

Smash & Grab



The UK's Money Laundering Machine

A bellngcat Investigation

Table of Contents

Introduction..... 1

Key Findings..... 2

SLPs and their Presenters 3

SLPs and their Business Activities 4

The Four Groups..... 7

 1) LAS International 7

 2) ComForm Solutions 11

 3) Axiano..... 14

 4) The Dominican Group 16

Limited Liability Partnerships 19

The Government’s Response..... 19

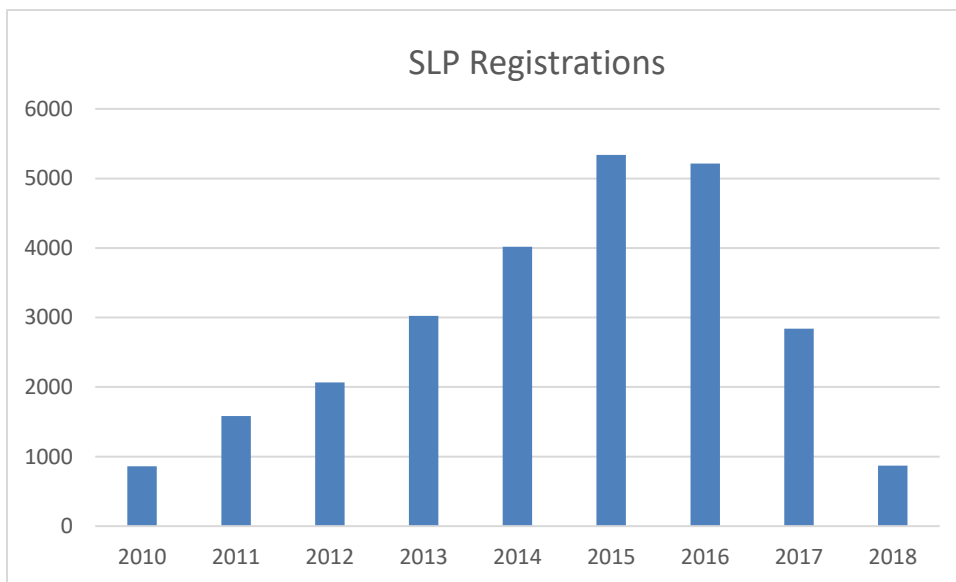
Acknowledgments..... 21

Introduction

In June 2017, Bellingcat and Transparency International UK released their joint-report “Offshore in the UK”¹. This report analysed the use of Scottish Limited Partnerships (“SLPs”) as mechanisms for corruption and money laundering.

Our research showed that more SLPs were registered in 2016 than in the entire century (1907 - 2007) after they were introduced and that 71% of all SLPs registered in 2016 were controlled by companies based in secrecy jurisdictions. As widely reported from a variety of sources in the media, SLPs have been used as a mechanism in large scale money laundering operations, including the Moldovan bank fraud scandal in 2014² and the Azerbaijani Laundromat in 2017³. This had led to questions in Parliament and assurances from the Government that action will be taken.⁴

The EU’s Fourth Anti-Money Laundering Directive (“4AMLD”) obliges the UK Government to hold a register of Persons of Significant Control (“PSCs”) for SLPs. This rule came into force in July 2017 and resulted in an almost immediate reduction in new SLP registrations. From 1 July 2017 to the end of June 2019, 1782 new SLPs have been formed, fewer than were formed in the four months preceding the introduction of the PSC rules.



The requirement to file Person of Significant Control documents came into force in 2017, this was followed by a significant drop in SLP registrations.

Additionally, between April and July 2018 the Government ran a consultation on Limited Partnership reform⁵, the conclusions of which were published in 2018. They proposed a series of measures which would limit the potential for misuse of Limited Partnerships, whilst protecting the interests of Limited Partnerships which traded within the law.

¹ <https://www.transparency.org.uk/publications/offshore-in-the-uk/>

² <https://www.bbc.co.uk/news/magazine-34445201>

³ <https://www.theguardian.com/world/2017/sep/04/the-scottish-firms-that-let-money-flow-from-azerbaijan-to-the-uk>

⁴ [https://hansard.parliament.uk/Commons/2017-10-19/debates/B6AED16B-1E8D-422D-B243-998FAF919D2D/MoneyLaunderingAndTaxEvasion\(Azerbaijan\)](https://hansard.parliament.uk/Commons/2017-10-19/debates/B6AED16B-1E8D-422D-B243-998FAF919D2D/MoneyLaunderingAndTaxEvasion(Azerbaijan))

⁵ <https://www.gov.uk/government/consultations/limited-partnerships-reform-of-limited-partnership-law>

But the proposals have yet to come into effect. In the meantime, the most prolific enablers of SLPs involved in illegal and high risk behaviour have moved on, demonstrating that those who wish to use the UK's company system for illicit purposes are frequently two steps ahead of the authorities.

Key Findings

This article details some of the key presenters of secretive SLPs, the uses of SLPs as conduits for illicit activity, and the opportunities missed by the UK authorities to combat money laundering in the UK and abroad.

To do this, Bellingcat has examined the filing histories of the 14,658 SLPs registered between January 2015 and July 2019 ("the Period"). Where possible, we have identified the partners and PSCs of these partnerships, and the presenters who registered their formation documents. We have worked with journalist and researcher Graham Stack to identify the types of businesses being run by SLPs. In doing so, we see familiar patterns – large numbers of SLPs with controlling partners in secrecy jurisdictions, a disproportionate number of PSCs from Ukraine and Russia, mailbox addresses and virtual offices used as the registered addresses of thousands of SLPs. But we also see hundreds of SLPs operating in high risk money laundering sectors. We have found SLPs operating unregulated gambling sites, SLPs widely used as front end companies for cryptocurrencies, unlicensed Forex trading and binary options trading firms obtaining warnings from the FCA and their foreign equivalents. We have found hundreds of SLPs with generic, anonymously owned websites of dubious authenticity. We have also found a large number of SLPs used as trade intermediaries for firms operating in the former Soviet Union, attracting the attention of the Ukrainian courts, as well as SLPs involved in political lobbying.

The government, in its consultation on Limited Partnerships, is right to point out the genuine business needs that SLPs fulfil. But their use as a conduit for criminal activity cannot be ignored. Our report shows that offshore partners, often with a track record of controlling SLPs involved in money laundering, are also currently active as partners of thousands of Limited Liability Partnerships ("LLPs").

