

109th Congress }  
*1st Session* }

SENATE

{ S. PRt.  
109-25 }

MONEY LAUNDERING AND FOREIGN  
CORRUPTION: ENFORCEMENT AND  
EFFECTIVENESS OF THE PATRIOT ACT

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SUPPLEMENTAL STAFF REPORT ON  
U.S. ACCOUNTS USED BY AUGUSTO  
PINOCHET

PREPARED BY THE

PERMANENT SUBCOMMITTEE ON  
INVESTIGATIONS

OF THE

COMMITTEE ON  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE



MARCH 16, 2005

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# **MONEY LAUNDERING AND FOREIGN CORRUPTION: ENFORCEMENT AND EFFECTIVENESS OF THE PATRIOT ACT**

## **Supplemental Staff Report On U.S. Accounts Used By Augusto Pinochet**

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MARCH 16, 2005

### **I. INTRODUCTION**

From 1999 to 2001, the U.S. Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, at the request of Senator Carl Levin, Ranking Minority Member, conducted a detailed investigation into money laundering activities in the U.S. financial services sector, including in-depth examinations of money laundering activities in private banking, correspondent banking, and the securities industry. Two Minority Staff Reports were issued, and Subcommittee hearings were held in November 1999 and March 2001.<sup>1</sup> This investigative work provided the foundation for many of the anti-money laundering provisions in Title III of the USA Patriot Act enacted in October 2001. Among other key provisions, the Patriot Act obligated U.S. financial institutions to exercise due diligence when opening and administering accounts for foreign political figures, and established corrupt acts by foreign officials as an allowable basis for U.S. money laundering prosecutions.

In February 2003, at Senator Levin's request and with the support of Subcommittee Chairman Norm Coleman, the Subcommittee initiated a bipartisan follow-up investigation to evaluate the enforcement and effectiveness of key anti-money laundering provisions in the Patriot Act, using Riggs Bank as a case history. During the course of this investigation, the Subcommittee issued numerous subpoenas and document requests. The Subcommittee staff reviewed over 100 boxes, folders, and electronic compact disks containing hundreds of thousands of pages of documents, including bank statements, account opening materials, wire transfers, correspondence, electronic mail, contracts, board minutes, materials related to specific bank accounts and transactions, bank examina-

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<sup>1</sup>See "Private Banking and Money Laundering: A Case Study of Opportunities and Vulnerabilities," S. Hrg.106-428 (November 9 and 10, 1999), and Minority Staff Report reprinted in the hearing record beginning at 872 (hereinafter "1999 Subcommittee Private Banking Hearings"); "Role of U.S. Correspondent Banking in International Money Laundering," S. Hrg.107-84 (March 1, 2, and 6, 2001), and Minority Staff Report reprinted in the hearing record beginning at 273.

tion materials, audit reports, legislative materials, and legal pleadings. The Subcommittee staff also conducted numerous interviews with representatives from financial institutions, the Office of the Comptroller of the Currency (OCC), the Federal Reserve, oil companies, various experts, and other persons with relevant information.

The investigation culminated in a Subcommittee hearing on July 15, 2004, and the issuance of a Minority Staff Report in conjunction with the hearing.<sup>2</sup> The hearing and report presented evidence showing systematic failures by Riggs Bank to uphold its anti-money laundering (AML) obligations and by federal regulators charged with ensuring bank compliance. To illustrate the problems, the 2004 hearing and report focused in detail on two sets of Riggs accounts, one involving former Chilean President Augusto Pinochet and the other involving the West African nation Equatorial Guinea.

Among other matters, the Subcommittee investigation determined that Riggs had served as a long-standing personal banker for Mr. Pinochet and deliberately assisted him in the concealment and movement of his funds while he was under investigation and the subject of a Spanish court order directing a worldwide freeze of his assets. Riggs opened multiple accounts for Mr. Pinochet with the knowledge and support of the Bank's leadership; accepted millions of dollars in deposits from him with no serious inquiry into the source of his wealth; set up offshore shell corporations and opened accounts in the names of those corporations to disguise Mr. Pinochet's ownership of the account funds; altered the names of his personal account to disguise his ownership; transferred \$1.6 million from London to the United States while Mr. Pinochet was in detention in the United Kingdom and under a Spanish court order freezing his assets; conducted transactions through Riggs's own administrative accounts to hide Mr. Pinochet's involvement in some cash transactions; and delivered over \$1.9 million in four batches of cashiers checks to Mr. Pinochet in Chile to enable him to obtain substantial cash payments in that country. The Subcommittee investigation also determined that Riggs Bank had concealed the existence of the Pinochet accounts from OCC bank examiners for 2 years, resisted OCC requests for information, failed to identify or report suspicious account activity, and closed the Pinochet accounts only after a detailed OCC examination in 2002.<sup>3</sup>

Shortly after the July 2004 Subcommittee hearing, representatives of Riggs Bank informed the Subcommittee that an internal inquiry by its Security & Investigations Group, which the bank first established in the summer of 2003, was beginning to identify additional Pinochet-related accounts in Washington, Miami, and London that should have been, but were not, identified in response to Subcommittee subpoenas. These additional accounts were controlled by Mr. Pinochet, members of his immediate family, or third parties whose accounts served as conduits for Pinochet funds. In addition, the Riggs office had located documents that should have been, but were not, produced in response to earlier Subcommittee

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<sup>2</sup>See "Money Laundering and Foreign Corruption: Enforcement and Effectiveness of the Patriot Act, Case Study Involving Riggs Bank," S. Hrg. 108-633 (July 15, 2004) (hereinafter "2004 Hearing Record") and Minority Staff Report which is reprinted in the 2004 Hearing Record beginning at 126.

<sup>3</sup>See 2004 Hearing Record at 140.

subpoenas. Over the ensuing months, the Riggs Security & Investigations Group conducted a detailed review of these accounts and documents. The Subcommittee reviewed the new documentation, analyzed the information, and met with bank representatives.

In addition, the Subcommittee's ongoing investigation determined that Riggs Bank was not alone in the United States in helping Mr. Pinochet gain access to the U.S. financial system. Beginning with transactions detailed in Riggs account records, the Subcommittee identified numerous accounts and transactions at other financial institutions involving Pinochet funds. The Subcommittee obtained and reviewed about 15 additional boxes of documents from other financial institutions, including bank statements, account opening materials, wire transfers, correspondence, checks, electronic mail, contracts, and other materials. The Subcommittee met with numerous representatives of financial institutions about the materials. This new information produced substantial evidence of additional, hidden bank and securities accounts that had been used by Mr. Pinochet in the United States.

During this phase of the Subcommittee's investigation, additional civil and criminal proceedings related to the Pinochet accounts were initiated. In January 2005, Riggs Bank pled guilty to one U.S. felony count for failing to report suspicious activity to law enforcement, and paid a criminal fine of \$16 million.<sup>4</sup> In February 2005, to settle civil and criminal charges filed by Spanish authorities for the alleged violation of the 1998 Spanish court order directing financial institutions to freeze Pinochet assets, Riggs Bank, Joseph Allbritton, and Robert Allbritton paid about \$1 million in court costs and legal expenses and another \$8 million to a foundation established to assist victims of the Pinochet regime. In return, the Spanish court dismissed the pending criminal and civil actions against officers and directors of Riggs Bank.<sup>5</sup>

## II. EXECUTIVE SUMMARY

This supplemental Report describes the additional information obtained by the Subcommittee related to Pinochet accounts administered by Riggs and other financial institutions operating in the United States.

Newly identified Riggs documents and accounts establish that the relationship between Riggs Bank and Augusto Pinochet was more extensive than had been described to the Subcommittee prior to its 2004 hearing and Minority Staff Report. Instead of maintaining nine accounts and certificates of deposit (CDs), as indicated to the Subcommittee earlier, Riggs actually had 28 Pinochet-related accounts and CDs. And instead of an 8-year relationship from 1994 to 2002, as earlier indicated, Riggs actually had a 25-year relationship with Mr. Pinochet and his family, from 1979 to 2004.

The newly identified Riggs accounts include seven personal accounts for Mr. Pinochet, four of which were opened under a disguised variant of his name, and three of which were opened under

<sup>4</sup> See *United States of America v. Riggs Bank N.A.*, Case No. Cr. 05-35 (RMU) (D. D.C., filed 2005), Plea Agreement and Statement of Offense (1/27/05).

<sup>5</sup> See court order issued by Magistrate-Judge Baltasar Garzon Real, Investigating Court No. 5 (Madrid), Case No. 28079-27-2-1996-0007036-78300 (2/25/05), with a translation provided by the Court; "Allbrittons, Riggs to Pay Victims of Pinochet," *The Washington Post*, 2/26/05.

an alias. Three additional accounts had been opened for members of Mr. Pinochet's immediate family. Nine accounts had been opened in the name of third parties, all but one of whom were Chilean military officers. Bank records show that these military officer accounts were used at times as conduits to transfer Pinochet funds. One 1996 Riggs trip report described a Chilean military officer account holder as "one of several front-men of General Pinochet."<sup>6</sup>

The newly identified documents also demonstrate that Riggs senior officials played a more significant role in the Pinochet relationship than was made known to the Subcommittee prior to its 2004 hearing. For example, prior to the hearing, Riggs personnel disagreed over how many times Riggs personnel had traveled to Chile, who went on specific trips, who met with Mr. Pinochet, and who actually asked him to open a Riggs account in Washington.<sup>7</sup> In interviews, Riggs personnel consistently downplayed or could not recall the extent of personal interactions that took place between Riggs senior officials and Mr. Pinochet. The newly produced documents, which are contemporaneous with the events described, provide more information. They show, for example, that Riggs senior officials began visiting Chile as early as 1986, and met with Chilean military and government leaders on at least seven occasions in 1986, 1994, 1996, 1997, 1999, 2000, and 2002. On at least five of these trips, Riggs senior officials met with Mr. Pinochet in Chile, participated with him in social as well as business events, corresponded with him from Washington, and presented him with gifts on behalf of Riggs Bank.

Riggs documents also show that the efforts of Riggs senior officials to solicit business from Mr. Pinochet were part of a wider bank strategy to develop and strengthen the bank's relationship with the Chilean military during the 1990s. Riggs had enjoyed a profitable relationship with the Chilean military during the 1960s and 1970s. In 1979, however, according to a memorandum written by Mr. Pinochet's private banker at Riggs, the Chilean Military Mission closed most of its official accounts at Riggs and moved them to the Bank of Nova Scotia in Canada, in response to the 1976 assassination of Chilean Ambassador Orlando Letelier in Washington, D.C.<sup>8</sup> During the 1990s, Riggs officials decided to try to restore the earlier relationship. In 1994, Riggs senior officials traveled to Chile, met with senior military and government officials, including Mr. Pinochet who was then Commander-in-Chief of the Army, and were successful in convincing the Chilean military to return many of their accounts to Riggs Bank in Washington, where they remained until 2004.

Recently obtained material shows that Riggs was not the only U.S. financial institution that gave Mr. Pinochet access to the U.S. financial system. The evidence shows that, over the past 25 years, due to inadequate due diligence and, at times, actual facilitation of unusual transactions, U.S. financial institutions enabled Mr. Pinochet to construct an extensive and largely hidden network of

<sup>6</sup> Riggs document, "Extract From Trip Report," undated, Bates RNB033416, describing a Riggs business trip to Chile from 8/24/96 to 9/1/96.

<sup>7</sup> See, e.g., 2004 Hearing Record at 142.

<sup>8</sup> Riggs "Call Memorandum" from Carol Thompson to File, 11/3/94, Bates RNB035426. See also "Documents Link Chile's Pinochet to Letelier Murder," *The Washington Post* (11/14/2000).

