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Money laundering and involvement in Operation Condor came up as potential points of prosecution against former Chilean dictator Gen. Augusto Pinochet (1973-1990) this month, as a scandal involving US-based Riggs Bank unfolded. Chilean President Ricardo Lagos received assurances from US President George W. Bush that there would be "a full investigation" of how the ex-dictator hid millions with the bank's help.

The 88-year-old Pinochet has faced renewed legal fights since a Chilean appeals court stripped him of his immunity in May of this year (see NotiSur, 2004-06-18), though his defenders argue that his advanced age makes him unfit to stand trial.

Riggs Banks accused of helping launder

A US Senate committee report said the Washington-based Riggs Bank helped Pinochet hide his assets over an eight-year period, even after he was arrested in London in 1998 and a court froze his assets (see NotiSur, 1998-10-23). The report said Riggs Bank employees helped Pinochet set up phony offshore companies, opened accounts in their names and altered names on the accounts to conceal his control of them, transferred US$1.6 million of funds from London to the US, conducted transactions through Riggs' own accounts to hide his involvement in some cash transactions, hid the existence of his accounts from comptroller's office examiners for two years, and initially resisted the regulators' requests for information.

Executives of Riggs Bank, an old-line Washington institution with a virtual monopoly on business with the capital's diplomatic community, approached Pinochet in Chile in 1994 and invited him to open an account, said Sen. Carl Levin, delivering the conclusions of the document in the Senate Permanent Subcommittee on Investigations. Levin, calling Pinochet a "notorious military leader accused of involvement with death squads, corruption, arms sales, and drug trafficking," said the former general agreed to open the account. "The bank opened an account for him personally, helped him establish two offshore shell corporations in the Bahamas called Ashburton and Althorp, and then opened more accounts in the name of those shell corporations both here and in the UK [Britain]," Levin said.

From 1994 to 2002, Pinochet deposited between US$4 million and US$8 million in his Riggs accounts, the report said. Pittsburgh's PNC Financial Services Group Inc. has signed an agreement to buy troubled Riggs Bank, once Washington's most venerable financial institution. The agreement, if ultimately consummated, would put an end to one of the oldest continuing businesses in the nation's capital and replace it with a new, comparatively aggressive competitor for consumer and small-business loyalty.
Riggs, 167 years old, is the oldest Washington-based banking institution. But its illustrious history has not protected it from falling on hard times recently. The bank was fined in May for repeated violations of laws designed to prevent money laundering and was the subject of a Senate investigative hearing on allegations that it hid Pinochet's assets.

The Senate Governmental Affairs Committee also is conducting a separate probe of the bank's dealings with the Embassy of Saudi Arabia. The bank's earnings have suffered as well during the past few years, in part, analysts say, because it has failed to adjust to the more aggressive, marketing-oriented business approach adopted by the nation's successful banks, such as PNC.

**Congressman: Pinochet controlled US$100 million**

The vice president of the House of Deputies in Chile, Antonio Leal, said that Pinochet declared a fortune of US$50 million to US$100 million to Riggs Bank. He said the documents investigated by US senators show millions in deposits since 1985, when Pinochet held absolute power in Chile. These facts, he said, disprove the claims of the ex-dictator's allies who maintained that the accounts corresponded to donations he received for his defense when he was detained in London.

Victor Barrueto, president of the official Partido por la Democracia (PPD) and a federal deputy, said that the secret accounts at Riggs Bank might only be "the tip of the iceberg," the "petty cash" of his goods. He said Pinochet has a quantity of assets: houses and apartments in different cities, an agricultural property, and a vacation home "too plentiful for a retired military man." "This is the tip of the iceberg, a thread that, as it begins to unwind, will cause many things to come out," said Barrueto.

"No one in Chile is above the law," President Lagos said in response to the revelations of money laundering. "We all have to answer for what we've done, according to the law, and I think that here as in any other case and I'm saying this not only as a citizen but as a president our institutions must operate properly." Lagos said, "The tribunals function in Chile," and "the judiciary is independent from the executive power as it should be, so I'm not supposed to make any comments." In a Washington, DC, meeting with President Bush, Lagos heard Bush commit to a full investigation of the Riggs Bank involvement with Pinochet.

**Activist: Pinochet could be judged for Operation Condor**

Paraguayan lawyer Martin Almada argued that, if Chile does not judge Pinochet for crimes committed in relation to Operation Condor, a coordinated effort of South American dictatorships to repress their opponents in the 1970s, international courts would do so. "Chilean justice has a historic opportunity to judge Pinochet for the 100,000 victims of that operation," said the human rights activist, "but if it does not, the international tribunals will." The lawyer, who was kidnapped and tortured by the security services of his country in 1974, said that to date tribunals in Germany, Spain, France, Italy, and Switzerland have investigated the crimes committed under Operation Condor.

The operation allowed intelligence services of the Southern Cone dictatorships to coordinate the hunting and assassination of leftists in Argentina, Bolivia, Brazil, Chile, Uruguay, and Paraguay.
"Today justice has been globalized, and if Chile doesn't bring accusations against Pinochet, the international community will demand it. Today the sensitivity for that exists, although many doubt it," said Almada.

In 1992 he discovered the "Archivos de Terror" (Terror Archives) in Asuncion (see NotiSur, 1993-02-02), documents which he says show the plans of the ex-dictator of Chile and his secret police chief Manuel Contreras.

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