Companies House does not currently conduct due diligence on any corporate vehicles on registration, and presenters of LPs are not currently required to register with an anti-money laundering supervisory body (or indeed, to state who they are). During the boom period in SLPs, this allowed unregulated and anonymously run SLPs to operate in areas such as those described in this report.

In the course of our research, we have found that -

- Numerous SLPs are, or have been, involved in sectors which carry a high money laundering risk. These include trade intermediaries, high-yield investment programmes, Forex and binary options trading, unregulated gambling sites and crypto currencies. A large number of SLPs are named on websites which claim to provide generic services, but which do not provide any substantive contact or ownership details.
- Just 23 presenters were responsible for bulk-registering two thirds of SLPs registered during the Period. Bellingcat has identified four groups of presenters who collectively registered 5,945 SLPs during the Period. All four groups have registered SLPs involved in illicit activity, almost exclusively use offshore secrecy vehicles as general (controlling) partners and have registered large numbers of SLPs with PSCs in Ukraine, Russia and Eastern Europe.
- Thousands of SLPs, almost always with opaque ownership structures, are housed at mailbox addresses or virtual offices, with no means to contact their true beneficial owner. Just 28 addresses house 91% of all SLPs registered during the Period.

- The Government's proposed plans to reform Partnership law do not address the fundamental problems associated with SLPs. Two of the four main proposals are already widely adhered to by active SLPs, including those involved in high risk sectors. None of the proposals have yet to be put into action and, in any event, these changes will be implemented long after the popularity of SLPs has waned.

SLPs and their Presenters

Of the 14,658 SLPs registered during the Period, 9,142 (62.4%) of the registration documents were presented by 23 individuals or companies. Bellingcat has looked at the filings made by these presenters, having particular interest in those who meet the following criteria -

- Bulk registered SLPs during the Period
- Have registered multiple SLPs involved in illicit activity, or areas where there is a high money laundering risk
- Have registered a large proportion of SLPs naming offshore companies in secrecy jurisdictions as General Partners
- Have registered large numbers of SLPs with PSCs outside of the EU.

From our research, it is clear that during the rise in SLP registrations in recent years, a small group of presenters were responsible for bulk registering thousands of partnerships. The partnerships they set up commonly use offshore corporate vehicles in secrecy jurisdictions as controlling partners, and an analysis of the PSC filings show a disproportionate number of PSCs based in Ukraine, Russia, and Eastern Europe.

Bellingcat has identified four networks of presenters who were responsible for registering at least 5,945 SLPs during the Period which fit the above criteria. In the past, the purpose of large volumes of SLP registrations has been subject to conjecture. In 2015, Caroline Lucas MP wrote to Anna Soubry MP, the then Secretary of State for Business Innovation and Skills, seeking an explanation for the boom in SLP numbers. The explanation given for this increase was the popularity of Limited Partnerships as a private equity and venture capital funds vehicle.⁶ Most of the respondents to the Governments consultation on Limited Partnerships stated that they could not link SLPs to criminal activity.

To bring some clarity to this situation, we have paid special attention to the business activities of SLPs registered by the four networks. These are -

- LAS International, based in England and responsible for presenting the incorporation documents for 1,632 SLPs during the Period. Company Advice Ltd, run by former staff of LAS International, presented the forms for a further 296.
- The directors of Comform Solutions Ltd, a firm based in London, signed the LP5 (registration) forms for 1,733 SLPs during the Period on behalf of a number of offshore companies.

⁶ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-11-30/18099/>

- A group of associates of Marios Papantionou, a former tax inspector from Cyprus, who created firms which laundered millions of pounds from the former Soviet Union, presented the registration forms for 1,231 SLPs during the Period.
- A group of Dominican nationals, whose names can often be seen together on LP5 forms, set up 1,050 SLPs during the Period.

This list is not exhaustive. When analyzing the SLPs set up between 2015 and 2019, Bellingcat concentrated on presenters who had created more than 100 SLPs. Furthermore, 3,068 SLPs did not provide any details regarding presenter information. What makes the above groups stand out, are the proportion of businesses they have created involved in high risk money laundering activities.

SLPs and their Business Activities

In late 2018, Bellingcat was contacted by researcher and journalist Graham Stack. He had used a web scraper to search for the names of SLPs, providing information on the types of businesses SLPs were involved in. We provided him with details of SLP filings from 2015 and 2016, and manually searched the internet for the business activities of all SLPs registered between 2015 and 2019.

The activities of the majority of SLPs registered between 2015 and 2019 could not be ascertained. This means that most did not maintain any web presence at all, aside from entries on corporate registries.

However, it became clear in the course of our research that people running certain types of businesses gravitated towards select groups of service providers. For instance, well known and well established firms of accountants using UK based partners were found to be presenting the registration forms for legitimate businesses. In these cases the contact details for presenters were clearly stated on the LP5 forms. Partners and PSCs based in the UK were commonly found.

Other presenters were found to be attracting clients with more nefarious business plans. General Partners (who effectively control SLPs) were frequently found to be based in offshore secrecy jurisdictions. PSCs were either never filed, undisclosed, or based in Ukraine or Russia. Two of the four networks we have identified did not provide contact details in the presenter information field on the LP5 forms.

Please be aware that all information on this form will be available

When you have completed the form, please send to the Registrar

Presented by:

BRENNAN DEVELOPMENT INC.



The presenter information given on LP5 forms does not require an address or contact details to be provided.

In either case, it is not against the law to bulk register hundreds of partnerships with opaque ownership, even if several of those firms are later found to be, themselves, involved in illicit activity. We therefore do not suggest that any service providers are breaking the law.

In total, the activities of 1,112 SLPs registered by the four groups between 2015 and 2019 could be identified. These can be categorized as follows -

1. Legitimate financial structures

These include a range of business purposes. For example, SLPs are commonly used in the venture capital and private equity sectors. Graham Stack's research found that in 2015 and 2016, 659 SLPs with a visible web presence could be identified as legitimate finance structures, the majority (72.8%) of these being formed by solicitors Burness Paull LLP, the second most prolific presenter of SLP documents during the Period, and a presenter who do not meet the criteria of any of the enablers we have examined in depth.

