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## Panama Papers are available. Why hasn't U.S. asked to see them?

By Marisa Taylor and Kevin G. Hall

*WASHINGTON*

Nearly three months after the revelations from the Panama Papers exposed politicians, drug cartels and the wealthy hiding millions behind offshore companies, the U.S. Justice Department has yet to ask its Panamanian counterpart for access to seized records.

The inaction raises questions about the response by Congress and the Obama administration to the unprecedented leak that rocked governments in Iceland, Pakistan and the United Kingdom and prompted investigations worldwide.

“The biggest financial scandal involving offshores is greeted with a yawn by U.S. law enforcement officials?” said Charles Intriago, a former federal prosecutor and money-laundering expert in Miami. “It doesn’t make any sense that a pot of evidentiary gold is going unpursued by the U.S. Department of Justice.”

In the weeks following the April 3 publication of stories across the globe about hidden offshore fortunes, President Barack Obama vowed to work with Congress to tackle reform aimed at offshore companies. His Justice Department declared that it “takes very seriously all credible allegations of high-level, foreign corruption that might have a link to the United States or the U.S. financial system.”

Yet as of June 23, Panama said it had not received a single request from the United States for access to the data seized by Panamanian authorities from Mossack Fonseca, the law firm at the heart of the Panama Papers, said Sandra Sotillo, spokeswoman for Panamanian Attorney General Kenia Porcell.

On Capitol Hill, there is also little movement.

Obama's proposed legislation to change reporting on the true owners of companies does not appear to have found any sponsor. The White House did not respond to questions.

The top Democrat on the Senate Finance Committee, Oregon's Ron Wyden, and Sen. Sheldon Whitehouse, D-R.I., who sits on the Judiciary Committee, have unsuccessfully tried to attach an amendment to a defense spending bill. The plan would have made states provide the names of the true owners of limited liability companies to the Treasury Department. Such companies often are used to keep owners' names secret.

On the question of inaction, Justice Department spokesman Peter Carr declined to comment. So did the State Department and the U.S. Embassy in Panama. Mossack Fonseca has declined to comment since April, when it denied wrongdoing.

In an opinion piece [published in April](#), Panamanian President Juan Carlos Varela vowed international cooperation through "a robust treaty network that allows exchange of information."

A day later, on April 12, Panamanian authorities raided the offices of Mossack Fonseca, whose 11.5 million leaked documents provided the material for the yearlong secret and collaborative global reporting effort led by the U.S. nonprofit the International Consortium of Investigative Journalists.

The Panamanian daily newspaper La Prensa [reported that day](#) that investigators had seized electronic records from the law firm. To date, only Paraguay, Venezuela and Bolivia have requested information, Sotillo said, declining to speculate why, noting only that "every government determines that."

Authorities in Brazil, Peru and El Salvador also raided offices or intermediaries associated with Mossack Fonseca. The law firm quit its Nevada and Wyoming operations after state penalties and probes.

In the United States, Preet Bharara, the U.S. attorney for the Southern District of New York, asked the International Consortium of Investigative Journalists to share data with his office. Although the consortium declined for reasons of journalistic freedoms, Bharara made it clear that he still wants to examine the data for a criminal investigation into "matters to which the Panama Papers are relevant."

He didn't specify what kind of criminal investigation had been launched. A spokeswoman for Bharara declined to comment.

Defendants in Justice Department criminal prosecutions across the country were discovered in the data, including those pursued by his office.

Despite the delay in seeking the data, Bharara and other prosecutors are likely still interested in pursuing an investigation, said Michael Padula, a former federal prosecutor in the Justice Department's criminal division.

The United States would probably request the information under a mutual legal assistance treaty, which sets out the terms under which the U.S. and another country are willing to share law enforcement data, he said.

"Believe it or not, it is not as simple as it sounds," said Padula, who left the Justice Department in March to practice law in Miami. "You can't just put together a three- or four-page request for this sort of thing. It can be time-consuming to get the request together."

Padula thought many U.S. attorneys other than Bharara might be interested. If so, officials in the Justice Department's headquarters would want to decide how to organize a broader investigation.

"You can't be sending Panama 25 different requests," Padula said. "Given the sensitivity of the topic, they would want to make sure it's one request and it's organized."

So far, U.S. law enforcement appears to have not taken any public steps. If a federal grand jury has been empaneled to consider criminal charges related to the Panama Papers, it would be held in secret.

Intriago thought that the IRS and the FBI were interested in pursuing the evidence and eventually investigations. He guessed that "bureaucratic inertia" was to blame.

"Having worked as a federal prosecutor, I know how slowly the federal government can work, especially when it comes to international matters," he said.

However, prosecutors shouldn't let too much time go by, he said. Evidence could be tainted and witnesses difficult to locate.

"The more time that goes by, the harder it is to prosecute," Intriago said. "There's always a danger in letting a case linger."

Roma Theus, another former federal prosecutor, was surprised it had taken so long to ask for the data.

"It's not three-months difficult," he said of the process.

He also wondered why European countries, such as Germany or England, haven't requested the data.

“It’s a very legitimate question why they haven’t, given the enormous amount of data that’s available on potential corruption and other crimes,” Theus said. “It’s inexplicable.”