

The Taxcast, edition 117, December 2021: Jersey's Pandora's Boxes

Naomi: "Hello and welcome to the Taxcast, the Tax Justice Network podcast. We're all about fixing our economies so they work for all of us. I'm your host, Naomi Fowler. You can find us on most podcast apps. Make sure you never miss an episode - email me on naomi@taxjustice.net, and I'll put you on the subscriber's list. Ok, so, for this edition let me transport you to the island of Jersey – a British Crown Dependency in the Channel Islands, close to the rocky coastline of France."

[Audio clip of seagulls, waves, etc]

Tanya: "It is beautiful, it is. We moved there when I was a child. I was about nine years old and I just fell in love with Jersey. I thought it was the coolest place."

Naomi: "It *is* a beautiful place. It's also a tax haven, and it offers all sorts of financial secrecy. There's apparently £1 trillion sitting in this tiny island's trusts, companies, funds and foundations. It's a major artery into the City of London. Now, picture St John's Manor. a Jersey estate of 58 acres. A spectacular manor house with landscaped gardens, a lake, its own chapel, and a Japanese water garden."

Tanya: "It's in many ways like a fairy tale, it's got ponds and geese and chapel, and there's nothing like it, the air is better, you sleep better, or I *used* to sleep better there and, uh, I really loved it. I loved it. I'd hoped to grow old there."

Naomi: "*This* is Tanya Dick Stock, the daughter of Canadian multi-millionaire John Dick. He's been immersed for years in court cases involving trusts, transactions, banks and law firms across the world. Much of them concern the activities of a Jersey trust company called La Hougue, which was once head quartered at St John's Manor."

Tanya: "For some reason different newspapers, news sources are still saying that my father *allegedly* owns La Hogue, or *I'm alleging* he owns La Hogue. No, I'm not alleging anything. A court of law, not one, but two have adjudicated John Dick owns La Hogue. It's not me saying it, it's a court of law."

Naomi: "OK. That shows you the kind of power a very wealthy person can have doesn't it? So, your parents set up a trust for you, can you tell me about that?"

Tanya: "I guess you could kind of look at it as an inheritance, actually the trusts were set up, uh, as part of my parents' divorce settlement and so a large part of the marital assets instead of being divided between the two of them, they put them into trusts specifically for my brother and myself. There were three different trusts there and one of them, by my 40th birthday, I was to receive half of the trust assets and then my brother upon him reaching the age of 40 would have gotten his half. And how much was in the trust, we've tracked hundreds and hundreds of millions of pounds, so I think there's at least half a billion - we're not done calculating yet, so..."

Naomi: "And at some point your father told you that the money in your trust was gone?"

Tanya: "Yes. Yes. In 2010, he came to me one day and basically said, 'bad news, Tanya, uh, the trusts are bust, all the money's gone and I'm, I'm really sorry about

that.' And I'm thinking, whoa, hold on! There is no way that this money can be gone! I want to know what happened! When, when I did start digging into it there was still about a hundred million in assets still in the trusts, they were still in the process of stealing the rest of it. What they'd done is put a bunch of fake debt on it. At the end of the day, I was able to save about a hundred million."

Naomi: "The 'they' she's accusing are La Hougue trustees. Through his lawyer a former trustee admitted in a US court to fabricating documents. La Hougue and its current trustees deny fraud allegations put to it by journalists. You've probably noticed that Tanya didn't have your average childhood, being from the family that she was. And she says she's not motivated by revenge against her father:"

Tanya: "Uh, you know it was very difficult for me to cut him out of my life but it became, I had to remove that cancer or it was literally going to kill me. It was frightening. It was initially sad, but it was really crazy how once I'd removed him from my life, completely cut him out, it was the first time I have felt at peace. I was safe."

Darrin: "The drama stopped."

Tanya: "Yes. You don't put yourself through what we have for money and now it's about justice and it's about everybody else. It goes beyond a movie, if you saw a movie, you wouldn't believe it."

Darrin: "Yeah. Jersey is a mafia."

Naomi: "This is Darrin Stock, Tanya's husband."

Darrin: "People on that island are scared to death of the authorities there. And I mean, who wants to live that way? You know? And you, you rapidly lose the gas to fight when it's just about the money. I've heard enough stories now that I actually have nightmares about what I've heard and it bothers me so much. Why we're doing these interviews is not for Tanya's sake. We're doing these interviews for the other people. We can be a voice. We can be an organiser. We can be the lightning rod to help bring change."