There may, however, be a distinction between presenters who set up this kind of vehicle and those who create SLPs fitting into the other categories. Of all of the SLPs created by the four presenters researched by Bellingcat — whose business activities could be identified, that is — just three were clearly identifiable as legitimate financial structures.

2. Trade intermediaries

From the identifiable business activities of SLPs created in 2015 and 2016, the largest proportion were in use as trade intermediaries. The names of these SLPs can be found on the data for trade records, typically found on sites such as importgenius.com.

The use of anonymously owned SLPs as trade intermediaries runs a high risk of trade misinvoicing. This involves the falsification of the value of a commercial transaction submitted to customs officials. Predominantly, the names given as trade intermediaries were found in custom databases in Russia and Ukraine.

In 2015-2016, the names of 793 SLPs were being used as trade intermediaries. 342 were created by the five groups identified by Bellingcat as the most prolific presenters of SLPs during the Period.

3. Online businesses with a high fraud risk

240 businesses which run a high fraud risk were identified in 2015/16 — these included crypto currencies, HYIP and Forex trading, binary options trading, alleged pyramid schemes, and unregulated online gambling. 138 were linked to the four groups. Several have been the subject of FCA warnings, or their foreign equivalents.

4. Generic websites

The names of 230 SLPs created in 2015 and 2016 were found on websites which claimed to be trading businesses, but gave falsified contact details, were vague on the details of their exact trading activities and who were almost always situated at the virtual office or mailbox address they were registered at. 179 were set up during the Period by the four groups examined by Bellingcat.

Outside of these websites, no trace of their business activities could be found. One can speculate as to why, but one possible reason is that such websites are set up to pass money laundering checks, and may be a component of misinvoicing as described above.

5. Eastern European firms or firms with foreign registration

212 SLPs created in 2016 were found to be situated, or have foreign registration in Eastern situated at the virtual office or mailbox address they were registered at. 179 were set up during the Period by the four groups examined by Bellingcat.

6. Online businesses

256 SLPs registered in 2015 and 2016 were found to be engaged in business activities that are conducted online, 198 of these were set up by the four groups described by Bellingcat during the Period. This covers a large range of businesses, although SLPs appear to be particularly popular amongst app developers. A large proportion of these businesses appear to be based in Russia and Ukraine.

7. For sale as shelf companies

140 SLPs in 2015 and 2016 (69 set up by the five groups during the Period) were found for sale as shelf companies, often on Russian Language websites, together with a variety of different corporate vehicles.

List of Scottish companies available for immediate purchase

Name	Date	Status	
ALBRIDGE IMPEX LP	11.06.2017	Registered, finalised configuration	 Order
BORWELL ESTATE LP	03.11.2016	Registered, finalised configuration	 Order
DEGORLAND INVEST LP	11.05.2017	Registered, finalised configuration	 Order
EARLINE ACCENTS LP	11.06.2017	Registered, finalised configuration	 Order
FAZANO ESTATE LP	17.05.2017	Registered, finalised configuration	 Order
GUIDE UNIVERSAL LP	11.04.2017	Registered, finalised configuration	 Order
KURTIS VENTURES LP	05.07.2017	Registered, finalised configuration	 Order
LORRY UNIVERSAL LP	17.05.2017	Registered, finalised configuration	 Order

SLPs listed for sale online on Latvian website.

8. Shipping firms

39 SLPs set up in 2015 and 2016 had links to shipping, particularly in Eastern Europe. 20 were set up by the four groups during the Period.

9. Political lobbying

32 SLPs set up in 2015 and 2016 were involved as intermediaries for political lobbyists or have connections with politically exposed persons. For example, Mother Jones alleged in March 2018 that Biniatta Trade LP, an SLP created by LAS International paid Republican lobbyist Nick Muzin to lobby on behalf of the Democratic Party of Albania. Eight such SLPs were registered during the Period by the five groups.

10. Did not fit into another category

74 SLPs registered by the four groups did not easily fit into one of the above categories listed. These largely consisted of websites which were defunct.

11. Crime & Corruption

13 SLPs set up by the four groups during the period have been accused in the media of larger scale criminal activity or activity which had links to corruption. These do not include the two SLPs named in the Guardian as components of the Azeri Laundromat, both of which were set up in 2013, and do not include Fortuna United LP, which was involved in the Moldovan band raid, but was set up in 2014 by Royston Business Consultancy. Some of these SLPs are discussed below.

The Four Groups

1) LAS International

With 1,632 SLPs registered during the Period, LAS International (“LAS”) were the single most prolific presenter of SLPs between 2015 and 2017. At least 85.9% of the SLPs they created are controlled by companies in secrecy jurisdictions. 545 of these SLPs are still active.

The 638 individuals named as Persons of Significant Control for these partnerships cover 34 different nationalities. A total of two PSCs are British, 286 are Ukrainian, and 171 are Russian. 566 in total are nationals of former Soviet Union countries.

The majority (1,029) of SLPs created by LAS have never revealed who their PSC is. 777 never filed a PSC statement at all. 84 of these are still active, whilst most of the rest have dissolved. Two have filed for dissolution, but then started filing again. This is possible because Companies House cannot strike SLPs off the register once they are dissolved.

The remainder have filed statements to say they have not identified the registrable person, or that there is no registrable person. This leaves us with fewer than 80 persons of significant control who the UK authorities can reasonably expect to contact in the event that their SLP is involved in any illicit activity.

The company, currently named LAS IH Ltd⁷ and based in Poole, has changed its name five times since its incorporation in 2005. The company is situated at the same address as UK Postbox Limited, a mailbox service and virtual office provider. The current director, and PSC, for LAS is Elena Yael Dovzhik, a British national.

In 2016, Company Advice Ltd⁸ was incorporated by Latvian nationals Ineta Utinane and Alisa Iurchenko. During the Period the company presented the registration forms for a further 296 SLPs, 113 of which have Russian or Ukrainian PSCs. Utinane has shared two directorships with Dovzhik and is a former shareholder and secretary of LAS IH Ltd.

