Mckinsey pay out fines over links to a destructive South African corruption scandal and its lethal role in the US opioid addiction crisis, yet its advisers are still hired on hefty daily rates by Whitehall.

Britain needs to wake up. The mother of democracy has given birth to a system that aids kleptocrats and thieves. And as the famous saying goes, a fish rots from the head down. When appointing his latest minister, Johnson claimed he scoured the country for the best talent and gave Offord the job and peerage because he had "a huge amount to offer". Few will be fooled.

The Prime Minister's words drip with contempt for all those artists, carers, doctors, factory workers, retailers, teachers, scientists and soldiers who might contribute far more to the benefit of our nation in return for the £323 attendance allowance in the Lords — a tax-free daily sum roughly the same as the weekly minimum wage. Behind our facade of democracy, led by such a selfish and soiled elite, lies a country hideously stained with corruption.

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