Tanya: "Since coming forward, I've been contacted by a lot of victims, people who don't have a voice and they have encountered some of the same things that I did, I am by far not the only one who's been stolen from and defrauded."

Darrin: "This fight is not about a jilted daughter. It took us almost three years to come to the conclusion that we were going to go public. And then when Tanya and I made the decision to go public, we decided we couldn't go *kind of* public."

Tanya: "It's all or nothing."

Darrin: "Either you were going to do it all, or you just don't do any. And so then we decided that we had to put our name to it. So not only being a whistleblower, but actually attaching our name to it."

Naomi: "Speaking out publicly has meant laying out every aspect of *their* lives for journalists to check up on, including Darrin's own dispute in the past over a tax bill in

the States. But let's get back to Jersey – ten years ago now Tanya discovered a kind of Pandora's box of incriminating evidence. She found it in St John's Manor, the incredible place where she grew up. And at the time she was preparing for her wedding there."

Tanya: "Uh in 2012 we were married on the 4th of July. And in the process of planning for the wedding I was looking for a place that I could store all the boxes of, of Tiki torches and flower urns and all the stuff that was coming in and I needed a staging area. Uh, there was an old squash court and nobody used it. So I thought, well, that's perfect, it's close enough to the house, you know, so I got the master key out and I go running down there, I open the door and much to my dismay, I'm looking around and there are just boxes and boxes and boxes. Did you see Raiders of the lost Ark? You know that last scene where they've got the Ark of the Covenant and it's been boxed up and they're wheeling it in to, you know, that warehouse with all the boxes, and the camera pans back and you just see more boxes, and more boxes. And that's what it felt like, 'cause they were piled as tall as I was, and my heart sank because I'm thinking 'I need this space for my wedding,' you know, and they're dusty and they're dirty and there's like dried leaves and spider webs and dead bugs. And I'm thinking, ugh, this is trash, I got to get rid of it. So my first thought is let's, let's toss it. And then I'm looking at the labels on the side and I noticed that there are trust names and some of them are *my* trust names."

Naomi: "There were 333 boxes in total, and what turned out to be 350,000 documents. So, you had the wedding. When did you and your husband Darrin get down to going through all this stuff?"

Tanya: "Well, by the time we got back from our honeymoon we started looking through the boxes that had my trust name on them. You know, I guess this is fate - I end up with the one guy who not only is smart enough to see what's going on, but he's also got an honest streak in him that's about a mile wide."

Darrin: "And we were this close to throwing them out, you know, and she ends up keeping them. And then it just kind of turns into one of those aha moments."

Tanya: "Typically what the trustees would do is they would just look at me and go, well, you don't understand. That's another thing that I found - it is a very male dominant system of, of what they do in Jersey, they are very chauvinistic. And it was '- don't bother your pretty little head. You just don't understand. Don't worry about it. Go ask your father.' And then my father would go, 'well, no, you have to talk to that trustee.' That trustee would say, 'no, no, no, it's that trustee, that trustee would say, oh no, you have to talk to your father,' I mean, you just, you could never get a straight answer. And then what they *would* give me made no sense at all. So, you know, Darren is now in the picture and he's got a background as an investment banker. So I would go to him and I'd say, 'can you look at this? Am I crazy?' And without having gone to law school, it would have been much harder for me to look at some of these documents and truly appreciate the implications of some of the documents I was seeing. I mean some things you just know are wrong like, you know I ran across a memo and they were talking about 'you need to be careful when you're fabricating this document that you use old paper and old ink. So if they tested,

they can't tell that it's a fake.' And yeah, I think everybody pretty much understands that that's bad. But when you realise that they were creating shell companies, and filling in fake debt, making assets disappear and introducing it into court systems all over the world - bankruptcies in Canada, in the UK, in the US. So, you have no idea how damaging this stuff is."

Naomi: "There's a treasure trove of evidence on some who used La Hogue's services - tax cheats, a porn king and convicted tax fraudster, Russian and British oligarchs, there are links to the famous missing Botticelli Madonna and Child painting from 1485, and the disappearance of more than \$100 million from the US savings-and-loan crisis back in the 1980s. So, presumably some heat started to be felt in Jersey?"