⁷ <https://beta.companieshouse.gov.uk/company/05573340>

⁸ <https://beta.companieshouse.gov.uk/company/10398049>

SLPs registered by LAS and Company Advice Ltd have been involved in a number in high-risk money laundering sectors:

- 10 of the 103 trade intermediaries registered by both companies have appeared in Ukrainian criminal court documents as conduits for illegal shipments to Russian-controlled Eastern Ukraine, or as components of trade misinvoicing.⁹
- In February 2018, the Scottish Herald reported that Sea Force Group, a Ukrainian mercenary group, was using a LAS-created SLP as a front.¹⁰
- The Belarusian Partisan reported in 2017 that Ukrainian customs intercepted one million packs of smuggled cigarettes sent from Belarus from LAS SLP Damoni LP.¹¹
- In 2017 the cyber security blog Confiant revealed how the Zirconium group set up 2017's largest malvertising operation by creating 28 fake advertising agencies and purchasing one billion ad views. The legal entity fronting Zirconium was Cape Diamond LP, an SLP created by LAS.¹²
- Seven SLPs registered by LAS, retailing at \$1,200 each, were found on a Russian language Google Doc spreadsheet of unknown origin. Another was found alongside companies from Ireland and several secrecy jurisdictions for sale on a Russian language website.
- 62 Generic websites (as described above) were found, registered in the UK by LAS and Company Advice Limited.
- 61 online businesses with a high fraud risk were found, mostly Forex trading websites and gambling websites, 17 of which were the subject of accusations of fraud from users and reviewers. M&A Mergers and Acquisitions Consultancy LP, set up by LAS, is named as the company behind Broker XP, subject to an FCA warning in 2018.

⁹ Records of SLPs appearing in court documents were largely found at <https://youcontrol.com.ua>

¹⁰ <https://www.heraldscotland.com/news/15998656.ukrainian-mercenaries-are-using-scottish-tax-haven-firm-as-front/>

¹¹ <https://belaruspartisan.by/interview/386291/>

¹² <https://blog.confiant.com/uncovering-2017s-largest-malvertising-operation-b84cd38d6b85>

Broker XP

Warnings | Published: 24/05/2018 | Last updated: 05/07/2019

We believe this firm has been providing financial services or products in the UK without our authorisation. Find out why to be especially wary of dealing with this unauthorised firm and how to protect yourself from scammers.

Almost all firms and individuals offering, promoting or selling financial services or products in the UK have to be authorised by us.

However, some firms act without our authorisation and some knowingly run investment scams.

This firm is not authorised by us and is targeting people in the UK. Based upon information we hold, we believe it is carrying on regulated activities which require authorisation.

Broker XP

Address: M&A Mergers and Acquisitions Consultancy LP Agent, Suite 1, 4 Queen Street, Edinburgh, United Kingdom EH2 1JE;

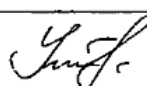
M&A Mergers and Acquisitions Consultancy LP Agent, Suite 2 5 St Vincent Street, Edinburgh, Scotland UK, EH3 6SW;

2 Lansdowne Row, London, W1J 6HL

Operating Address: Rackozi 54, Budapest, Hungary; Algirdo g.25, Vilnius, Lithuania

The FCA warning for Broker XP

736 of the SLPs set up by LAS and Company Advice Ltd name a company called Damitra Group Ltd, based in the Seychelles as their General Partner. No other details were provided other than a signature.

Please give the name and signature of each general partner	
Names	Signatures
DAMITRA GROUP LTD.	

Partners of SLPs are not obliged to provide any detailed contact information

However, Damitra Group Ltd is also named in the documents for a number of Limited Liability Partnership appointments on the Companies House website. From these we can see that a Designated Member named "S.Valuta" is signing off the accounts for Damitra LLPs.

These accounts were approved by the members on 19 December 2017 and signed on their behalf by:



Mr. S. Valuta on behalf of Damitra Group Ltd.
Designated member

This is an individual called Sergiu Valuta, a prolific signatory for numerous shell companies operating within the UK companies registry. On 9 August 2019, the Securities and Exchange Commission of Zambia named Valuta as an associate of World Way Capital LP (based in Canada), a fraudulent investment scheme.¹³

The Securities and Exchange Commission ("SEC") has become aware of a fraudulent investment scheme being promoted by **WORLD WAY CAPITAL LP ("WWC")** and its associates, including a **MR. SERGIU VALUTA** on behalf of **DELACROIX ENTERPRISES LTD.** We understand that WWC was or is still being promoted via seminars and presentations and have had reports of statements being made that may be either unsubstantiated and/or false and misleading, WWC is not regulated in Zambia by any of the three financial sector regulators and as such WWC is not authorized to conduct financial services business in Zambia.

The Securities and Exchange Commission of Zambia's warning against World Way Capital LP. The signature of their associate Sergiu Valuta can be found on hundreds of company records in the UK.

Damitra Group have, at last count, 54 other company appointments in the UK, and control hundreds of SLPs. Allegations that Valuta is running Ponzi schemes are easy to come across with a simple Google search. Damitra Group were additionally a partner of Cape Diamond LP, the legal entity behind malvertising scammers Zirconium.

Another commonly used General Partner by LAS SLPs is Poramto Group inc (Belize), another entity who use Valuta as their Designated member and who controlled 322 SLPs set up by LAS during the Period. Their name has been cited in the Ukrainian press, which alleged that UK LLPs connected to former Ukrainian president Petro Poroshenko's confectionary business Roshen were used to dodge taxes.

- Конечно! В открытом доступе также информация о том, что Винницкий комбинат хлебопродуктов №2, конечным бенефициаром которого является также наш глава государства, минимизирует налоги аналогичным образом. В частности, он осуществляет поставки из Украины в Турцию, опять же, через Великобританию. Можете взглянуть на карту, чтобы лучше представить, долгий этот путь. Известно и название компании - "Kulbert Int. Trading LLP" (адрес: Suite 1, 5 Persy Street, Fitzrovia, London, W1T 1 DG, United Kingdom). А уполномоченные лица этой фирмы находятся в том же Белизе. Это компании "Admiral Group Corporation" (адрес: 864 Northern Highway, Trellis Building, Belize City, Belize) и "Poramto Group Inc" (адрес: 864 Northern Highway, Trellis Building, Belize City, Belize).