U.S. bank and securities accounts, involving millions of dollars, which he used to move funds and transact business. Three financial institutions examined by the Subcommittee, Citigroup, Banco de Chile-United States,<sup>9</sup> and Espirito Santo Bank in Florida, maintained years-long U.S. relationships with and provided multiple financial accounts and services to Mr. Pinochet. Other financial institutions also helped Mr. Pinochet and his family move funds and transact business in the United States, including Banco Atlantico which is now part of Banco de Sabadell; Bank of America; Coutts & Co. (USA) International which is now part of Banco Santander; Ocean Bank in Miami; and PineBank N.A. in Miami. Evidence exists of still additional U.S. accounts related to Mr. Pinochet, but limited Subcommittee resources prevent an exhaustive analysis of all of the U.S. accounts used to assist Mr. Pinochet.

In addition to the 28 Riggs accounts and CDs, the Subcommittee has now identified nearly 100 U.S. financial accounts and CDs benefiting Mr. Pinochet or his immediate family over the past 25 years, several of which were only recently closed. For example, in response to Subcommittee inquiries, Citigroup has identified 63 U.S. accounts and CDs that it maintained for Mr. Pinochet and his family at various times from 1981 to 2005. All of the Citigroup personal accounts for Mr. Pinochet were opened under disguised variants of his name, such as Jose P. Ugarte or J. Ramon Ugarte, and were closed during the mid-1990s. Accounts and CDs were also opened in the name of Mr. Pinochet's son, Marco Antonio Pinochet Hiriart; his daughters, Ines Lucia and Maria Veronica Pinochet; and offshore entities that Marco or Ines Lucia Pinochet controlled, including Meritor Investments, Trust MT-4964, and Redwing Holdings. While most of these accounts were closed in 2000 or 2001, a few closed in 2003 or 2004, and one is frozen but still open. Altogether these accounts handled millions of dollars.

The Subcommittee has also identified 24 U.S. accounts and CDs at Banco de Chile-United States benefiting Mr. Pinochet and his family from 1995 to 2004. These accounts were opened in the name of Mr. Pinochet, an immediate family member, or one of six offshore corporations controlled by Oscar Custodio Aitken Lavanchy, a Chilean attorney with ties to Mr. Pinochet.<sup>10</sup> These offshore corporations, each of which served at times as a conduit for Pinochet funds, maintained accounts at both Banco de Chile-United States and U.S. securities firms. Altogether, over a 9-year period, these Pinochet-related accounts received deposits totaling more than \$7 million, including \$6 million which had been transferred in 2002 from Riggs Bank, after Riggs closed its Pinochet accounts, and another \$1.1 million transferred over time from accounts in Chile.

In addition, the Subcommittee has identified at least six U.S. accounts and CDs at Espirito Santo Bank in Florida that benefited Mr. Pinochet and his family from 1991 to 2000. These accounts were opened in the name of Mr. Pinochet and his wife; an offshore

<sup>9</sup> Banco de Chile is headquartered in Santiago, Chile and operates primarily in that country, although it also has offices in other countries. It is the Subcommittee's understanding that the only country outside of Chile in which Banco de Chile accepts deposits is the United States. To make clear that this Report examines only Banco de Chile's operations in the United States, the Report refers to "Banco de Chile-United States."

<sup>10</sup> The six offshore corporations are Abanda Finance, Belview International, Sociedad de Inversiones Belview, Eastview Finance, G.L.P. Ltd., and Tasker Investments, Ltd.

corporation controlled by Mr. Pinochet called Trilateral International Trading Ltd.; an offshore trust controlled by Mr. Pinochet called the Santa Lucia Trust; and Mr. Pinochet's daughter, Jacqueline Pinochet, who allowed her account to be used to send funds to Mr. Pinochet's assistant, Monica Ananias Kuncar. Over an 8-year period, these Pinochet-related accounts received deposits totaling about \$3.9 million.

Due to the many transactions, accounts, and financial institutions that the Subcommittee has identified, the Subcommittee investigation has been unable to calculate the total amount of Pinochet funds that were deposited into or moved through U.S. accounts, except to say that it involves millions of dollars. At a minimum, the total exceeds the \$8 million found in Riggs accounts as of September 2001,<sup>11</sup> and the total is likely much higher. At Banco de Chile-United States, for example, records show that the Pinochet-related accounts received about \$1.1 million in deposits over time from various sources in Chile. At Espirito Santo Bank, records show another \$3.9 million in Pinochet funds deposited over time. At Citigroup, due to the many transactions and accounts involved and repeated transfers to and from other financial institutions, the Subcommittee was unable to determine the total amount of Pinochet funds held by that bank; Citigroup representatives were able to offer only a very rough estimate that at least \$5 million and perhaps millions more flowed through the accounts during the years they remained open.

This Report focuses on the 28 Pinochet-related accounts and CDs at Riggs and the nearly 100 accounts and CDs at other financial institutions in the United States. It is important to note, however, that many of the financial institutions examined by the Subcommittee also maintained one or more accounts for Mr. Pinochet and his family in countries other than the United States. These accounts were located in Argentina, the Bahamas, Cayman Islands, Chile, Gibraltar, Spain, Switzerland, and the United Kingdom. An examination of these non-U.S. accounts is beyond the scope of this Report.

Prior to 2004, it appears that U.S. regulators and law enforcement were generally unaware that Augusto Pinochet had constructed a web of largely hidden accounts in the United States and was using these accounts on a regular basis to move funds and transact business. His secretive opening of multiple accounts at multiple U.S. financial institutions over the years presents a cautionary tale about the ease with which a determined individual can manipulate the U.S. financial system, and the importance of transparency, due diligence, and information sharing by financial institutions, regulators, and law enforcement to guard against possible money laundering and foreign corruption.

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<sup>11</sup> See Riggs document, "Resumen," (9/20/01), Bates RNB029982-85; 2004 Hearing Record at 147. The Subcommittee investigation determined that, from 1981 to 2000, overseas Banco Atlantico affiliates sent more than \$5.4 million to Pinochet-related accounts at Riggs, thereby contributing to the nearly \$8 million total identified in September 2001. Virtually all of that \$8 million was subsequently disbursed either to Mr. Pinochet in the form of cashiers checks or to Banco de Chile-United States by wire transfer after Riggs closed its Pinochet accounts in July 2002. The cashiers checks were issued by Riggs from August 2000 until April 2002, were cashed in Chile, and provided Mr. Pinochet with \$1.9 million from his Riggs accounts. For more information about these cashiers checks, see 2004 Hearing Record at 151-52.

### III. FINDINGS AND RECOMMENDATIONS

Based upon its investigation, the Subcommittee staff makes the following findings of fact.

- (1) **More Extensive Pinochet Relationship.** The relationship between Riggs Bank and Augusto Pinochet was more extensive than previously disclosed, encompassing 28 accounts instead of 9, spanning 25 years instead of 8, including secret accounts opened under misleading names, and involving more personal, high-level contact between Riggs officials and Mr. Pinochet than previously described.
- (2) **Military Officer Accounts.** From 1981 to 2004, eight Riggs accounts, opened in the names of Chilean military officers, served as occasional conduits for Pinochet funds and, over time, transmitted more than \$1.7 million to Pinochet-related accounts.
- (3) **Web of 125 U.S. Accounts.** Over the past 25 years, multiple financial institutions operating in the United States, including Riggs Bank, Citigroup, Banco de Chile-United States, Espirito Santo Bank in Miami, and others, enabled Augusto Pinochet to construct a web of at least 125 U.S. bank and securities accounts, involving millions of dollars, which he used to move funds and transact business. In many cases, these accounts were disguised by using a variant of the Pinochet name, an alias, the name of an offshore entity, or the name of a third party willing to serve as a conduit for Pinochet funds.
- (4) **Transferring Suspect Funds.** After U.S. bank regulators raised money laundering concerns about the Pinochet funds at Riggs Bank, the bank closed the accounts and transferred the funds to another financial institution operating in the United States, without notice that the funds were suspect. The U.S. regulators failed to follow the suspect funds when they left Riggs to determine whether they went to another U.S. financial institution.

Based upon its investigation, the Subcommittee staff makes the following recommendations.

- (1) **Section 314(b) Warning.** A financial institution that closes or asks a client to close an account due to money laundering concerns, including a concern the account may contain the proceeds of foreign corruption, should, before transferring the funds to another financial institution, warn that financial institution under Section 314(b) of the Patriot Act that the transfer is the result of an account closure due to possible money laundering or foreign corruption concerns.
- (2) **Stopping Suspect Funds.** Once U.S. financial regulators identify a suspect account, they should take reasonable steps to prevent suspect funds from being sent to another U.S. financial institution without an appropriate warning, identify related accounts at other financial institutions operating in the United States, and, if necessary, dismantle any network of suspect U.S. accounts.

- (3) **Section 314(b) Guidance.** To increase the usefulness of Section 314(b), U.S. financial regulators should consider issuing guidance clarifying that the legal protections afforded by that section permit financial institutions to respond to requests for information, including by offering information about accounts and transactions that may help expose or prevent money laundering or terrorist activities.
- (4) **Intrabank Disclosures.** The United States should work with the European Union to enable financial institutions with U.S. and E.U. affiliates to exchange client information across international lines to safeguard against money laundering and terrorist financing.

#### IV. SUPPLEMENTAL INFORMATION ON RIGGS RELATIONSHIP WITH AUGUSTO PINOCHET

As explained in the 2004 report, Augusto Jose Ramon Pinochet Ugarte, former President of Chile, is a controversial political figure whose name is known world wide. After taking power in a 1973 coup, he served as President of Chile until 1990, and as Commander-in-Chief of the Chilean Army until 1998. After stepping down from the army, he became a “Senator for life.”<sup>12</sup> In court filings, press accounts, and other reports, Mr. Pinochet has been accused of involvement with human rights abuses, torture, assassinations, death squads, drug trafficking, arms sales, and corruption, but never convicted in a court of law.<sup>13</sup> Since 1996, he has been the subject of repeated litigation in Spain,<sup>14</sup> the United Kingdom,<sup>15</sup> Chile,<sup>16</sup> and other countries<sup>17</sup> by persons seeking to hold him accountable for crimes committed during his presidency. In each case prior to the Subcommittee’s 2004 hearing, Mr. Pinochet had been found by the presiding court to be unavailable, unfit, or immune to prosecution.<sup>18</sup>

On August 26, 2004, the Chilean Supreme Court held that Mr. Pinochet was not immune to prosecution in the “Operation Condor” case, involving the disappearance of certain political figures during the mid-1970s.<sup>19</sup> On December 13, 2004, the relevant trial court found Mr. Pinochet fit for trial in that case. In addition, a Chilean

<sup>12</sup> See “Pinochet Extradition Case: Selected Legal Issues,” Congressional Research Service (CRS Report No. RL-30117, 3/3/00), at 1–2, reprinted in 2004 Hearing Record at 907.

<sup>13</sup> See, e.g., “Chile: Political and Economic Conditions and U.S. Relations,” Congressional Research Service (CRS Report No. RL-300035, 8/5/03) at 2, reprinted in 2004 Hearing Record at 923; “Crime Without Punishment: Impunity in Latin America,” Amnesty International (AMR 01/08/96) at <http://web.amnesty.org/library/index/ENGAMR010081996> (as of 1/26/05).

<sup>14</sup> See, e.g., complaint filed by the Union of Progressive Prosecutors before Spain’s highest criminal court (7/4/96), <http://www.derechos.org/nizkor/chile/juicio/denu.html> (as of 1/26/05).

<sup>15</sup> See, e.g., *Regina v. Bartle*, (Lords of Appeal, 3/24/99), <http://www.parliament.the-stationery-office.co.uk/pa/ld199899/ldjudgmt/jd990324/pino1.htm> (as of 1/26/05); CRS Report on “Pinochet Extradition Case,” at 2–12.

