

Sark News

No. 10
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SARK'S LARK – THE STORY CONTINUES

Subterfuge Says It All

According to the website statistics, Sark News' special edition (no. 7, March 2008) attracted a lot of interest. Bearing in mind that Sark has a total population of about 550, it is noteworthy that well over 200 people visited our site around the time of publication. Since Sark News is only distributed on Sark, it follows that majority of these visitors were Sark residents, and especially those participating in this disreputable "industry".

What troubled Sark News was the possibility that the investigation leading to the March data might only be the tip of the iceberg and that there might still be thousands of companies still operating with officers or directors that are residents of Sark. But investigation is not easy; nothing is transparent in the Sark Lark; nothing is obvious apart from the fact that it is all orchestrated to avoid transparency and accountability. In an attempt to show the true size of this problem, Sark News has continued its investigations in the Panamanian on-line company register.

There are, of course, many similar "off-shore" jurisdictions – the Cayman Islands, Nevis and the BVIs come to mind - with no accessible register. Our research does not in any way pretend to be anything other than an indication of what is going on. There are a large number of people involved who are not mentioned in our findings.

Basing our further research on the names of those known or believed to participate in the Sark Lark, we have unearthed a great deal more information as to

how widespread their involvement is, how cleverly it is organised and to what lengths they have gone to hide their activities. It necessarily goes with the territory that it is not easy to get to the bottom of these structures. If it was all set out in black and white, there would be no Sark Lark. What we have done is to analyse data on the Panamanian registry as best we can. We believe that the inferences drawn and associations made are fair ones in the circumstances – but of course we stand to be corrected if there are any errors. We offer anyone named a right of reply. Our research shows the following:

William Raymond

Willray Investment Corp., reg. 1979, active
Wray Group Incorp., registered 2002, active
Wray Holdings Corp., registered 2006, active
Wray Investments, registered 1982, active
Wray Real Estate SA, registered 2002, active
Wray SA, no data available
Wraysbury Investments Inc., registered 1987, dissolved 1991

Panama's language is Spanish but, due to its location, the country does of course have close commercial ties with USA. Why then do we take it that William Raymond of Sark is behind the above companies? Quite simply because his associates Don Willis and Ian Willis are listed amongst the companies' directors.

Wendy Kiernan

Kiernan Corp., registered 2008, active
Wekind Group Inc., registered 2008, active
 It is clear to us that there is a connection here! Mrs Kiernan and Mr Raymond work from the same offices on Sark.

Donald Vernon Willis

Dover Finance Holdings Inc., registered 1985, active, directors Ray Gibson and Don Willis

Dovetail Holdings Inc., registered 1986, active, directors Ian and Loic Willis

The 'Dove' list is endless – there are 136 company names beginning with 'Dove' and it seems that Mr Willis is involved in a number of them. 'Vernon' provides a further long list of company names, as do various combinations of Messrs. Willis' and Mr Raymond's names; 'Widon', 'Donwil', 'Wirana' and 'Raydon' etc. are all registered company names in Panama, as is the unusually named 'Loic Corporation'.

Sark News then cast a wider net searching based on the list we published in March: Mrs Beaumont is director of Einstein Holdings Inc. There are lots of companies named after other men of genius, such as Davinci SA, Davinci Inc., Michelangelo SA, Michelangelo Overseas Inc., etc. etc. etc. We found the Sark connection when searching on Mozart. There are five companies using (or abusing!) this name and Mozart International Corp., now dissolved, lists Don Willis and Raymond Gibson as directors.

Mr Willis' involvement in the Sark Lark is obviously far more extensive than the 15 directorships listed in issue 7 of Sark News.

Alexander Magell

A visit to the website www.dixcart.com shows that Mr Magell's company is very large indeed, offering everything from insurance and trust management to legal advice and accounting services for individuals as well as multinational companies. The company has offices in the UK, Switzerland, Sark, Nevis, Malta, Madeira, Isle of Man and Guernsey. There are eight 'Dixcart' companies registered at Companies House in London including Dixcart Limited, Dixcart Esher Limited and Dixcart International Limited.