In stories concerning local corruption the names of UK LLPs and SLPs can often be found in the Ukrainian and Russian Press.¹⁴

¹³ <https://www.seczambia.org.zm/public-alert-fraudulent-investment-scheme-world-way-capital/>

¹⁴ https://ipress.ua/ru/mainmedia/poroshenko_ne_hochet_platyt_nalogy_151675.html

Both Poramto Group and Damitra Group were formed at addresses connected to Alpha Consulting, a global service provider that, by their own website’s description, “focus[es] on registering companies in countries that use preferential taxation policies”.¹⁵

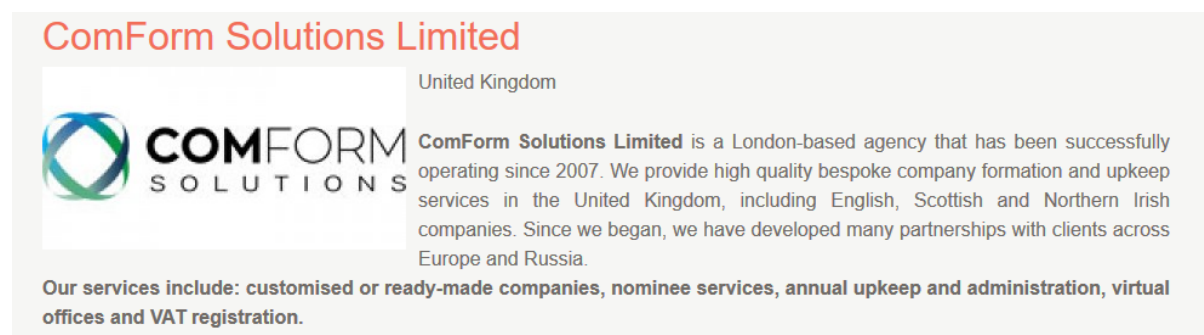
Another prominent controlling partner in LAS-created SLPs is Meezarte Holding Inc, who acted as General Partner for 251 of the SLPs registered by LAS during the Period. Their designated member is Seychellois national Sandra Gina Esparon (or Gina Sandra Esparon, as she has otherwise been listed) who is in her own right a prolific General partner for SLPs in the UK and has 92 current and previous company officer appointments in the UK.

Esparon was a partner in Always Efficient LLP, a UK based Partnership which operated BTC-e, a cryptocurrency trading platform closed by the U.S. Justice Department in 2017. In 2014, £4.5 billion worth of bitcoins were stolen from Tokyo based bitcoin exchange Mt Gox. Half of these coins were allegedly laundered through BTC-e. Alexander Vinnik, the Russian national behind BTC-e, is currently in prison in Greece but both Russia and France are seeking his extradition.

There are two registered offices that house 96.5% of all of the SLPs registered by LAS during the period. These are 5 St. Vincent Street, Edinburgh, an address visited by iNews in 2017¹⁶ due to the volume of SLPs registered there, and 4 Queen Street, Edinburgh, which also houses all but two of SLPs created by Company Advice Ltd. Both house thousands of corporate entities.

2) ComForm Solutions

ComForm Solutions¹⁷ are a company formation service based in Great Russell Street, London. Their directors are James Dickins, Daniel O’Donoghue and Kiril Pestuns, a Latvian national who is named at Companies House as the Person of Significant Control. ComForm’s name can be seen on the website for International Expo’s and conferences, marketing their services to clients in Russian and Eastern Europe.



ComForm market their services across Eastern Europe and Russia

Dickins and Donoghue signed the LP5 documents for 1,733 SLPs on behalf of three offshore companies –

- Nowi Setlus Corp, based in Saint Kitts & Nevis
- Viala Trade Ltd, based in Belize

¹⁵ <http://www.alpha-offshore.com/en>

¹⁶ <https://inews.co.uk/news/uk/trail-scottish-limited-partnerships-edinburgh/>

¹⁷ <https://www.comform.co.uk/>

- Brennan Development inc. also based in Belize

Name	Signature
NOWI SETLUS CORP.	<i>James Dickens</i>

James Dickens signs on behalf of Nowi Setlus Corp. This is taken from the registration documents for Hellax Corp LP, subject of a FCA warning in November 2018.

Collectively, they hold or have held over 600 appointments as company officers in the UK according to the Companies House website.

NOWI Setlus Corp was named in an article on Medium.com, published on 11 April 2019, in their capacity as the controlling partner of Interarmco LP, which is alleged to be an arms dealer owned by Vasyl Lutchak.¹⁸ Lutchak is a business associate of Ukrainian oligarch Ihor Kolomoisky, currently under investigation by the FBI for financial crimes, including money laundering.¹⁹

Our research into the three offshores additionally shows that –

- 63 of the SLPs set up by the three offshores during the Period were trade intermediaries. Three have been cited in Ukrainian criminal court records due to their links to trade misinvoicing.
- The nephew of the deposed President of Kyrgyzstan Kurmanbek Bakiyev is the PSC for two SLPs, which in turn control 22.5% of the Belarusian National Biotechnology Corporation. Allegations of money laundering and corruption have consistently surrounded Bakiyev and his family. Bakiyev's son has been convicted in absentia in Kyrgyzstan for embezzlement, illegal privatisation of public land, and selling off state assets.²⁰
- 41 SLPs were found for sale online. Most of these were found on the website for Finpay Consulting a company based in the Czech Republic, and were offered together with offices in Latvia.
- 27 SLPs were found with a high money laundering risk. These included Animax United LP, named on the Swiss Financial Market Supervisory Authority's warning list; Hellax Corp LP, subject to a scam warning from the FCA²¹; New Assets Union LP was used to run a Belarusian-owned pyramid scheme which duped 900 people out of their savings²²; Blackrock Alliance LP is a clone of an FCA authorized firm, subject to another warning from the FCA.²³ The Swedish Financial Supervisory Authority, Finansinspektionen warned consumers in May 2017 that Explatinum LP had been offering financial services in Sweden despite not being authorized to do so.²⁴

¹⁸ <https://medium.com/@tomb7042/ukrainian-oligarchs-trace-and-money-in-radicalization-of-europe-d57a5fd66a7>

¹⁹ <https://www.thedailybeast.com/billionaire-ukrainian-oligarch-ihor-kolomoisky-under-investigation-by-fbi>

²⁰ <https://charter97.org/en/news/2019/7/19/341887/>

²¹ <https://www.fca.org.uk/news/warnings/asic-trader-hellax-corp>

²² <https://www.eveningtimes.co.uk/news/16045425.glasgow-firm-used-to-dupe-900-people-out-of-their-savings/>