<sup>16</sup> For a list of the 66 criminal complaints filed against Mr. Pinochet between January 1998 and March 2000 in the Santiago Court of Appeals, see <http://www.memoriayjusticia.cl/english/en-home.html> (as of 1/26/05).

<sup>17</sup> Litigation against Mr. Pinochet has also been filed, for example, in Argentina, Belgium, France, and Switzerland. See CRS Report on “Pinochet Extradition Case,” at footnote 2.

<sup>18</sup> See, e.g., CRS Report on “Pinochet Extradition Case,” at footnote 2 and page 11; “Chilean Supreme Court Upholds Suspension of Legal Proceedings Against Pinochet,” <http://www.elmostrador.cl/c-pais/pino-casacion.htm> (as of 1/26/05).

<sup>19</sup> See, e.g., “Pinochet: Latest Developments in Prosecutions for Human Rights Crimes,” report prepared by the Law Library of Congress, LL File No. 2005–01585 (3/15/05) at 1. On January 4, 2005, the Chilean Supreme Court upheld Mr. Pinochet’s indictment in this case. *Id.* at 2–3.



Judge ordered an investigation of the funds in Mr. Pinochet's accounts at Riggs, located some of those funds, and froze them. On October 1, 2004, the Chilean Internal Tax Service filed a complaint against Mr. Pinochet for allegedly filing false tax returns.<sup>20</sup> In November 2004, the Chilean Judge located and froze another \$4 million in Pinochet assets.<sup>21</sup> Mr. Pinochet apparently offered to pay \$5 million in back taxes to free his assets, but on February 7, 2005, Chilean officials rejected the offer, apparently in part because some of the frozen assets were attached pursuant to criminal proceedings.<sup>22</sup>

Information obtained after the Subcommittee's 2004 hearing shows that the relationship between Riggs Bank and Augusto Pinochet was more extensive than was previously indicated, encompassing a total of 28 accounts rather than nine accounts, and spanning a total of 25 years rather than 8 years.<sup>23</sup> In addition to the nine accounts described in the 2004 Minority Staff report,<sup>24</sup> Riggs has identified 19 more Pinochet related accounts located in its Washington, Miami, and London offices and affiliates. The oldest account was opened in Washington in July 1979, and the most recent accounts remained active in London until July 2004, when they were frozen by the bank.<sup>25</sup> Riggs senior officials also had more extensive business and personal interactions with Mr. Pinochet and his family than previously disclosed.

Riggs Bank has fully cooperated with all Subcommittee inquiries and produced all requested documentation, including documentation related to the extensive internal review of the Pinochet-related accounts conducted by the Riggs Security & Investigations Group. The Riggs Security & Investigations Group is to be commended for its thorough work and willingness to share its analysis with this Subcommittee. The information it provided was of great assistance in the Subcommittee's supplemental investigation.

### **A. Additional Riggs Accounts**

The newly identified Riggs accounts include seven personal accounts and CDs for Mr. Pinochet, four of which were opened under a disguised variant of his name, and three of which were opened under an alias. Riggs also maintained three accounts for members of Mr. Pinochet's immediate family. Nine additional accounts were opened in Miami in the name of ostensibly unrelated third parties, all but one of whom has been identified as a Chilean military officer. Bank records show that, at times, these accounts served as conduits for Pinochet funds.

<sup>20</sup> See, e.g., "Pinochet Faces Tax Evasion Charge," BBC News (10/1/04).

<sup>21</sup> See, e.g., "Asset Freeze As Pinochet Turns 89," BBC News (11/24/04).

<sup>22</sup> See, e.g., "Pinochet: Latest Developments in Prosecutions for Human Rights Crimes," report prepared by the Law Library of Congress, LL File No. 2005-01585 (3/15/05) at 4.

<sup>23</sup> The additional information about Riggs Bank is taken from public filings, subpoenaed documents, interviews with bank representatives, employees, and former employees, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

<sup>24</sup> The 2004 Minority Staff Report identified three personal accounts, three corporate accounts, and three sets of certificates of deposit at Riggs relative to Mr. Pinochet. See 2004 Hearing Record at 145-151.

<sup>25</sup> Riggs located the London accounts, both held by Mr. Pinochet's daughter, Ines Lucia Hiriart, soon after the Subcommittee hearing in July 2004. See, e.g., account statements for Account Nos. 75256032 and 75256035 (7/30/2004), Bates RNB033047 and RNB033050-51.

When asked why these accounts were not disclosed earlier, Riggs identified a number of factors that had contributed to the delay in identifying them. Riggs first explained that it had given the Subcommittee the same records it had provided the OCC in 2002, without realizing they were incomplete. Riggs explained that the Miami and Washington accounts were more than 10 years old, some were in the name of an alias or a third party, relevant documents had been lost or destroyed, most of the individuals familiar with the accounts had left the bank, and the various Riggs affiliates that opened the accounts had not fully communicated with each other. Riggs indicated that another important factor was that a senior Riggs official who was aware of many of the accounts did not identify them when asked. Peter Fowler, who was President and Chief Operating Officer of Riggs Bank International Corporation in Miami from October 1994 to July 2000, and then Senior Vice President of the Latin American Embassy Banking Division in Washington, had failed to disclose the military officer accounts when the bank was collecting information in response to OCC inquiries in 2002, and in response to regulatory and Subcommittee inquiries in 2003 and 2004. After the Subcommittee hearing in July 2004, the Riggs Security & Investigations Group discovered the additional accounts when researching a check that had been sent from one of the military officer accounts to a Pinochet account. In August 2004, the bank fired Mr. Fowler.

**Additional Personal Accounts.** Of the seven newly identified Riggs accounts that were opened for Mr. Pinochet, four were opened under a disguised variant of Mr. Pinochet's name and three under the alias, Daniel Lopez.<sup>26</sup> The accounts are the following.

- (1) Account No. 413799878 was opened in the name of Jose Ugarte in Washington on July 20, 1979, and closed in July 1981.
- (2) Account No. 350082 was opened in the name of Jose Ramon Ugarte in Miami on July 13, 1981, and closed on June 8, 1984.
- (3) Account No. 76077573 was opened in the name of Daniel Lopez in Washington on January 8, 1985 and closed on an unknown date sometime after August 1993.<sup>27</sup>
- (4) Account No. 450858 was opened in the name of Jose R. Ugarte in Miami on January 14, 1985, and closed on March 15, 1990.
- (5) Account No. 707547 was opened in the name of Augusto P. Ugarte or Lucia Hiriart P. in trust for Maria Veronica Pinochet, Maria Jose Martinez P. and Lucia Amunategui P., in Miami on April 4, 1990, and closed on October 10, 1991.
- (6) Account No. 710053 was opened in the name of Daniel Lopez, in trust for Augusto J. Pinochet, in Miami on August 5, 1993, and closed on March 14, 1996.

<sup>26</sup> Mr. Pinochet's son, Marco Pinochet, sent an email to Riggs Bank on November 5, 2004, confirming that "Daniel Lopez" is an alias and refers to his father, Augusto Pinochet, Bates RNB040496.

<sup>27</sup> Riggs was able to locate only some of the account statements for this account. The latest account statement was for August 1993.

- (7) Account No. 808691, a CD, was opened in the name of Daniel Lopez in Miami on an unknown opening and closing date, but which includes at least the period from August 1994 until January 1996.

Because these accounts were opened under a disguised variant of Mr. Pinochet's name or under his Daniel Lopez alias, the extent to which they were known to Riggs senior officials in Washington is unclear. Several Riggs officials in Miami, however, were well aware of them, and even a cursory review of the account statements shows that they were carrying Pinochet funds.

The Lopez accounts are instructive. On March 22, 1990, for example, a \$410,000 check made payable to "Augusto P. Ugarte" was drawn on the Daniel Lopez account in Washington, and used on April 4, 1990, to open Miami Account No. 707547 for "Augusto P. Ugarte" and "Lucia Hiriart P." in trust for the Pinochet children (hereinafter "Ugarte/Hiriart Miami account").<sup>28</sup> On July 31, 1990, a \$302,000 check made payable to Augusto P. Ugarte was drawn on the same Lopez account and deposited into the same Ugarte/Hiriart Miami account.<sup>29</sup> In December 1990, a \$11,520 check withdrew funds from the Lopez account and deposited them into the Ugarte/Hiriart Miami account. In December 1991, two checks totaling \$79,626 withdrew funds from the Washington Lopez account and deposited them into the third party account of Jose Maguel LaTorre Pinochet.

Additional transactions involving the Daniel Lopez account in Miami, Account No. 710053, shows that this account also served as a conduit for Pinochet funds. For example, the Miami Lopez account was initially funded in August 1993, with a \$22,696.23 check drawn on the Lopez account in Washington. Additional deposits into the Miami Lopez account came from accounts at Chilean banks, including a \$303,000 transfer in December 1993, and two transfers of \$15,000 and \$40,000 in January 1994. Two more deposits were sent by "M. Hiriart," from accounts at Banco Atlantico, including a transfer of \$250,000 in July 1994, and \$627,000 in November 1994. Over the next 2 years, the Miami Lopez account sent significant sums to the Augusto Pinochet's primary account in Washington, Account No. 76750393, including \$300,000 in April 1995, \$627,000 in January 1996, and \$374,629.72 in March 1996. In addition, on one day, February 21, 1996, the Miami Lopez account sent three checks, for \$44,000, \$75,000 and \$82,000, to an account held in the name of Mr. Pinochet's assistant, Monica Ananias Kuncar. On September 1, 1994, a \$56,000.25 check made payable to "J. Ugarte" withdrew funds from the Lopez account and deposited them into an account at Banco de Chile.<sup>30</sup>

The Miami Lopez account also provided funds to purchase various CDs. The account documentation indicates that funds in the Lopez Miami account were used to purchase a \$483,000 CD in

<sup>28</sup> Riggs National Bank check and Riggs Bank Miami account opening information, 3/22/90, Bates RNB033809 and RNB033773.

<sup>29</sup> Riggs National Bank check, 7/17/90, Bates RNB034279-83 at 80.

<sup>30</sup> In addition, in January 1995, an account Mr. Pinochet had opened at Espirito Santo Bank in Miami sent three checks totaling about \$214,000, to accounts at Banco de Chile. Two checks were made payable to "D. Lopez." The third check appears to have been made payable to a different name, but the endorsement on all three checks reference the same Banco de Chile account number.

March 1994. In July 1994, a \$250,000 wire transfer sent by "M. Hiriart" from a Banco Atlantico account was used, in part, to purchase a \$150,000 CD. On August 1, 1994, these two CDs were cashed and the funds combined to purchase a larger CD in the amount of \$640,000, assigned to Lopez Account No. 808691. In November 1994, a \$627,000 wire transfer sent by "Marco P. Hiriart" from Banco Atlantico was deposited into the Lopez Miami account. On May 1, 1995, the \$627,000 was combined with the funds from the \$640,000 CD, which had matured, and the funds were used to purchase a still larger CD in the amount of \$1.1 million. Over time, this and other CDs associated with the Lopez account matured, were reconfigured, and used to buy other CDs. In January 1996, the Lopez Miami account sent a \$627,000 wire transfer to the Pinochet account in Washington, Account No. 76750393.

These and other transactions make it clear that the Lopez accounts were conduits for Pinochet funds used in multiple, complex transactions.

**Pinochet Family Accounts.** The three newly identified Riggs accounts that were opened in the name of Mr. Pinochet's immediate family members are the following. None included the name "Pinochet" in the name of the account holder.