Darrin: "Yeah. La Hogue tried to move from Jersey in 2007, 2008. La Hogue changed its name to PanTrust and moved to Panama. PanTrust is the extension of La Hogue. So in 2015, as we're digging into the boxes deeper and then we were like, well, maybe we should go to Panama, you know, and go down there. And everybody's like, Panama is so corrupt and you'll never get anything out of it and we thought well, I mean, why not take a shot? Right? So I, I, myself flew down to Panama to meet with the regulator."

[Panama street audio clip]

Darrin: "And, um, I was expecting, you know, we we'd gotten some legal counsel down there and what they had prepped me for was basically that we were going to go in and make a formal complaint to some junior person and then that was going to, you know, probably have a junior lawyer involved. And then it would take an hour or two, then we'd go on. I walk in to the meeting and it was pretty obvious early on that something was afoot because they actually took us up to the main floor of where the headquarters of the regulator is, because in Panama, the trust world is regulated by the banking division and so the head of regulation is actually a cabinet level position. So you're talking about an actual government agency that you're dealing with, appointed by the president of Panama. I walk into this boardroom that's got 40 people sitting at this table. I mean, the head of the investigation, the head of police, the head of banking, the regulator himself is there, their lawyers are there. And so we have, we have triggered something, we have walked into something and we don't know what it is. Now at this stage I still think John Dick is a good guy, right? Shortly after that meeting the Panama regulator terminates Pantrust's trust license. The Panamanian regulator took the unprecedented step of issuing an unbelievably scathing letter of just the danger to society that this organisation is. Panama of all places where everybody said they would do nothing is the only jurisdiction that actually did something, which is the shocking part. And you look back at Jersey and you're expecting them to actually be the ones that would be the upstanding white Knight. And they want nothing to do with this. They're shutting it down at every juncture and then they go on the offensive to attack Tanya."

Naomi: "We'll get back to Jersey shutting things down in a minute. Tanya and Darrin worked with a group of experts to help them track what were very complicated transactions over decades:"

Tanya: "Then when we started tracking the money, you know, follow the money, follow the money, follow the money, and one day we were sitting with our advisors, we were in this hotel boardroom and these great big white boards all over the place and we're drawing out transactions, companies, the money, we've got all these lines going, and every time it's going to one box and we sat back, and one of the people, I just, I still remember it, my heart sinks, even when I think about it now and they went, 'oh my God, Tanya, it's your dad.' And you know, this is like early 2017, late 2016. And it was just, I was sick, absolutely sick because I had been defending him. The trustees were saying, 'oh, it's your dad, your dad's the one who told us to do this. We were just following orders.' And he's saying, 'they're lying. They stole all the money. I'm so sorry, I should have never trusted them.' And then I find out, no, it was him."

Naomi: "That's something Tanya's father John Dick continues to deny. He says he was a victim of fraud too. But Tanya remembers as a child going into her dad's office and getting told off for playing with a load of old typewriters, old ink, old sheets of paper, stamps, all sorts of stuff. Tanya, *why* would anyone keep all those documents in the squash court that you found, I mean, why wouldn't you get rid of it all?"

Tanya: "Yeah! The only reason that makes any sense at all is that he kept this to blackmail Jersey. This was his get out of jail free card, if anything ever went wrong. I went to the police expecting them to investigate and to do something about it because I had clear cut fraud."

Darrin: "Yeah, you run across the fraud right? And you've got the documents and you take it to the police and you're expecting a certain reaction. Right?"

Tanya: "I was told that Jersey places an affirmative duty on its people that if you see suspicious activity you are bound by law to go and report it. You don't have a choice. So, you know, talk about suspicious activity, there was evidence of money laundering, fraud, identity theft, so Darrin and I, we, we went to the police and we filled out police reports, one of the detectives came to the squash court and he's looking around all of these boxes and he says, 'so all of these boxes are fraud?' And we said, 'yes'. And he goes, 'so it's not just like every day records and you know, a couple of bad documents thrown in?' We're like, 'well, you know, we haven't been through all the boxes, but no, I mean, it's pretty chock-a-block with fraud.' And so he takes the cover off one of the boxes, he reaches in, he pulls out a random piece of paper and it talks about shredding the documents, which is against the law, you have to keep the documents for trust companies. And it talks about shredding the documents, hiring commercial shredders, getting black bin bags and then burning them at the tip. So he looked at that and he went, 'yep okay, I take your point.' And then the police seized the documents and the detective said it was one of the worst cases he'd seen where there was such a plethora of evidence. And it went from him being very excited about prosecuting it to him going, 'oh, by the way, I'm uh, kind of retiring.' So yeah, I think he got forced into retirement."