²³ <https://www.fca.org.uk/news/warnings/blackrock-alliance-lp-clone-authorized-firm>

²⁴ <https://www.fi.se/en/varningslistan/2018/littinvest--explatinum-lp/>

1 LP details		→ Filling in this form Please complete in typescript or in bold black capitals. All fields are mandatory unless specified or indicated by *
LP number	S L 0 3 0 0 3 3	
LP name in full	ALTASTAR LP	
2 Date that individual became a registrable person ¹		① Date that individual became a registrable person This cannot be before 26 June 2017
Date	d 0 5 m 0 3 y 2 0 y 1 9	
3 Individual's details		② Country/State of residence This is in respect of the usual residential address as stated in section 4a. ③ Month and year of birth Please provide month and year only. Provide full date of birth in section 3a.
Title*	MR	
Full forename(s)	ASYLBEK	
Surname	SALIYEV	
Country/State of residence ²	BELARUS	
Nationality	BELARUSIAN	
Month/year of birth ³	X X m 0 5 y 1 9 y 8 8	

Saliyev is the PSC for two SLPs controlling 22.5% of the Belarusian National Biotechnology Corporation. He is the nephew of former president Kurmanbek Bakiyev.

Finansinspektionen (FI) har fått uppgifter om att representanter som utger sig för att företräda Littinvest / Explatinum LP erbjuder svenska investerare att handla med värdepapper.

Littinvest / Explatinum LP existerar inte enligt FI:s efterforskningar. Littinvest / Explatinum LP har inte tillstånd från FI att driva värdepappersrörelse eller någon annan finansiell verksamhet i Sverige och står alltså inte under FI:s tillsyn. Någon gränsöverskridande verksamhet för Littinvest / Explatinum LP har heller inte anmälts till Finansinspektionen från något annat EES-land. Littinvest / Explatinum LP har inte heller tillstånd att driva finansiell verksamhet enligt tillsynsmyndigheten i det land där bolaget anger att de har sin hemvist.

FI varnar investerare och andra för att handla med företag som inte har tillstånd att driva finansiell verksamhet. Samtliga företag med tillstånd finns på www.fi.se under [Företagsregistret](#).

Finansinspektionen have published a warning about Explatinum LP, an unauthorized financial services firm.

No British nationals were named as PSCs for any of the SLPs registered by Viala Trade, Nowi Setlus Corp, or Brennan Development. 408 individuals were names as PSCS, the largest proportion being Ukrainian (131) or Russian (92) nationals.

1,674 of the 1733 SLPs created by the three are situated at five addresses. All five are mailbox addresses.



Mail Boxes etc. in Bell Street, St. Andrews, used to house 395 SLPs controlled by the three offshores.

3) Axiano

Axiano Limited (previously known as Axiano Accounting Ltd and Axiano Accounting and Business Services Ltd)²⁵ were an accountancy firm based in Edinburgh. Their director Marios Papantoniou was a former tax inspector from Cyprus. In 2014, the Organized Crime and Corruption Reporting Project (OCCRP) reported that \$20.8 billion was laundered from 19 Russian banks in a scheme named the Russian Laundromat.²⁶ The Scottish Herald reported that four UK Limited Companies transferred \$6.98 billion from Russia which was then siphoned into numerous shell companies as part of the Laundromat. All four were reportedly created and controlled by their director, Marios Papantoniou.²⁷

Papantoniou was a partner in another Scottish firm, Lawsons & Co. LLP²⁸, which was dissolved in 2013. Despite their dissolution, a company named Lawsons & Co., situated at the same address, presented the registration forms for 248 SLPs during the Period.

Papantoniou's former employee at this firm²⁹, Viktorija Zirnelyte, set up Royston Business Consultancy in the same year, together with fellow Lithuanian national Remigijus Mikalauskas. The firm gained considerable media attention and was the subject of a BBC investigation in 2015³⁰, when it was revealed that an SLP named Fortuna United LP, created by Royston and based in a former council flat in Pilton, Edinburgh, was found to have the rights to \$1 billion that was stolen from three Moldovan banks in 2014, the equivalent of 12% of Moldova's GDP.

²⁵ <https://beta.companieshouse.gov.uk/company/SC349331>

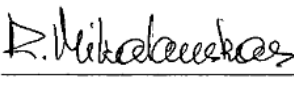

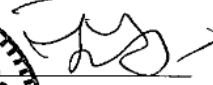

²⁶ <https://www.occrp.org/en/laundromat/the-russian-laundromat-exposed/>

²⁷ <https://www.heraldsotland.com/news/16236452.the-scot-behind-firms-which-laundered-7-billion-out-of-russia/>

²⁸ <https://beta.companieshouse.gov.uk/company/SO300926>

²⁹ <https://uk.linkedin.com/in/viktorija-zirnelyte-44097a7b>

³⁰ <https://www.bbc.co.uk/news/magazine-34445201>

Please give the name and signature of each general partner		
Name	Signatures	
Brixton Ventures Limited	 	
Please give the name, amount contributed and signature of each limited partner		
Name	Amount contributed €	Signatures
Trafford United Limited	50 GBP cash	 

The partners of Fortuna United LP, owed the proceedings of the Moldovan bank raid

Professional enablers enjoy such impunity in the UK that, when interviewed by the BBC for their investigation, Zirnelyte felt comfortable enough to state that not only did Royston create Fortuna United LP, but that Mikalauskas and Zirnelyte were the “nominee” directors of the offshore companies controlling Fortuna. ³¹ Royston Business Consultancy are still active. During the Period they registered 826 SLPs.

A further Axiano-related firm set up in 2015 by their former director and Mario Papantonio's son Alexandros created 157 SLPs during the Period. In total, businesses run by individuals associated with Axiano registered 1,231 SLPs during the Period.