- (1) Account No. 404276139 was opened in the name of Mr. Pinochet's son, Marco Antonio Hiriart, in Washington on September 30, 1981, and closed on June 1, 2001.
- (2) Account No. 75256035 was opened in the name of Mr. Pinochet's daughter, Ines Lucia Hiriart, in London on May 31, 2000, and frozen on July 30, 2004, by Riggs.
- (3) Account No. 75256032 was opened in the name of Ines Lucia Hiriart in London on May 21, 2001, and frozen on July 30, 2004, by Riggs.

**Third Party Accounts.** The nine newly identified Riggs accounts that were opened in the name of third parties, but used at times as conduits for Pinochet funds are the following. All but one of the account holders was a Chilean military officer.

- (1) Account No. 350413 was opened in the names of Jorge Ballerino Sanford and/or Ramon Castro Ivanovic in Miami on November 23, 1981, and closed on July 2, 1984. At the time the account was open, Mr. Ballerino was a Chilean Army general, and Mr. Castro was an Army officer. Funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$1.8 million.
- (2) Account No. 350512 was opened in the name of Jorge Ballerino Sanford and/or Ramon Castro Ivanovic in Miami on January 11, 1982, and closed on January 21, 1985. Funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$2.3 million.
- (3) Account No. 450528 was opened in the name of John Long in Miami on June 11, 1984, and closed in 1985. Mr. Long was not a Chilean military officer, and his relationship to Mr. Pinochet, reasons for opening the account, and current status are unknown. The account was opened with a \$287,381.80

check drawn on Riggs Miami Account No. 350413 opened for Mr. Ballerino and Mr. Castro. Funds were used to purchase a CD. More than \$1.7 million passed through this account.

- (4) Account No. 450874 was opened in the name of Guillermo Garin Aguirre in Miami on January 21, 1985, and closed on January 4, 1988. At the time the account was open, Mr. Garin was the Army Chief Vice-Commander, the second most senior command position in the Chilean Army. The account was opened with a \$15,000 check drawn on the Riggs Miami account opened for John Long. Funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$547,000.
- (5) Account No. 451385 was opened in the name of Gustavo Collao Mira in Miami on January 4, 1988, and closed on April 10, 1989. At the time the account was open, Mr. Collao was a Chilean Army colonel. In 2004, Chilean press reports described him as one of Mr. Pinochet's legal counsel. The account was opened with \$43,715 transferred from the Riggs Miami account opened for Guillermo Garin Aguirre. Funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$200,000.
- (6) Account No. 451666 was opened in the name of Jose Miguel Latorre Pinochet in Miami on April 10, 1989, and closed on April 3, 1992. At the time of the account, Mr. Latorre was a Chilean Army lieutenant colonel. The account was opened with \$47,000 transferred from the Riggs Miami account opened for Gustavo Collao Mira. Two weeks later, on April 29, 1989, another \$116,868.73 was transferred from the Collao account. Funds were used to purchase two CDs. The maximum amount of funds in this account at one time was about \$330,000.
- (7) Account No. 709345 was opened in the name of Gabriel Vergara Cifuentes in Miami on December 13, 1991, and closed on May 25, 1995. At the time the account was open, Mr. Vergara was Director of the Chilean Army. The account was opened with \$55,000 transferred from the Riggs Miami account opened for Jose Miguel Latorre Pinochet. Funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$385,000.
- (8) Account No. 710467 was opened in the name of Juan Ricardo Mac-Lean Vergara in Miami on December 27, 1994, and closed on February 14, 1997. At the time the account was open, Mr. Mac-Lean was Director of the Chilean Army Purchasing Office. The account was opened with a \$45,000 check drawn on the Riggs Miami account opened for Gabriel Vergara Cifuentes. No funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$678,000.
- (9) Account No. 711762 was opened in the name of Eugenio F. Castillo Cadiz, in trust for Juan Mac-Lean, in Miami on February 14, 1997, and closed on April 29, 2004. At the time the account was open, Mr. Castillo was Director of the Chilean

Army Purchasing Office, having replaced Mr. Mac-Lean. The account was opened with \$41,667.70 transferred from the Riggs Miami account opened for Juan Ricardo Mac-Lean Vergara. No funds were used to purchase a CD. The maximum amount of funds in this account at one time was about \$42,000.

These third party accounts were all opened in Miami by Riggs International Banking Corporation (RIBC) and collectively extended over more than 23 years, from 1981 until April 2004. All but one was controlled by a Chilean military official stationed in Santiago. The former head of RIBC, who held this position from 1981 to 1990, told the Subcommittee that it was his understanding that the military officer account was first established to enable the Chilean government to contract with U.S. businesses to help build a new Presidential residence in Chile. He explained that each account holder was a military officer assigned to work with the Chilean President's staff. He thought that each account holder held the post for 2 to 3 years in Chile, was replaced, and Riggs then closed the existing account and transferred the balance to a new account opened for the replacement officer. According to the Riggs Security & Investigations Group, the Miami relationship manager who established the first few military officer accounts was the same employee who opened the first Pinochet accounts in Miami. That relationship manager referred to the military officer accounts as the "Casa Militar" or Military House accounts.

Bank records indicate that these military officer accounts were used at times as conduits for Pinochet funds, and that several Riggs officials in Miami were aware of this use. For example, a 1996 trip report written by a Riggs relationship manager in Miami described Mr. Mac-Lean, a military officer account holder, as "one of several front-men of General Pinochet."<sup>31</sup> A call report from February 1997, written by the same relationship manager, stated: "As per my supervisor's comment, Mr. Juan Mac Lean is actually a front to General Pinochet (who holds an account at Riggs). Therefore, I am accepting Mr. Mac Lean's introduction of Mr. Eugenio Castillo Cadiz as the continuation of the indirect relationship to General Pinochet."<sup>32</sup> The head of RIBC wrote in a separate call report from 1996, that Mr. Mac-Lean "discreetly said he represents a third party," meaning Augusto Pinochet.<sup>33</sup> Riggs told the Subcommittee that Peter Fowler, head of RIBC from 1994 to 2000, was aware of the military officer accounts.

Based on the records made available to the Subcommittee, at least \$1.774 million was transferred from the military officer accounts into accounts controlled by Mr. Pinochet, his immediate family members, or his assistant. In addition, about \$650,000 was deposited into the military officer accounts from accounts controlled by Mr. Pinochet or his family. Account records indicate that the largest individual transfers of funds took place from 1992 through 1996.

<sup>31</sup> Riggs document, "Extract From Trip Report," undated, Bates RNB033416, describing a Riggs business trip to Chile from 8/24/96 to 9/1/96.

<sup>32</sup> Riggs document, "Call Report," (2/14/97), Bates RNB032959.

<sup>33</sup> Riggs document, "RIBC-Miami Call Report," undated, Bates RNB033402.

Two accounts provide examples of the transactions involving Mr. Pinochet. The first is Account No. 709345, opened for Gabriel Vergara Cifuentes from December 1991 to May 1995. The maximum amount of funds in the account at any one time was about \$385,000, but more flowed through the account over the nearly 4-year period it was open. In total, about \$617,000 was transferred from this account to accounts controlled by Mr. Pinochet, his family, or his assistant. Examples of transactions involving Mr. Pinochet include the following.

- On June 24, 1992, the military officer account accepted a \$280,000 wire transfer from an unspecified Citibank account, believed to be one of the 63 Pinochet-related accounts.
- On August 31, 1992, the military officer account issued two checks, for \$175,420 and \$82,325, which were deposited into Espirito Santo Bank Account No. 115391494 opened for A.P. Ugarte and M. Lucia Hiriart.
- On November 13, 1992, the military officer account accepted a \$185,000 wire transfer from an unspecified Citibank account, believed to be one of the 63 Pinochet-related accounts.
- On November 25, 1992, the military officer account issued a \$142,000 check which was deposited into Espirito Santo Bank Account No. 115391494 opened for A.P. Ugarte and M. Lucia Hiriart.
- On March 17, 1993, the military officer account issued a \$43,000 check which was deposited into Espirito Santo Bank Account No. 115391494 opened for A.P. Ugarte and M. Lucia Hiriart.
- In September 1993, the military officer account issued three checks, for \$20,000, \$5,000 and \$5,000, which were made payable to Mr. Pinochet's assistant, Monica Ananias Kuncar, and cashed or deposited.
- On December 7, 1993, the military officer account issued a \$2,000 check, which was made payable to Ines Lucia Hiriart, Mr. Pinochet's daughter, and cashed or deposited.
- On July 25, 1994, the military officer account accepted a \$147,000 wire transfer from a Banco Atlantico account in Zurich, Switzerland.<sup>34</sup>
- On August 30, 1994, the military officer account issued an \$82,000 check which was deposited into Espirito Santo Bank Account No. 115391494 opened for A.P. Ugarte and M. Lucia Hiriart.
- On September 19, 1994, the military officer account issued a \$65,000 check which was deposited into Banco de Chile Account No. 50006257104 in Chile for Jose Ugarte.

<sup>34</sup>The originator of this wire transfer is not disclosed on the wire transfer documentation, but the Zurich account is believed to be a Pinochet account. See, e.g., account statement for Account No. 70934-5, 7/31/94, Bates RNB034929; Riggs money transfer document, 7/25/94, Bates RNB034928. See later section of this Report discussing the Pinochet accounts at Banco Atlantico.

The second illustrative account is Account No. 710467, opened for Juan Ricardo Mac-Lean Vergara from December 1994 until February 1997. The maximum amount of funds in the account at any one time was about \$678,000, but more flowed through it over the more than 2-year period it was open. In total, about \$840,000 was transferred from this account to accounts controlled by Mr. Pinochet, his family, or his assistant. Examples of transactions involving Mr. Pinochet include the following.

- On March 2, 1995, the military officer account cleared a \$117,000 check which was made payable to J. Ugarte and deposited into Banco de Chile Account No. 50006257104 in Chile.
- On March 10, 1995, the military officer account cleared an \$87,000 check which was made payable to J. Ugarte and deposited into Banco de Chile Account No. 50006257104 in Chile.
- On September 25, 1995, the military officer account accepted a \$417,000 wire transfer from a Banco Atlantico Gibraltar account. The originator of the transfer is identified as “Mario P. Hiriart.”
- On February 22, 1996, the military officer account accepted a \$225,985 wire transfer from a Banco Atlantico Gibraltar account. The originator of the transfer is identified as “Marco P. Hiriart.”
- On March 1, 1996, the military officer account cleared a \$287,000 check which was made payable to Mr. Pinochet’s assistant, Monica Ananias Kuncar, and deposited into Banco de Chile Account No. 60069158 in Chile. The same day, four Banco de Chile cashiers checks totaling \$287,000 were deposited into Riggs Account No. 76750393 in Washington D.C. for Augusto Pinochet Ugarte and Lucia Hiriart Rodriguez.
- On March 1, 1996, the military officer account cleared a \$36,000 check which was made payable to Monica Ananias Kuncar and deposited into Banco de Chile Account No. 50006257104 in Chile.
- On March 28, 1996, the military officer account cleared two checks, for \$107,000 and \$200,536, which were made payable to “M. Hiriart” and deposited into Riggs Account No. 76750393 in Washington D.C. opened for Augusto Pinochet Ugarte and Lucia Hiriart Rodriguez.
- On April 2, 1996, the military officer account cleared a \$6,227 check which was made payable to Monica Ananias Kuncar and deposited into Banco de Chile.

These and other transactions show that, at times, the military officer accounts served as conduits for Pinochet funds.