Naomi: "And it's when you start to engage with law enforcement and the courts in Jersey that the realities of a State captured by finance *really* start to show themselves?"

Darrin: "Yeah."

Naomi: “And there’s a culture in Jersey that they call ‘the Jersey way’ – you know, you don’t stand up and speak out against the kind of insularity and conflicts of interest that you get in a small jurisdiction like this, it’s one of the reasons so many small islands tend to become popular places for secretive finance sectors.”

Tanya: “I never understood it until I found myself in front of two Jersey judges. They were both my father's former lawyers for 20 some years. The head of the police commission, he was also my father's former lawyer, I mean the conflict of interest is astronomical. When we started going through the boxes, I found another document too that made it very clear - the trustee of La Hougue, the guy who was doing the day to day stuff, there was a memo he sent to my father and one of La Hogue's clients was very unhappy and had threatened to go to the Jersey regulator. There's a memo that I found that was in the boxes where he writes to my father and he says, ‘well, one of our clients has threatened to go to the Jersey regulator. He’s very unhappy right now. And I told him that he could basically pound sand and I'm not worried about it because we'll just immediately pay our way out of it *as usual*.’ I'm like - *pay our way out of it as usual!?!*”

Naomi: “But I mean, you did take some steps, you must have suspected that the justice system in Jersey wasn’t necessarily going to take action, right, because you took quite a lot of steps to preserve that evidence didn't you, before the police took it?”

Tanya: “Well, actually we were really lucky that we were able to copy a large chunk of it before we gave it to the police, but then the police allowed us access as well, so we went in and made further copies and then the police copied a bunch of the boxes and gave us a digital copy of what they had copied. I think we probably have about 80% of what was there.”

Naomi: “And you’ve set about making much of that accessible to journalists through the Organised Crime and Corruption Reporting Project. And there are lots more conflicts of interest we haven’t talked about – incredibly, many of the 350,000 documents from the boxes were handed over by the police at some point to a Jersey law firm which in 2015 was still representing Tanya’s father – that was unearthed by journalist Leah McGrath Goodman of the Institutional Investor. Now, that law firm denies any relationship with La Hougue and says it currently has no relationship with John Dick.

So, I’ve been to Jersey, I mean, it looks good, doesn't it? I mean, you know, I've been to the court in Jersey, it has a nice coat of arms, oak panelling, you know, the little parliament building, it all *looks* good but when I went to Jersey for the Taxcast in edition 88, I spoke with people like the co-founder of the *only* political party in Jersey, I know the whole system there is not, it's not really functional is it?”

Tanya: “It's like a movie set.”

Darrin: “Yeah.”

Tanya: “Because what you *think* you're looking at and what's *really* happening are two very different things.”

Darrin: "Yeah, and why it's important for other people to pay attention to what's happening here, because this really affects everyone, the rule of law."

Naomi: "Yeah there is a danger, a wider danger to everybody. So, a lot of Tanya's money's disappeared into *someone's* accounts, there are ongoing legal processes, it's taken you both a lot of determination because a lot of people wouldn't have pursued things this far. And I've spoken to people who've lost their pensions, lost everything through scams that have used offshore secrecy and the impunity that can exist in those places, and it's been really devastating to them. But tax havens, secrecy jurisdictions *also* attract a lot of people doing unsavoury things, hiding criminal, proceeds, cheating on their taxes, that type of thing. And *they're* not going to go to the authorities when they get ripped off. So, you know, you have this really big culture of impunity left right and centre. And there's often a kind of panic to protect the jurisdiction from *any* negative publicity, from any scandal because they don't want to drive away the money?"