Our research shows that Axiano-related firms have all created SLPs involved in illicit or high risk money laundering activity. As the SLPs involved in the Moldovan bank scandal were registered before the Period they are not included (but are nonetheless significant). Those registered during the Period include:

- 74 Trade Intermediaries, mostly in Russia in Ukraine, but also from as far afield as Iran and Ecuador. Communique Trade LP, an SLP created by Remigijus Mikalauskas was one of 10 SLPs named in the Ukrainian Courts in 2017 in a huge organized criminal misinvoicing, tax evasion and money laundering scheme.³²

³¹ http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/06_10_15_fo4_dirty_money.pdf

³²

<https://webcache.googleusercontent.com/search?q=cache:dIpr70B6pZQJ:https://youcontrol.com.ua/en/catalog/court-document/72076592/+&cd=16&hl=en&ct=clnk&gl=uk&client=firefox-b-d>

«Louis Dreyfus Commodities Suisse S.A.», «CARDIFF TRADING OU», «LOUIS DREYFUS COMPANY SUISSE SA», «AGROPROSPERIS TRADING 1 LIMITED», «TIS-ZERNO SERVICES LTD», «Quadra Commodities», «DELAKE SERVICES LIMITED», «Bunge Ltd.», «Glencore International AG», «Plus Ultra L.P.», «PRIME PROPERTY CORPORATION L.P.» «FORSTHILL OVERSEAS L.P.», «Orion Consortium L.P.», «MASTER TRADE ALLIANCE L.P.», «COMMUNIQUE TRADE LP», «HEADWAY TRADE LLP», «RECON TRADE LP», «GRANT INVEST LP», «LANZO TRADE LP», «STAR TEAM INVESTMENTS L.P.», «COLAKOGLU METALURJI A.S.», «STARTRADE COMMERCIAL LLP», «KULBERG TRADING SA», «CEREALES Y HARINAS GARSAN SL», «SMART TRADE OVERSEAS CORP. (SMART TRADE OVERSEAS SA)», «E.R. Yem Gida Tarim Urunleri San. Ve Tic. LTD. STI», «OCTILLION TRADE LTD», «GENERIC TRADE LIMITED», «CITADELL TRADING LLP», ТОВ «ІЗТ» (код 33558271), ПП «Гленкор Агрікалчер Україна» (код 23393195), ПП «Гленкор Агрікалчер Україна» (код 23393195), «Агропроект», ТОВ «Оптімус Плюс» (код 36726843) за період з 01.01.2016 по дату постановлення ухвали суду, у тому числі, угод, договорів та додатків до них, додаткових угод; видаткових накладних; податкових накладних; товарно-транспортних накладних; актів приймання – передачі виконаних робіт (надання послуг); актів приймання – передачі ТМЦ; довіреностей на отримання ТМЦ; оригіналів договорів про складське зберігання продукції; складських квитанцій; свідоцтв (подвійних складських свідоцтв), у тому числі погашених; письмових вимог про видачу товару; оригіналів Communique Trade LP were one of a number of SLPs named in the Ukrainian criminal courts in 2018.

- 28 SLPs were found to be operating in areas with a high scam risk. These were largely SLPs acting as the companies behind various crypto-currencies and trading platforms.
- 37 Generic websites as described above were found to be operated by SLPs, giving their contact details as the registered addresses used by Axiano partnerships.

The General (controlling) partner details for all of Axiano’s SLPs were searched on Companies House. 86.7% of their SLPs were found to be companies in secrecy jurisdictions *and* had further company officer appointments in the UK. Just nine offshore based companies controlled 1,025 of Axiano’s SLPs, and collectively they have held 292 company officer posts in the UK.

The largest proportion of PSC details filed by Axiano SLPs (aside from the 275 who never filed PSC documents, and the 237 who stated they had not yet taken reasonable steps to identify the PSC) were themselves SLPs. Dalston Management LP³³, registered by Royston Business Consultancy, were named as the sole person of significant control for 77 SLPs. Dalston themselves have no registrable person acting as their PSC.

Unusually, 29 SLPs registered by the Axiano group named a British PSC — but 23 of these were Alexandros Papantoniou himself. In contrast, 195 were found to be owned by PSCs in Russian and Ukraine. 45 nationalities in total were represented in the PSC documents for Axiano Companies.

4) The Dominican Group

A group of Dominican nationals were found to have created 912 SLPs during the period. They are consistently found co-signing the registration forms for LP5 forms, either in their capacity as presenters or on behalf of the offshore companies partnering the SLPs they create. The U.S. Bureau of International Narcotics and Law Enforcement Affairs described Dominica as a major money laundering centre in its 2019 International Narcotics Control Strategy Report.³⁴

³³ <https://beta.companieshouse.gov.uk/company/SL012544>

³⁴ <https://www.state.gov/2019-incsr-volume-ii-money-laundering-and-financial-crimes-as-submitted-to-congress/>

RELIANCE MANAGEMENT LTD(Sandra Caesar)	<i>Sandra Caesar</i>
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Please give the name, amount contributed and signature of each limited partner

Name	Amount contributed ^①	Signatures
DOORSET MANAGEMENT LTD (Jannette St Luce)	£2.00 (paid in cash)	<i>Jannette St Luce</i>

^① This must include the appropriate name ending.

The names of Dominican nationals often appear together on SLP registration documents.

The Dominican nationals are Sandra Caesar (presenting the registration documents for 303 SLPs during the Period), Kimora Renata Harris (134), Janette St Luce (also known as Janette Lucy St Luce, 144) Deborah Merina Grant (198) and Naomi Jno Pearl John (133). Caesar also has 14 current and former entries as a Company Officer according to the Companies House website. Our research into the companies they have created has found the following information:

- 118 Trade intermediaries were found, largely operating in Russia and Ukraine. Three were cited in the Ukrainian criminal courts due to their involvement in tax evasion. Six SLPs were found on the Ukrainian Ministry of Economic Development and Trade website due to their inclusion in sanctions lists.
- In 2016, court documents from the United States³⁵ described how an unnamed American company was defrauded “through the use of false and fraudulent representation made through the use of the wires, property involved in international money laundering, and the fruits of transnational organized crime”. The United States sought to recover \$25 million, including more than \$16 million fraudulently taken from the American company. On 22 July 2016, the U.S. filed a Complaint of Forfeiture against monies held by a number of companies including Corwald Transit LP, an SLP set up by Jannette St Luce, and controlled by Doorset Management Ltd, a company based in the Marshall Islands. The funds held by Corwald Transit totalled \$3.8million.