There are also two 'Dixcart' companies registered in Panama; Dixcart Holdings Inc. and Dixcart International Inc. The UK address of Dixcart Esher Limited is **Hillbrow** Road, **Esher**, Surrey and Dixcart Limited has its seat in **Banbury** Road, Oxford. It is interesting therefore that on the Panamanian register, we have found the following:

Four '**Esher**' companies; Esher Facilities SA, an active company with no details given, Esher Holdings Inc. and Esher Investments Corp., which were dissolved in 1993 and 2000 respectively and finally Esher Fiscal Inc., an active company listing Alpha Directors Services Inc., Beta Directors Inc. and Gamma Directors Inc. as company officers.

Three '**Hillbrow**' companies; Hillbrow Shipping SA, dissolved, Hillbrow Realty Inc., active, and Hillbrow International Inc. which lists the mysterious **Grantley** Limited, Montblanc (Directors) Limited and Hermes (Secretaries) Limited as company officers.

There are nine '**Banbury**' companies registered in Panama, most of them active, and following the pattern set above. Interestingly, Banbury Developments Inc., Banbury Holdings SA and Banbury Developments Inc. all list the same directors – names that Sark News' investigator has come across worryingly often - as well as the "subscribers"; the anonymous Dulcan Inc. and Winsley Inc. which often appear in the register along with Enders Inc. and Rockall Inc. when these particular directors are listed. Banbury Business Inc., an active company formed in 1985, lists **Fiman** Ltd, Subscriber Limited and **Dicorp** Limited as company dignitaries.

Dicorp International Inc. (with an obvious semantic link to Dixcart Corporation) is in turn a Panamanian company formed in 2004. Fimanco Global Corp. was also registered in 2004 and lists the same directors and subscribers as the three 'Banbury' companies mentioned above.

In an effort to find out more about the 'Hillbrow' companies, a search was made on

‘Grantley’. Our readers will not be surprised to learn that, indeed, there were six ‘Grantley’ companies listed in Panama, four of which have been dissolved. Grantley International Holdings is, however, an active company registered in 2004 that illuminatingly lists Tudor Management Ltd, Tudor International Treasurer Ltd and Tudor Secretary Ltd as company officers. Grantley Investments SA, an active company from 2006, gives some familiar names as directors, namely those employed by the three above mentioned ‘Banbury’ companies and Finmanco Global Corp, and Enders Inc. and Rockall Inc. as “subscribers”.

This is very complicated and vividly illustrates our statement made in Sark News’ issue 7: This “business is set up “*with wheels within wheels within wheels within wheels is constructed to deter anyone from finding out what is really going on. You find companies owned by companies owned by companies owned by companies, and then the trail ends with some anonymous Spanish names on the Panamanian company register, the same names again and again and again. Secrecy and smokescreens are the names of the game.* What is Mr Magell up to?

Bertha Cole

Would Mrs Cole have anything to do with any of the four ‘Bertha’ companies registered in Panama, for example? Bertha Consultants Inc., an active company registered in 2005, lists Group M&M Directors SA, Directors Representative SA and Directors Assistant SA as company officers.

We note that Mr and Mrs Beaumont still appear on the register as directors or officers of the 50 Panamanian companies listed in our special edition. However, the trend amongst the more recently registered companies in Panama, is obviously to list other companies as directors so that absolute anonymity is assured.

Further to those listed under the Dixcart connection, here are the names of a few more companies providing such services:

Professional Directors Ltd, Professional Nominee Ltd, Professional Secretarial Services Ltd, Pointview Financial Ltd, Fairfax Invest Corp., Ultra Mega Development SA, First Executive Directors Inc., First Company Directors Inc., First Overseas Nominees Inc., Aba Corporate Services Inc.

How many such “professional” directors’ companies are based on Sark? Why such subterfuge? Why go to such lengths to ensure anonymity? What do these apparently worthless companies do? How can somebody holding 30 directorships possibly comply with the legal and moral rules and responsibilities that a proper directorship entails? Why have not the Law Officers of the Bailiwick and the office of the Lt Governor, in the interest of Guernsey’s international reputation, been more vigilant and pro-active in bringing the Sark Lark to an end?

It is no surprise to Sark News that Guernsey was recently excluded from the EU “white list” of financial centres – not as long as this sort of activity is allowed to go on right under Guernsey’s nose.