The account opened for John Long, who has not otherwise been identified by Riggs Bank, raises similar issues. This account was open for about a year. It was initially funded on June 11, 1984, with a \$287,381.80 check from the military officer account opened for Jorge Ballerino Sanford and Ramon Castro Ivanovich, Account No. 350413. One month later, on July 2, 1984, the Ballerino-Castro account transferred another \$840,194.29 into the Long account for



a total of more than \$1.1 million. The Long account used the \$1.1 million to purchase a CD, subsequently renewed on at least four occasions. In January 1985, the Long account sent \$15,000 to the military officer account that had just been opened for Guillermo Garin; \$30,000 to a Bank of America account opened for the wife of Mr. Pinochet's son, Augusto P. Hiriart; and another \$30,000 to a Security Pacific Bank account opened for a Pinochet administration official, Patricio Madariaga. Account statements after January 1985 have not been located, including records related to a \$400,000 transaction in December 1984, and disposition of the \$650,000 remaining in the account at the end of January 1985. Records related to the \$1.1 million CD have also not been located, and the disposition of these funds is currently unknown.

Most of the newly-disclosed accounts at Riggs, including the eight military officer accounts, the John Long account, two of the Daniel Lopez accounts, and two accounts opened for "Jose" Pinochet, were opened in Miami by Riggs International Banking Corporation (RIBC). As an Edge Act Corporation, RIBC was regulated by the Federal Reserve Bank of Atlanta ("FRB"). FRB examination reports going back to 2000 do not mention AML concerns at RIBC, except in passing. In June 2003, however, after Riggs Bank began attracting negative press attention, the FRB initiated a targeted examination of RIBC which identified major AML deficiencies, including poor due diligence documentation, inadequate monitoring of accounts, and inadequate procedures to identify and report suspicious activity. A follow-up FRB examination in April 2004, found ongoing serious AML deficiencies and criticized RIBC for its failure to take corrective action on the problems identified a year earlier. In May, Riggs National Corporation announced plans to close RIBC which ceased operations in late 2004. Neither of the FRB examinations identified any of the Pinochet-related accounts discussed in this Report, even though each of the accounts was linked to Chile and many experienced multiple, large transactions. These Pinochet-related accounts were instead uncovered by the Riggs Security & Investigations Group.

### **B. Role of Riggs Senior Officials**

Documents recently located by the Riggs Security & Investigations Group demonstrate that Riggs senior officials were well aware of the Pinochet relationship, and played a more significant role in maintaining the relationship than was made known to the Subcommittee prior to its 2004 hearing. For example, in interviews held prior to the hearing, Riggs personnel agreed that senior Riggs officials visited Chile, met with Mr. Pinochet, and explicitly asked Mr. Pinochet to open a Riggs account in 1994. They disagreed, however, as to exactly which Riggs officials went on the 1994 trip, who made the actual account solicitation, who went on other trips to Chile, and the extent to which the bank's most senior officials cultivated the Pinochet relationship.<sup>35</sup> Newly provided documents indicate that Riggs senior officials, in fact, met with Mr. Pinochet in Chile on at least five separate occasions, participated with him in

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<sup>35</sup> See, e.g., 2004 Minority Staff Report at 15, reprinted in the 2004 Hearing Record at 142.

social as well as business events, corresponded with him from Washington, and presented him with gifts on behalf of Riggs Bank.

Riggs documents show that the efforts of senior Riggs officials on behalf of Mr. Pinochet were part of a wider bank strategy to develop and strengthen the bank's relationship with the Chilean Armed Forces during the 1990s. Riggs documents show that the bank had longstanding relationships with the Chilean Navy, Air Force, Astilleros y Maestranzas de la Armada (the Navy Shipyard), the Direccion Aeronautica Civil (the civil aviation directorate), and the Military Mission to the United States, as well as the Chilean Embassy. While many of the military accounts left Riggs in 1979, Riggs was able to reestablish a number of those accounts in 1994. By 2002, Riggs maintained deposits for the Chilean military and embassy totaling about \$100 million.<sup>36</sup>

Internal Riggs documents show that senior Riggs officials met with Chilean military and government officials on a regular basis, including during trips taken by Riggs officials to Chile in 1994, 1996, 1997, 1999, 2000, and 2002.<sup>37</sup> In addition, one trip report was discovered showing a trip by Riggs senior officials to Chile as early as 1986. At least five of these trips included meetings between senior Riggs officials and Mr. Pinochet. Recently provided documents containing information about these meetings offer additional evidence related to the relationship between the bank and Mr. Pinochet.

**1986 Delegation.** In August and September 1986, Riggs International Banking Division officials traveled to Ecuador and Chile for a series of high level business meetings. Riggs Chairman Joseph Allbritton joined the Riggs delegation for at least a week, including during its stay in Santiago, Chile, from August 19 until August 24.<sup>38</sup> While in Santiago, the Riggs delegation met with government and industry leaders, including Mr. Pinochet who was then President of Chile and Commander-in-Chief of the Army.<sup>39</sup> The meeting with Mr. Pinochet took place at "la Moneda," Chile's Presidential Palace.

**1994 Delegation.** The President of Riggs, Timothy C. Coughlin, led a Riggs delegation to Chile and Argentina from October 23 through October 28, 1994. He was accompanied by Paul Cushman III, then head of the bank's International Banking Group, and Carol Thompson, then Senior Vice President of Latin America in the bank's Embassy Banking Division. Their itinerary included visits with government, military, and banking officials. On October 25, the Riggs delegation met with Mr. Pinochet at the Chilean

<sup>36</sup> See Riggs memorandum, "International Business Development Activities, Mr. Joe Allbritton, 1992-2002," Bates RNB035083-120 at 110.

<sup>37</sup> See e.g., Riggs memorandum, "International Business Development Activities, Mr. Joe Allbritton, 1992-2002," Bates RNB035083-120; Riggs memorandum, "Timothy C. Coughlin, Paul Cushman III and Maria Carol Thompson Business trip to Chile and Argentina (October 23 through October 28, 1994)," ("Itinerary") Bates RNB035420-59.

<sup>38</sup> Riggs memorandum, "Report of Travel Expenses," Bates RNB040513-21 at 17. The documents are unclear as to whether Mr. Allbritton remained with the delegation after August 24, 1986.

<sup>39</sup> Riggs memorandum, "RE: Business Meetings During Trip to Chile & Ecuador," 9/25/86, Bates RNB040520. While in Santiago, the Riggs delegation also met with Chile's Minister of Finance; the President and Managing Director of the Central Bank; the U.S. Ambassador; a prominent Chilean lawyer; a Citicorp manager; representatives of a Chilean brewery, Compania Cervecerias Unidas; and the Chief Executive Officer of a prominent weapons manufacturer, Industrias Cardoen.

Armed Forces Building in Santiago.<sup>40</sup> The purpose of the visit was detailed in a November 3, 1994 Riggs memorandum written by Ms. Thompson and recently produced to the Subcommittee. That memorandum states:

“On October 25, 1994, Timothy Coughlin, Paul Cushman and I called on General Pinochet in order to express our gratitude for returning the official Chilean Military’s accounts from Bank of Nova Scotia to Riggs. During the late 1970’s the Chilean Military Mission in Washington moved their official deposits to Canada. This was directly related to the assassination of Chilean Ambassador Letelier in 1976. In July 1994, the official accounts were brought back to Riggs. . . . We also offered our personal banking services to General Pinochet and stated that we would also be pleased to make our services available to officers of the Chilean Military.

As a follow up, we will send him documentation in order to open a personal account.”<sup>41</sup>

The November 3, 1994 memorandum confirms the direct solicitation of Mr. Pinochet’s personal account by Riggs senior officers.

The next day, on November 4, 1994, the bank President, Mr. Coughlin, wrote to Mr. Pinochet expressing appreciation for his interest in the bank and its relationship with the Chilean Military Mission. Mr. Coughlin repeated the bank’s offer to open a personal account for Mr. Pinochet: “It would be an honor for us to open an account for you and to assist you with any banking services you may require outside of Chile.” Mr. Coughlin noted that Ms. Thompson would be sending the relevant account opening materials.<sup>42</sup> Mr. Coughlin concluded by writing: “I also want you to know that I have prominently displayed the very handsome medallion you presented me in my office at Riggs, and I will be pleased to show it to you if you ever decide to visit Washington D.C. and of course Riggs Bank.”<sup>43</sup>

**1996 Delegation.** In November 1995, General Ricardo Izurieta, at the time a military attache stationed in Washington and subsequently Commander-in-Chief of the Chilean Army, relayed an invitation from Mr. Pinochet to the Chairman of Riggs Bank, Joseph Allbritton, to attend the Derby in Vina del Mar, the most prestigious horse race in Chile.<sup>44</sup> Mr. Allbritton accepted the invitation, attended the Derby in February 1996, and was “received by General Augusto Pinochet Ugarte at the Chilean Army Calvary School in Quillota for a special calvary review followed by a ceremony and luncheon.”<sup>45</sup>

On February 14, 1996, Mr. Allbritton sent the following letter to Mr. Pinochet.

“Dear General Pinochet:

<sup>40</sup> Riggs Memorandum, “Itinerary,” Bates RNB035420.

<sup>41</sup> *Id.* at Bates RNB035426. At the time Ms. Thompson wrote this memorandum, Mr. Pinochet had two accounts in Miami opened under the Daniel Lopez alias. Neither Ms. Thompson nor other Riggs personnel in Washington appeared to be aware of these accounts at the time.

<sup>42</sup> Letter from Timothy C. Coughlin to Augusto Pinochet Ugarte, 11/4/94, Bates RNB035443.

<sup>43</sup> *Id.*

<sup>44</sup> Riggs memorandum, 11/1/95, Bates RNB035784.

<sup>45</sup> Riggs memorandum, 3/1/96, Bates RNB035745–47.

I would like to express my profound thanks to you for according me and my associates such a magnificent reception at the Calvary School in Quillota on my visit to Chile. As a horse enthusiast, your fine young cavalry officers, their horses and the superb performance they put on was excellent. It was indeed a personal pleasure to spend the day with you in Quillota and to have an opportunity to personally convey our appreciation for the longstanding relationship between the Chilean Armed Forces and the Riggs Bank. We attach great importance to our relationship with you and the Chilean Military and look forward to expanding our cooperation in the future.

Chile is clearly a very impressive country with an excellent future thanks to you and the policies and reforms you instituted. As I expressed to you, I will be only too pleased to be of assistance to you and your country in anyway I can in Washington, D.C.

I would like to thank you for the superb cufflinks you presented to me and please know that you would be most welcome to visit my wife Barby and me at our house in Middleburg, Virginia where we raise our thoroughbred race horses.

Sincerely,  
[Joe]"<sup>46</sup>

The following day, Mr. Allbritton sent a letter to General Izurieta, the Chilean military attache in Washington, thanking him for arranging the visit. The letter stated that Mr. Allbritton would brief him about the meetings in Chile, and that Mr. Pinochet now had a "standing invitation to visit our Lazy Lane Farm in Virginia, should he decide to visit the United States."<sup>47</sup>

**1997 Delegation.** Documents show that, in the spring of 1997, prior to a visit to Chile, Riggs made a \$5,000 donation to the Augusto Pinochet Ugarte Foundation (hereinafter "Pinochet Foundation"). A general request for a donation to this Foundation had been made by General Izurieta, according to a memorandum dated March 3, 1997, from Ms. Thompson to her superior, Raymond Lund, then head of the International Banking Division.<sup>48</sup> The following day Mr. Lund wrote to Riggs Chairman recommending a donation in the amount of \$5,000.<sup>49</sup> Both the Chairman and the President of Riggs apparently approved of the donation. On April 22, 1997, the Pinochet Foundation President wrote to Mr. Allbritton thanking him for the donation.<sup>50</sup>

On October 27, 1997, a delegation of senior Riggs officials, including Mr. Allbritton, Mr. Coughlin, and senior officials from the

<sup>46</sup>Letter from Joe L. Allbritton to Captain General Augusto Pinochet Ugarte, 2/14/96, Bates RNB035769.