Darrin: "Yeah. When we started pushing on this, we've, we've run across some very horrific crimes, I mean, it's very black and white what had happened and Jersey would not investigate it. And on the surface, I think people look at that and they go, 'Jersey's trying to protect its good reputation.' And the reality of it is, is they're not, what they're *really* trying to do is protect their *bad* reputation. Because what they're trying to tell the underworld is 'come to us and nothing will ever be investigated. You can do whatever you want and *nothing* will be investigated.' And that's the signal that they're sending to the underworld to bring the business there. Where I think the average guy walking down the street sees or hears this rumour that Jersey is not doing an investigation and they're like, 'well, they don't want to tarnish their image' - you're missing the point. It's quite, it's quite different. You know, we've been contacted by people in Jersey that have had their homes stolen. And that's why Tanya was such a threat to them, sitting with 350 boxes of some of the most incriminating evidence, and you know, the last thing they're going to do is do an investigation. And the first thing they're going to do is go on the offence against Tanya. And now that Tanya has gone public with it, of being a whistleblower on it, we've had a lot of people come forward with a lot of information. Now it's a matter of just going, what does it mean to us as, as a society? What it means is if you've got enough money, you can literally buy the judiciary. You can buy the police, you can buy, you can buy the whole ball of wax. And I don't think that's what the people of Jersey signed up for."

Tanya: "They've weaponised the court system against what they perceive is a threat. And I was a threat, because I wanted justice."

Darrin: "So the system has been bastardised in a way. Now it works for the 2% and it punishes the other 98%. And what we want to be able to do is help Jersey spin it backwards, where it helps the other 98% and it punishes the 2% that are doing the crimes."

Naomi: "Do you ever think about letting it go and walking away? I mean, what will be enough for you to say, 'now I'm at peace. I've got what I want, we've got what we wanted from all this fighting and all this trouble and pain?'"

Tanya: "That's a really, really good question, because that's actually something he and I have been talking about lately is, you know – "

Darrin: "It's not money. It's not the money."

Tanya: "What's the goal? You know, when, when do you take your spurs off and set your hat down and go, all right, you know?!"

Darrin: "Yeah, we want to change the narrative. And what people need to understand is that when you bring that bad element onto your turf, it all comes with a cost. There's a ying to the yang and it's like a cancer. If you don't deal with it, it will kill the host. You know, it's inevitable. They're not going to investigate anything because any investigation is going to unearth what they don't want the world to see. And that's the tragedy. At some point, you get to a point of, of no return and I think that's where Jersey's gotten to - it'd be the *last place* you'd do business! We're talking to the people at Jersey and the people of Cyprus and the people of the United States and the people of England, because what's happening is the rot that's in Jersey, and I could give you example after example after example of where they've exported it all over the world and absolutely decimated your courts, and you don't even know it. This is a much bigger picture and it literally touches each and every person."

Tanya: "For me, it's about accountability. I want to see reform in Jersey. I want a spotlight on judges, on the police, on the entire justice system."

Darrin: "Yeah, people in Jersey should be very concerned, they should be listening to Tanya quite, quite closely, but so should the people in England and so should the people in Canada and so should the people in the United States because we've seen them literally terrorise the banking system in the United States, the judicial system in the United States and in Canada and in the UK and in Russia and in Cyprus, it runs everywhere."

Naomi: "It's now ten years since Tanya and Darrin discovered these 33 boxes of evidence in St John's Manor, in Jersey. In Panama, the authorities revoked La Hougue's sister company's licence so it could no longer operate from there. In the US there have been important admissions in court, and litigation is ongoing. In Jersey there've been no criminal charges, prosecutions, or regulatory penalties imposed by Jersey's authorities. But what Jersey courts *have* done is award some huge costs against Tanya Dick Stock and block her from participating in its court proceedings. These Jersey rulings, with all their conflicts of interest involved, could prejudice, or at least influence courts in other jurisdictions. Financial secrecy is at the heart of it and it really needs to go. And for that laws must change. And financial regulators and tax authorities must be independent, well funded and empowered to enforce those laws. You've been listening to the Taxcast from the Tax Justice Network. My special thanks to investigative journalist Nicky Hagar. And thanks to you for joining us. We'll be back next month."

Further reading:

<https://www.institutionalinvestor.com/article/b1qwpnk6j1zv70/The-Heiress-the-Queen-and-the-Trillion-Dollar-Tax-Shelter>

<https://eic.network/blog/huge-new-tax-haven-leak-reveals-specialist-money-laundering-company>

<https://www.thebureauinvestigates.com/stories/2020-10-05/lost-trust-leaked-files-expose-jerseys-inaction-on-fraud-scandal>

<https://www.nickyhager.info/>

<https://taxjustice.net/2019/04/26/inequality-and-dysfunction-in-the-tax-haven-of-jersey-a-taxcast-special-edition/>