BLOW THIS FOR A SARK LARK

By Sir David Barclay
As printed in the Guernsey Press

Peter Mandelson, former mastermind of New Labour and a Cabinet Minister, spoke in Guernsey in April 2004. When asked about European attitudes to the Islands he answered that they were not really on the EU’s radar screen and advised that they should “... remain un-introduced”. Later that year he became EU Commissioner for Trade.

His advice was good. The Channel Islands occupy a unique position in Europe. They are very small, near autonomous societies benefiting from their relationship to the Crown and enjoying a privileged position as regards the EU generally, taking the most important benefits with few of the burdens.

The same goes for the Bailiwicks individually. Guernsey has long pursued a policy of cooperating with external financial regulatory authorities in order to avoid being blacklisted. Even then it was unable to avoid being given, with the other Dependencies, “intermediate” status in a

recent European List of financial centres rather than “white list” status. There is a strong suspicion of political motivation given that Russia has been declared “white” (even if the country is no longer red).

Of course, Guernsey has little choice but to continue what it is doing. Its future and economic well-being is linked inextricably, at least for the foreseeable future, to the finance industry. It deserves to be white-listed; there is no good reason why it should not be. Of course, it should operate with the highest regulatory standards necessary to continue doing business, which is not to say that regulation should not be business-friendly – it should. Effective regulation is a precondition for the Crown Dependencies carrying on as finance centres. The trick is to remain competitive, notwithstanding that regulation. Over-regulation will destroy the industry as surely as the Islands’ worst opponents would, given a free hand. Fortunately the Guernsey Financial Services Commission appears to be waking up to this reality.

One of the problems Guernsey has had in terms of international reputation and standing is to explain the embarrassment of the “Sark Lark”. This was the unhappy situation where a number of Sark residents held directorships of literally hundreds and, collectively, thousands of foreign companies in circumstances where they could not possibly have known what the business of those companies were, let alone directed them responsibly. They operated as rubber stamps for all manner of shady outfits. There was enormous reputational risk for the Bailiwick of Guernsey and the Channel Islands generally. With the introduction of the Regulation of Fiduciaries legislation in 2001 and the inclusion of Sark within the Bailiwick regulatory regime it became much harder for individuals to “Lark”; but it has not stopped it altogether. Recent research of company registries showed individuals at the highest level of Sark society with 30 Panamanian company directorships in one instance and 20 in another. Another individual had 15 directorships, yet another had 12. These are just directorships in Panama; it is often impossible to make such enquiries in the likely jurisdictions. It is impossible to obtain an accurate assessment of the overall picture.

What is left of the Sark Lark is a continuing embarrassment to the Bailiwick and has

the potential to be very damaging indeed, if it turns out that Sark residents were directors of a company involved in a major international incident.

Unlike Guernsey, it is not even as if what passes for its financial services industry produces any public good for the people of Sark. The income it generates is not taxed because there is no income tax. There are few, if any, jobs generated by the Sark Lark. Those who carry on in this way abuse Sark and embarrass the Bailiwick. When asked at an IoD seminar in April whether Guernsey’s efforts to be squeaky clean, as he advocated it should be, were being hampered by other islands in the Bailiwick, Nik van Leuven QC, HM Procureur, answered simply and unequivocally: “yes”. He was undoubtedly referring to Sark, an Island with which he is very well familiar as a former tenement owner and member of Chief Pleas.

Sark enjoys a great deal of autonomy; it has freedoms which other communities of an equivalent size can only dream of. However, it will only preserve those freedoms if it carries on responsibly and does not attract the attention of infinitely more powerful national and international bodies unlikely to be deterred by the terms of a grant of land made to one Helier de Carteret in 1565.

Sark should make legislation outlawing the carrying on of any financial services or fiduciary business in, or from, the Island save that of a purely domestic kind. In other words permitting bona fide banking, insurance and other businesses concerned exclusively with Sark residents but not otherwise. Sark, as a community, should wash its hands of anything to do with the Sark Lark and demonstrably so. It must not give external forces a reason to question, interfere with or threaten the extraordinary freedoms Sark enjoys for the sake of permitting a very few individuals to line their pockets to the detriment of others. We will be proposing such legislation to Chief Pleas.

Sark News is more than happy to print any response to articles in Sark News. We cannot guarantee to publish all responses and reserve the right to edit pieces both for length and content.

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