<sup>47</sup>Letter from Joe L. Allbritton to Brigadier General Ricardo Izurieta, 2/15/96, Bates RNB035775.

<sup>48</sup>"General Ricardo Izurieta has asked if Riggs Bank would be so gracious as to contribute to this worthy cause." Riggs Memorandum, 3/3/97, Bates RNB035735-41 at 37. According to a brochure provided to the bank, the stated objective of the foundation was to cooperate in the development of the free society and cultural heritage of Chile. See brochure for Pinochet Foundation, Bates RNB035735-41 at 39.

<sup>49</sup>Note from Ray Lund to Joe Allbritton, 3/4/97, Bates RNB035735-41 at 35.

<sup>50</sup>Letter from Hernan Briones Gorostiaga to Joe Allbritton, 4/22/97, Bates RNB035742-44 at 43.

bank's international private banking and embassy banking divisions traveled to Chile.<sup>51</sup> Two weeks prior to the trip, Ms. Thompson prepared an overview of Riggs relationship with Chile for Mr. Allbritton. The overview included a survey of the Chilean agencies then doing business with Riggs and notes that as of the time of the trip, the Chile relationship represented more than \$65 million in deposits and \$600,000 in annual profit for the bank.<sup>52</sup>

On the morning of October 29, 1997, the Riggs delegation met with Mr. Pinochet at the Armed Forces building in Santiago. According to a Riggs call report, "the purpose of this visit was to personally greet the Commander-in-Chief and to thank him for the longstanding and profitable relationship that the Chilean Army maintains with Riggs Bank."<sup>53</sup> That afternoon, Mr. Pinochet and his son Marco hosted a tea in honor of Mr. and Mrs. Joseph Allbritton at the Lo Curo Military Club in Santiago.<sup>54</sup> At some point during the visit, the Riggs delegation presented Mr. Pinochet with a Confederate Bond and two computer games.<sup>55</sup>

Upon returning to Washington, several Riggs senior officials sent letters to Mr. Pinochet disclosing a deepening relationship between him and the bank. On November 14, 1997, for example, the bank Chairman wrote:

"Dear General Pinochet:

Just having returned from South America, Barby and I wanted to express our sincere appreciation for the warm reception accorded to us during our recent visit to Santiago. Please be assured that you and your Government have a strong advocate in the Riggs Bank and I earnestly share your views concerning enhanced trade and economic ties between our two countries.

I am pleased to report the business relationship between Riggs and the Chilean Military is prospering. I am also grateful for our thriving personal friendship, which you have demonstrated through your gracious hospitality and stalwart support of The Riggs.

As I mentioned to you in our discussions, the long-term prospects for Chile's adherence to democratic, free market principles are strong, which is the direct result of your leadership. You have rid Chile from the threat of totalitarian government and an archaic economic system based on state-owned property and centralized planning. We in the United States and the rest of the Western hemisphere owe you a tremendous debt of gratitude and I am confident your legacy will have been to provide a more prosperous and safer world for your children and grandchildren.

I thank you for the marvelous gifts extended to both Barby and myself, including the history books, which I have found fascinating.

<sup>51</sup> Itinerary, "Chairman's Trip, South America 1997," Bates RNB035552-57.

<sup>52</sup> See, e.g., Riggs memorandum, "Chile Country Overview," 10/14/97, Bates RNB035674-75 at 74.

<sup>53</sup> Riggs Call Report, "Chilean Army Mission," 11/6/97, Bates RNB035567.

<sup>54</sup> *Id.*

<sup>55</sup> See, e.g., Riggs document, "Gift List, October 1997, South America," Bates RNB035616. The Confederate Bond was apparently a historic document originally issued by the Confederate Congress in an attempt to raise money for the Southern forces during the American Civil war. Riggs had a description of the bond translated into Spanish for the benefit of Mr. Pinochet. Bates RNB035656-59.

I ask that you convey our best wishes to Marco Antonio and the rest of your family. I look forward to continuing our discussion and would be most pleased to reciprocate your gracious hospitality the next time you are in the United States.

Warmest personal regards . . .”<sup>56</sup>

On October 31, 1997, the Chairman’s wife, Barbara Allbritton, then a longstanding member of the Riggs board of directors, wrote the following to Mr. Pinochet:

“My dear General Pinochet:

It was a great pleasure and honor to be with you on Wednesday at tea at the Military Club. You were so very gracious to allow us this time with you and I was extremely pleased to have this appointment to meet and be with your son Marco Antonio.

The elegant lapis lazuli box you so kindly gave to me shall be used and displayed with a great deal of pride and pleasure. It shall be a reminder of this special time we spent with you during our trip to Santiago.

I do hope that you will come to visit us when your schedule allows. I shall look forward to receiving Mrs. Pinochet and having the pleasure of knowing her.

I am so appreciative of the book you sent to me that your daughter Lucia did on your life. After reviewing it I feel I know you and your family, and now I am excited about the possibility of meeting more of your family and having our friendship develop more.

With appreciation and respect for you and all you have done for our world.

Sincerely. . . .”<sup>57</sup>

On November 10, 1997, the bank President wrote to Mr. Pinochet a letter expressing appreciation for the hospitality shown during the trip.

“Dear General Pinochet:

Your gracious reception of the delegation from Riggs Bank during my Chairman’s recent visit to Chile is much appreciated. . . .

Riggs is privileged to serve Chile’s banking requirements, and we will do everything within our power to promote economic trade and military alliance between our two countries. . . .

The opportunity for all of us including our wives to meet with you and your son, Marco Antonio, was a particular pleasure. . . .

Of the books that you have given me, I am just finishing my reading of ‘The Crucial Day.’ The factual objectivity with which you tell the story of Chile in the early 1970s is both fascinating

<sup>56</sup>Unsigned letter from Joe L. Allbritton to Captain General Augusto Pinochet Ugarte, 11/14/97, Bates RNB037440. Although the letter is unsigned, Riggs has informed the Subcommittee that the bank has no reason to believe that the letter was not sent.

<sup>57</sup>Unsigned letter from a file containing Mrs. Allbritton’s papers, 10/31/97, Bates RNB037212. Riggs Bank has informed the Subcommittee that the bank has no reason to believe that this letter was not sent.

and instructive. History provides for fair and proper judgement only when the true facts are know[n]. . . .

Sincerely,  
[Timothy C. Coughlin]  
Timothy C. Coughlin  
President”<sup>58</sup>

On November 25, 1997, the bank President sent Mr. Pinochet a note via the Chilean Military Mission in Washington to commemorate his birthday.

“Dear General Pinochet:

On the occasion of your birthday today, all of your friends and supporters at Riggs Bank send you our appreciation and congratulations for all you have done for Chile. Please accept our best wishes for every success in your continuing service to Chile in 1998 and many happy returns to the date of your birth in the years to come.

Sincerely,  
[Tim]  
Timothy C. Coughlin  
President”<sup>59</sup>

**1998 Delegation.** On March 10, 1998, Mr. Pinochet stepped down as Commander-in-Chief of the Chilean Army, and the following day was sworn in as “Senator for life” in Chile.<sup>60</sup> Mr. Coughlin and Ms. Thompson traveled to Chile less than 2 weeks later to meet with senior Chilean military officials, including General Izurieta, the newly promoted Commander-in-Chief. On March 24, 1998, Mr. Coughlin and Ms. Thompson attended a luncheon with Mr. Pinochet.<sup>61</sup> After returning to Washington, the bank President wrote to Mr. Pinochet, thanking him for the reception and a gift of Chilean Army cuff links, “which my Chairman and I are proud to wear.”<sup>62</sup>

Later in 1998, as described in the 2004 Minority Staff Report released by the Subcommittee,<sup>63</sup> a Spanish magistrate issued two international arrest warrants for Mr. Pinochet for murder, torture, hostage-taking, and genocide.<sup>64</sup> On October 17, 1998, pursuant to those warrants, Mr. Pinochet was arrested at a London hospital where he was recuperating from back surgery. On October 19, the Spanish magistrate issued an attachment order against all bank accounts held directly or indirectly by Mr. Pinochet, his family

<sup>58</sup> Letter from Timothy C. Coughlin to Captain General Augusto Pinochet Ugarte, 11/10/97, Bates RNB035590.

<sup>59</sup> Letter from Timothy C. Coughlin to Captain General Augusto Pinochet Ugarte, 11/25/97, Bates RNB035602.

<sup>60</sup> “Chile’s Pinochet Steps Aside; Symbol of Repression Relinquishes Command of Army,” *The Washington Post*, 3/11/98.

<sup>61</sup> Riggs itinerary, “Timothy C. Coughlin, Maria Carol Thompson, Business Trip to Chile,” 3/24/98, Bates RNB035124–28 at 26.

<sup>62</sup> Letter from Timothy C. Coughlin to Captain General Augusto Pinochet Ugarte, 4/23/98, Bates RNB037225.

<sup>63</sup> See 2004 Hearing Record at 145.

<sup>64</sup> See copies of the two international arrest warrants at [www.derechos.org/nizkor/chile/juicio/dili.html](http://www.derechos.org/nizkor/chile/juicio/dili.html) (as of 3/4/05); and [www.derechos.org/nizkor/chile/juicio/recurso6.html](http://www.derechos.org/nizkor/chile/juicio/recurso6.html) (as of 3/4/05).

members, or third parties in any country.<sup>65</sup> On November 5, Spain's highest criminal court affirmed jurisdiction over Mr. Pinochet, and on December 10, ratified the attachment order against Pinochet bank accounts.<sup>66</sup> In the United Kingdom, on November 25, 1998, the British Law Lords denied Mr. Pinochet's claim of diplomatic immunity, and then set aside that determination on December 17.<sup>67</sup>

The arrest of Mr. Pinochet in London was widely carried by the international, Chilean, and United States news media and was followed by violent demonstrations in Chile.<sup>68</sup> The subsequent legal and diplomatic disputes kept the story in telecasts and newspapers for months.<sup>69</sup>

**1999 Delegation.** For the first 3 months of 1999, Mr. Pinochet remained under house arrest in London. On March 13, 1999, a Riggs delegation, including bank Chairman Joseph Allbritton, traveled to Chile for 3 days of meetings with senior Chilean military officials.<sup>70</sup> On March 24, 1999, the British Law Lords authorized an extradition hearing to determine whether Mr. Pinochet should be transferred to Spain.<sup>71</sup> Two days later, on March 26, Riggs allowed Mr. Pinochet to terminate a €1 million CD held in the name of his offshore corporation, Althorp, at the Riggs branch in London, and transfer the funds, totaling about \$1.6 million in U.S. dollars, to a new CD in the United States. Riggs did not file any suspicious activity reports that would have alerted British, Spanish, or U.S. law enforcement to the existence of the Pinochet funds.<sup>72</sup>

**2000 Delegation.** On March 2, 2000, the United Kingdom determined that Mr. Pinochet was unfit to stand trial and should not be extradited to Spain.<sup>73</sup> Mr. Pinochet was released and immediately flew to Chile, arriving on March 3.<sup>74</sup> A Riggs delegation, which included bank Chairman Joseph Allbritton, was then visiting Chile on a trip that had begun on February 25 and ended March 4, 2000, and included multiple meetings with senior Chilean military and banking officials. Internal Riggs memoranda addressing this trip do not mention Mr. Pinochet. A letter dated March 21, 2000, from Mr. Allbritton to General Izurieta, however, makes clear that Mr. Allbritton had been aware of Mr. Pinochet's detention in the United Kingdom and return to Chile. The letter states:

<sup>65</sup> See attachment order, Auto del Juzgado Central de Instruccion No. 5 (10/19/98), reprinted in 2004 Hearing Record at 1044.