³⁵ <https://www.courtlistener.com/docket/4356945/united-states-v-certain-funds-on-deposit-in-various-accounts-detailed/>

- m. Any and all funds including but not limited to \$2,911,745.26 on deposit in account number LV65KBRB1111216560001, maintained in the name of “Privald Construction LP” at Trasta Komerbanka, Latvia, and all funds traceable thereto (“Subject Account-19”);
- n. Any and all funds including but not limited to \$3,836,200.00 on deposit in account number LV72KBRB1111232037001, maintained in the name of “Corwald Transit LP” at Trasta Komerbanka, Latvia, and all funds traceable thereto (“Subject Account-20”);

From the Final Judgement of Forfeiture filed by the United States in 2017. Privald Construction LP is an SLP registered in 2012 by Georgiou Panagiotis.

- 11 SLPs are currently for sale online, including SLPs that have been dissolved. These were mostly found on the website offshoreworldwide.com³⁶ together with nominee partner services.
- 48 SLPs were found with generic websites, as described above.
- 11 SLPs were found involved in other sectors with a high money laundering risk. One, Guide Universal LP (trading as MegatradeFX) is subject of an FCA warning.³⁷

655 SLPs registered by the Dominican Group have not named a PSC. Of the remainder, just 3 British nationals are named. The majority of PSCs are individuals situated in the former Soviet Union.

1004 of the SLPs registered by the Dominican Group (95.7%) are controlled by offshore companies in secrecy jurisdictions. 991 of these are companies in the Marshall Islands. The Marshall Islands were placed on the EU Blacklist of tax havens in March 2019.³⁸

Eight offshore partners control 859 of the SLPs registered by the Dominican Group. All are registered at the Trust Company of the Marshall Islands, Inc. The same partners have had a combined total of 866 company appointments in the UK, largely as partners of LLPs. Two of these companies, Sangaro Solutions and Legacy Properties Ltd were the partners (together with Sandra Gina Esparon) of Always Efficient LLP³⁹, a partnership reported to be linked to the laundering of £4.5 billion worth of bitcoins from bitcoin exchange Mt Gox as described above.

Sabine Vickers (nee Boze) acted as the designated member for all but 33 of these partners. Vickers is the current director of two companies in the UK, The Island Service Provider Limited⁴⁰ and B2B Company Secretary Limited.⁴¹ The PSC for both of these companies is Alex Zinghaus, an Israeli national, whose name

³⁶ <https://www.offshoreworldwide.com/>

³⁷ <https://www.fca.org.uk/news/warnings/megatradefx-trading-style-guide-universal-lp>

³⁸ <https://www.euractiv.com/section/economy-jobs/news/eu-tax-haven-blacklist-triples-to-include-15-countries/>

³⁹ <https://www.bbc.co.uk/news/technology-43291026>

⁴⁰ <https://beta.companieshouse.gov.uk/company/08500723>

⁴¹ <https://beta.companieshouse.gov.uk/company/07789221>

can be found alongside Deborah Merina Grant and Janette St Luce in the filing history for Serra Company LP⁴², an SLP created by Grant in 2015.

Additionally, Vickers was the designated member for Corporate Solutions Ltd, a partner of Metastar Invest LLP, identified by the OCCRP as one of the key companies involved in the \$2.9 billion Azeri Laundromat⁴³.

MEMBERS



CORPORATE SOLUTIONS LTD (designated member)
Signed by authorized representative Sabine Boze

Sabine Vickers signs off the accounts for Metastar Invest LLP, one of the core companies involved in the Azeri Laundromat.

Limited Liability Partnerships

In the course of our research, it has become apparent that the controlling partners of SLPs created by the four groups are also partners in large numbers of Limited Liability Partnerships, indicating that offshore partners in secrecy jurisdictions are embedded in the UK company system. 86 offshore partners were found to have company officer appointments in the UK, mostly as LLP appointments but also as Company Directors. These totalled 4,637 appointments.

The Government's Response

In April 2018, in response to reports that Limited Partnerships were being misused, the government launched a consultation into the reform of Limited Partnerships.⁴⁴ Bellingcat participated in this consultation, together with a variety of stakeholders. In December 2018, the Government produced their response to the consultation including their proposals for potential reform. The Government's key proposals were as follows

- Presenters will be required to demonstrate that they are registered with an AML supervisory body.
- Limited Partnerships will be required to maintain a principal place of business (PPoB) in the UK.
- Limited Partnerships will be required to file a confirmation statement every 12 months.
- The Registrar of Companies will have the power to strike limited partnerships off the register if they are dissolved or dormant.

As of September 2019, these changes have yet to be put into effect. As discussed above, SLPs numbers have dropped significantly since the introduction of the PSC rules. SLPs are already required to file a confirmation statement every 12 months, and all but a handful have a registered address in Scotland. As discussed above, a small number of addresses house a large proportion of SLPs, many of which are mailbox or virtual office address. It is unknown whether the government considers these to be viable PPoB addresses.

⁴² <https://beta.companieshouse.gov.uk/company/SL022160/filing-history>

⁴³ <https://www.occrp.org/en/azerbaijanilaundromat/the-core-companies-of-the-azerbaijani-laundromat>

⁴⁴ <https://www.gov.uk/government/consultations/limited-partnerships-reform-of-limited-partnership-law>

In any event, during the boom years of SLP registration (between 2008 and 2017), no action was taken by the authorities to stem the tide of anonymously owned entities. Despite reports in the media at home and abroad concerning major laundromats and the link between SLPs and criminality it has taken years for the government to react. As indicated in this report, offshore companies in secrecy jurisdictions are named as the partners for thousands of Limited Liability Partnerships, but they are not included in the plans for Limited Partnership reform.

Whilst we wait for meaningful reform to materialize, stories concerning SLPs will continue to appear in the media. In July 2019, the Sunday Times reported how SLPs were used to ship asbestos to the developing world.⁴⁵ In June, Open Democracy reported links to SLPs and corruption in Uzbekistan⁴⁶. Whilst the Government waits to respond to the already-ended boom in SLP registrations, it is inevitable that more stories will emerge in the coming years.

⁴⁵ <https://www.thetimes.co.uk/article/british-firms-secretly-send-killer-asbestos-to-worlds-poor-bbf38v6v6>

⁴⁶ <https://www.opendemocracy.net/en/odr/how-central-asian-business-empire-dines-out-british-secrecy/>

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