<sup>66</sup> For a copy of the court decisions, see [www.derechos.org/nizkor/chile/juicio/audi.html](http://www.derechos.org/nizkor/chile/juicio/audi.html) (as of 3/4/05); and [www.derechos.net/doc/pino/proceso.html](http://www.derechos.net/doc/pino/proceso.html) (as of 3/4/05). The attachment order does not, however, seem to have been domesticated in the United States.

<sup>67</sup> *Regina v. Bartle*, 37 I.L.M. 1302 (U.K. House of Lords, 11/25/98); *In re Pinochet*, 237 N.R. 201 (U.K. House of Lords, 12/17/98).

<sup>68</sup> See, e.g., "Angry Mob Besieges British Embassy Over Arrest of Pinochet," *Evening Standard*, 10/19/98.

<sup>69</sup> A Lexis/Nexis search for news stories containing the word "Pinochet" and the word "trial" in the same sentence, limited to the dates between Mr. Pinochet's arrest in London, 10/17/98, and the date Mr. Allbritton arrived in Chile, 3/13/99, returns 2,822 results.

<sup>70</sup> Riggs memorandum, "Chairman's trip to Latin America, March 1999, Gift Ideas," Bates RNB036159.

<sup>71</sup> *Regina v. Bartle*, 37 I.L.M. 1302 (U.K. House of Lords, 3/24/99) at 582.

<sup>72</sup> See 2004 Hearing Record at 149.

<sup>73</sup> "Pinochet Set Free," *BBC News*, 3/2/00.

<sup>74</sup> According to Riggs' internal investigation, at some point during Mr. Pinochet's detention, an official with the Chilean Air Force Mission in London telephoned the head of Riggs' London operations and asked if the Riggs corporate jet was capable of flying non-stop from London to Chile and might be made available for General Pinochet's use upon his release. It is unclear how Riggs responded, but the Riggs jet was not used to return Mr. Pinochet to Chile.



“Where do I begin to thank you? You graced our suite with the sweet smell of beautiful flowers and Chilean wine. You gave us your time on the very eve of the General’s return.”<sup>75</sup>

Legal proceedings against Mr. Pinochet did not abate after his return to Chile. By March of 2000, “nearly 60 human rights cases had been filed in Chile against Pinochet and were under active investigation.”<sup>76</sup> On August 8, 2000, the Chilean Supreme Court upheld an appeals court ruling that stripped Mr. Pinochet of his parliamentary immunity in the “Caravan of Death” trial.<sup>77</sup>

A document recently provided by the Riggs Security & Investigations Group shows that Riggs had been following these legal proceedings closely. The day after the ruling, on August 9, 2000, Michael Cantacuzene of the Riggs Advisory Services Group issued a memorandum regarding a “Prominent International Private Banking Client.” The client is plainly Mr. Pinochet, although the memorandum never names him. The memorandum makes a series of strategic recommendations regarding the bank’s relationship with Mr. Pinochet in light of his loss of immunity from prosecution. It states: “Recent developments in Chile require Riggs to develop alternative strategies for working with our prominent client.” It predicts that Mr. Pinochet will “increasingly call on his assets outside of Chile,” and points out that “any draft requires the bank to complete payee information and to arrange delivery. These two requirements are fraught with potential, but surmountable, challenges. (e.g., KYC, BSA and customs).”<sup>78</sup>

The memorandum recommends informing Riggs senior management, public relations officials, and legal counsel of the potential for Riggs to receive subpoenas, legal and regulatory requests, and press inquiries, and developing an approval process for responding to them.<sup>79</sup> The memorandum also states:

“Reports indicate that very senior Riggs executives might be considering a trip to Chile and Latin America. A trip by senior Riggs executives to Chile and Latin America at this time poses significant risks to Riggs and our client. Riggs extensive relationships and contact with senior Chilean Military officials and departments is well known. The arrival of a senior Riggs executive delegation is a noteworthy event certain to be noticed. (The media and our client’s opponents are not unaware of the potential for a Riggs relationship with the client.) The Chilean military (including some Riggs clients) is actively supporting our client regardless of the civilian government’s strict instructions.”<sup>80</sup>

The memorandum accordingly recommends against senior Riggs officials visiting Chile for 4 to 5 months, suggesting instead that Mr. Pinochet’s personal banker meet with him “discreetly” within 30 days.

<sup>75</sup> Unsigned letter from Joe Allbritton to Lieutenant General Ricardo Izurieta, 3/21/00, Bates RNB 036517. Riggs has informed the Subcommittee that the bank has no reason to believe that this letter was not sent.

<sup>76</sup> See *United States v. Riggs Bank N.A.*, Case No. Cr. 05–35(RMU) (D. D.C., filed 2005), Plea Agreement and Statement of Offense (1/27/05).

<sup>77</sup> <http://www.derechos.org/nizkor/chile/juicio/desafuero2.html> (as of 2/3/05).

<sup>78</sup> Riggs memorandum to File, by Michael Cantacuzene, 8/9/00, Bates RNB035297–98 at 97.

<sup>79</sup> *Id.* at 98.

<sup>80</sup> *Id.*

The report released by the Subcommittee in 2004, details how Riggs was able to “surmount” the “KYC, BSA and customs” “challenges” warned about in the Cantacuzene memorandum. Just 9 days after the memorandum was prepared, Riggs issued eight cashiers checks, each in the amount of \$50,000 and each made payable to Augusto Pinochet, and flew a Riggs banker to Chile to personally deliver them to Mr. Pinochet. It was the first of four deliveries of Riggs cashiers checks to Mr. Pinochet, as described in the Subcommittee’s earlier Minority Staff Report. These deliveries took place between August 18, 2000 and April 8, 2002, and provided Mr. Pinochet with \$1.9 million from his Riggs accounts.<sup>81</sup> When asked why the bank had not simply wire transferred the funds to Chile, which would have been faster, less expensive, and more secure than physically transporting the checks, Riggs personnel did not provide a satisfactory explanation.<sup>82</sup> According to a Chilean appeals court finding, the checks “were cashed at Banco de Chile and Bank Boston by a third party, despite the fact that they were nominative. Then various amounts of the cash in dollars were changed to cash in Chilean pesos on the informal market so that said transaction would not be reported to the Central Bank.”<sup>83</sup>

**2002 Delegation.** In March 2002, a Riggs delegation, led by bank Chairman Joseph Allbritton, returned to Chile for a series of meetings with senior military, government, and financial officials. As part of that trip, the Chilean Air Force hosted Mr. Allbritton on a tour of the Antarctic. A Riggs memorandum prepared for Mr. Allbritton for this trip observed that, when the Chilean accounts were viewed together, “average balances exceed \$100 million.”<sup>84</sup> The internal Riggs documents do not mention Mr. Pinochet.

## V. PINOCHET RELATIONSHIPS AT OTHER FINANCIAL INSTITUTIONS OPERATING IN THE UNITED STATES

Information obtained by the Subcommittee indicates that Riggs Bank was not alone in helping Augusto Pinochet gain access to the U.S. financial system and, in some cases, conceal or move funds while he was subject to a 1998 Spanish court order directing financial institutions to freeze his assets. Working with Riggs documents that detail Pinochet transactions involving other financial institutions, the Subcommittee has been able to identify nearly 100 U.S. financial accounts and CDs, in addition to the 28 Riggs accounts, that were opened for Mr. Pinochet, members of his immediate family, offshore entities controlled by Mr. Pinochet or his immediate family, or third parties who allowed their accounts to serve as conduits for Pinochet funds. The evidence shows that the earliest of these accounts was opened in 1981, and a few are still open in 2005.

The evidence associated with these accounts establishes that, over the past 25 years, due to inadequate due diligence, and, at

<sup>81</sup>The cashiers checks were cashed in Chile, over time, between September 2000 and July 2003.

<sup>82</sup>See 2004 Hearing Record at 152.

<sup>83</sup>Case No. 1649–2004, Court of Appeals of Santiago, 12/10/04, at 7, with translation provided by CRS.

<sup>84</sup>Riggs memorandum, “International Business Development Activities, Mr. Joe Allbritton, 1992–2002,” Bates RNB035083–120 at 110.

times, the facilitation of unusual transactions, U.S. financial institutions enabled Augusto Pinochet to establish an extensive network of U.S. bank and securities accounts, involving millions of dollars, which he used to move funds and transact business. In addition to Riggs Bank, the largest Pinochet relationships identified by the Subcommittee in the United States were at Citigroup, Banco de Chile-United States, and Espirito Santo Bank in Florida. Additional Pinochet-related transactions or accounts were handled by Banco Atlantico which is now part of Banco de Sabadell; Bank of America; Coutts & Co. (USA) International which is now part of Banco Santander; Ocean Bank; and PineBank N.A. Evidence exists of still additional U.S. accounts related to Mr. Pinochet, but limited Subcommittee resources prevent an exhaustive analysis of all the U.S. accounts that have been used to assist Mr. Pinochet.

### **A. Citigroup**

Citigroup is one of the largest financial institutions in the United States, managing assets in excess of \$520 billion and reporting net income in 2004 of about \$17 billion.<sup>85</sup> Citigroup is a publicly traded corporation which, through numerous branches and affiliates, offers a wide range of financial services to its clients, including retail banking, private banking, brokerage, and investment services. It maintains branches and affiliates in more than 100 countries.

The Subcommittee investigation has determined that Citigroup had a substantial, years-long relationship with Augusto Pinochet and his family, which began in at least 1981.<sup>86</sup> In response to Subcommittee requests, Citigroup has identified 63 U.S. accounts and certificates of deposit (CDs) that were opened for Mr. Pinochet and his family in New York and Miami at various points in time from 1981 to 2004.

Of these 63 accounts and CDs, 15 were opened for Mr. Pinochet personally over a 15-year period, from 1981 to 1996. Another 19 were opened in the name of other Pinochet family members, such as Mr. Pinochet's son, Marco Antonio Pinochet Hiriart; Mr. Pinochet's daughter, Ines Lucia Pinochet Hiriart, and her husband Hernan Ubaldo Garcia Barzelatto; and Mr. Pinochet's daughter, Maria Veronica Pinochet. In addition, Marco and Ines Lucia Pinochet opened 29 accounts and CDs in the name of offshore entities that Citigroup had established or arranged at their request, including Meritor Investments, Trust MT-4964N, and Redwing Holdings.

Over the years, Citigroup has provided individual Pinochet family members with many types of financial assistance, from arranging international wire transfers, to establishing offshore entities, to offering investment advice. Citigroup also issued credit cards to several family members and provided several with substantial loans. These loans included a 1993 loan of \$2 million to Mr. Pinochet and his son; a 1993 loan of \$195,000 to Redwing Holdings; a 1994 loan of \$385,000 to Marco Pinochet; and 1996 loan of

<sup>85</sup> Information about Citigroup is taken from its website, public filings, subpoenaed documents, interviews with bank representatives, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

<sup>86</sup> Some Citigroup employees recall that Mr. Pinochet may have had a Citibank account as early as the 1960s, but no bank records have been retained for such old accounts.

\$500,000 to Meritor Investments. These loans were apparently repaid in full.

Moreover, since at least 1988, Citigroup has provided some Pinochet family members with financial accounts, CDs, and lines of credit in other countries, including Argentina, the Bahamas, Chile, Switzerland and the United Kingdom. Citigroup has informed the Subcommittee that each of its non-U.S. relationships with the Pinochet family has now ended, some within the last 6 months. The services provided and the total amount of funds involved in these non-U.S. relationships remain unclear and are outside the scope of this Report.

Overall, Citigroup's relationship with the Pinochet family in the United States extended over at least 24 years. The first set of accounts to be closed were the Augusto Pinochet personal accounts, the last of which closed in 1996, in part due to requests made by the client and in part due to a Citigroup initiative, as explained below. In 2000, at the request of Citigroup, Ines Lucia Pinochet began to close her accounts, the last of which actually closed in January 2001. In 2000, Citigroup asked Marco Pinochet to close his accounts, but his personal accounts did not actually close until 2 years later in 2003, and the final Meritor Investments account closed in 2004. Several accounts opened for Mr. Pinochet's other daughter, Maria Veronica Pinochet, also closed in 2004. One family member account is still in the process of closing.

Citigroup has fully cooperated with Subcommittee inquiries about these accounts, and produced all requested documentation and related information in the United States. Citing bank secrecy laws, however, Citigroup produced very limited information about accounts and transactions involving its foreign affiliates in Argentina, the Bahamas, Chile, Switzerland and the United Kingdom. Information about some transactions involving these foreign affiliates have been reconstructed from records produced by other financial institutions.

The 63 U.S. accounts and CDs provided by Citigroup to the Pinochet family, from 1981 to 2004, can be summarized as follows.

**Personal Accounts.** The 15 Citigroup accounts opened for Mr. Pinochet in the United States from 1981 to 1996, are the following. Six of these accounts were in New York, and nine were in Miami. Each account was opened under a disguised variant of Augusto Pinochet's name, with "J. Ramon" accounts in New York and "Jose" accounts in Miami.

- (1) Account No. 10801792 was opened in the name of J. Ramon Ugarte in New York in on November 15, 1981, and closed on November 22, 1995. In April 1984, the account was changed to add Marco P. Hiriart.
- (2) Account No. 12032544 was opened in the name of Jose Pinochet and Lucia P. Hiriart in Miami on February 25, 1985, and closed around July 1992. In May 1989, the name Jose Pinochet was changed to Jose P. Ugarte.
- (3) Account No. CF11077601 was opened in the name of J. Ramon Ugarte and Marco P. Hiriart in New York on an unknown date and closed by no later than September 1994.

- (4) Account No. CF11077602 was opened in the name of J. Ramon Ugarte and Marco P. Hiriart in New York on an unknown date and closed by no later than September 1994.
- (5) Account No. 34000259, a CD, was opened in the name of J. Ramon Ugarte and Marco P. Hiriart in New York on a date prior to March 25, 1985, and closed on September 23, 1996.
- (6) Account No. 38803825 was opened in the name of Jose Pinochet in Miami on August 4, 1986, and closed on a date prior to June 4, 1993. In May 1989, the name Jose Pinochet was changed to Jose P. Ugarte.
- (7) Account No. 37010063, a CD, was opened in the name of Jose P. Ugarte in Miami on September 13, 1989, and closed on May 11, 1992.
- (8) Account No. 37011621, a CD, was opened in the name of Jose P. Ugarte in Miami on May 13, 1991, and closed on June 21, 1991.
- (9) Account No. 39316662, a CD, was opened in the name of Jose P. Ugarte in Miami on December 20, 1991, and closed on May 11, 1992.
- (10) Account No. 32110270, a CD, was opened in the name of Jose P. Ugarte in Miami on June 3, 1992 and closed on June 23, 1992.
- (11) Account No. 32110294, a CD, was opened in the name of Jose P. Ugarte in Miami on June 23, 1992 and closed on July 16, 1992.
- (12) Account No. 38810821 was opened in the name of Jose P. Ugarte in Miami on an unknown date and closed on a date prior to June 4, 1993.
- (13) Account No. 38811297 was opened in the name of Jose P. Ugarte in Miami on an unknown date and closed on a date prior to June 4, 1993.
- (14) Account No. 39293300 was opened in the name of J. Ramon Ugarte and Marco P. Hiriart in New York on November 17, 1993, and closed on October 7, 1994.
- (15) Account No. 40008200 was opened in the name of J. Ramon Ugarte and Marco P. Hiriart in New York on July 29, 1994, and closed on December 5, 1995.

**Pinochet Family Accounts.** The 19 Citigroup accounts opened in New York and Miami in the name of Mr. Pinochet's immediate family members are the following.

- (1) Account No. 10040217 was opened in the name of Mr. Pinochet's son, Marco P. Hiriart, in New York on June 7, 1985. In October 1989, the account name changed to Marco P. Hiriart in trust for J. Ramon Ugarte. In May 1999, the account name changed again, to Marco P. Hiriart in trust for his wife Maria Soledad Olave Gutierrez. The account closed on October 27, 2003.

- (2) Account No. CF15597701 was opened in the name of Marco P. Hiriart in New York on October 2, 1986, and closed by September 1994.
- (3) Account No. CF11077603 was opened in the name of Marco P. Hiriart in New York on August 11, 1987, and closed by September 1994.
- (4) Account No. 39195900, a custody account, was opened in the name of Marco P. Hiriart on February 18, 1993. At some point, the account name changed to Marco P. Hiriart in trust for J. Ramon Ugarte. The account closed on March 12, 1996.
- (5) Account No. 930018138001, a letter of credit, was opened in the name of Marco P. Hiriart in trust for Maria Soledad Olave Gutierrez on October 27, 1995, and closed on October 28, 1996.
- (6) Account No. 38517601 was opened in the name of Marco P. Hiriart in trust for Maria Soledad Olave Gutierrez in Miami on January 13, 1997, and closed on April 29, 1999.
- (7) Account No. 38020732 was opened in the name of Marco P. Hiriart in trust for Maria Soledad Olave Gutierrez in New York on February 6, 2001, and closed on May 15, 2003.
- (8) Account No. 12015488 was opened in the name of Mr. Pinochet's daughter, Lucia Pinochet Hiriart, in Miami on May 23, 1983, and closed on June 10, 1996.
- (9) Account No. 38800186 was opened in the name of Lucia Pinochet Hiriart in Miami on May 24, 1983, and closed on November 6, 1995.
- (10) Account No. 3100519634 was opened in the name of Mr. Pinochet's daughter, Maria Veronica Pinochet, in trust for her children Francisca Lucia and Daniela Veronica Ponce, in September 1994, and closed on September 29, 2004.
- (11) Account No. 6057055 was opened in the name of Maria Veronica Pinochet on November 7, 1995, and closed on April 26, 1996.
- (12) Account No. 2600157858, a CD, was opened in the name of Maria Veronica Pinochet prior to July 1997, and closed in September 1999.
- (13) Account No. 2600453426, a CD, was opened in the name of Maria Veronica Pinochet prior to July 1997, and closed in July 1999.
- (14) Account No. 2605256372, a CD, was opened in the name of Maria Veronica Pinochet in trust for Francisca and Daniela Ponce in April 2000, and closed in October 2003.
- (15) Account No. 3107620283 was opened in the name of Maria Veronica Ponce in trust for Daniela Veronica Ponce and Francesca Lucia Ponce in October 2002, and closed on September 29, 2004.
- (16) Account No. 5978 was opened in the name of Mr. Pinochet's son-in-law, Hernan Garcia B., whose full name is Hernan

Ubaldo Garcia Barzelatto, on June 16, 1988, and closed on December 14, 1999.

- (17) Account No. 77165321 was opened in the name of Mr. Pinochet's daughter-in-law, Maria Soledad Olave Gutierrez, on April 3, 2001, and closed on September 27, 2004.
- (18) Account No. 54214877, an investment account, was opened in the name of Marco Pinochet's wife, Maria Soledad Olave Gutierrez, on April 9, 2001, and closed in September 24, 2004.
- (19) A brokerage account, opened for a family member in October 2002, was frozen by the bank in 2004, and is awaiting closure.

**Third Party Accounts.** The 29 Citigroup accounts or CDs opened in the name of offshore corporations or trusts associated with Marco and Ines Lucia Pinochet are the following. They include five opened in the name of Meritor Investments; seven opened in the name of Trust MT-4964N; and 17 opened in the name of Redwing Holdings.

- (1) Account No. 10328149 was opened in the name of Meritor Investments Ltd. in New York on July 20, 1994, and closed on April 6, 2004.
- (2) Account No. 394116, a custody account, was opened in the name of Meritor Investments Ltd. in New York on July 21, 1994, and closed on October 28, 2003.
- (3) Account No. 25F01376, an investment account, was opened in the name of Meritor Investments Ltd. in New York on August 24, 2001, and closed on July 9, 2004.
- (4) Account No. 403435, a brokerage account, was opened in the name of Meritor Investments Ltd. in New York on September 30, 1994, and closed on March 4, 2004.
- (5) Account No. CF98307701 was opened in the name of Meritor Investments Ltd. in New York on an unknown date and closed by September 1994.
- (6) Account No. 39315502, a CD, was opened in the name of Trust MT-4964N in Miami on May 20, 1991, and closed on February 22, 1993.
- (7) Account No. CF97851201 was opened in the name of Trust MT-4964N in New York on May 21, 1992, and closed by September 1994.
- (8) Account No. CF97653601 was opened in the name of Trust MT-4964N in New York on July 21, 1992, and closed by September 1994.
- (9) Account No. 38811628 was opened in the name of Trust MT-4964N in Miami on November 23, 1992, and closed on February 27, 1995.
- (10) Account No. 35007623, a CD, was opened in the name of Trust MT-4964N on February 22, 1993, and closed on August 27, 1993.

- (11) Account No. 12102143 was opened in the name of Trust MT-4964N in Miami on April 30, 1993, and closed on February 28, 1994.
- (12) Account No. 38202470 was opened in the name of Trust MT-4964 on January 26, 2000, and closed on April 3, 2000.
- (13) Account No. 38810860 was opened in the name of Redwing Holdings Inc. in Miami on October 30, 1991, and closed on March 1, 1999.
- (14) Account No. CF97713301 was opened in the name of Redwing Holdings Inc. in New York on November 22, 1991, and closed by September 1994.
- (15) Account No. 12094294 was opened in the name of Redwing Holdings Inc. in Miami on February 18, 1992, and closed on August 29, 2000.
- (16) Account No. 37012132, a CD, was opened in the name of Redwing Holdings Inc. in Miami on May 26, 1992, and closed on December 7, 1994.
- (17) Account No. 5931310314, a letter of credit, was opened in the name of Redwing Holdings Inc. on May 6, 1993, and closed on an unknown date.
- (18) Account No. 731105851 was opened in the name of Redwing Holdings Inc. on August 9, 1993, and closed on September 7, 1994.
- (19) Account No. 39325000, a custody account, was opened in the name of Redwing Holdings Inc. on December 28, 1993, and closed on June 25, 1996.
- (20) Account No. 40300400, an investment fund, was opened in the name of Redwing Holdings Inc. on September 20, 1994, and closed on November 29, 1999.
- (21) Account No. 38813416 was opened in the name of Redwing Holdings Inc. in Miami on June 4, 1996, and closed on June 13, 1996.
- (22) Account No. 35012702, a CD, was opened in the name of Redwing Holdings Inc. on June 11, 1996, and closed on September 13, 1996.
- (23) Account No. 38813509 was opened in the name of Redwing Holdings Inc. in Miami on September 13, 1996, and closed on March 11, 1997.
- (24) Account No. 37021765, a CD, was opened in the name of Redwing Holdings Inc. in Miami on September 13, 1996, and closed on March 28, 1997.
- (25) Account No. 38813689 was opened in the name of Redwing Holdings Inc. in Miami on March 27, 1997, and closed on April 17, 1997.
- (26) Account No. 37025678, a CD, was opened in the name of Redwing Holdings Inc. in Miami on January 7, 1999, and closed on May 1, 2000.



- (27) Account No. 32004246, a CD, was opened in the name of Redwing Holdings Inc. in Miami on December 13, 1999, and closed on April 12, 2000.
- (28) Account No. 38814373 was opened in the name of Redwing Holdings Inc. in Miami on April 7, 2000, and closed on August 28, 2000.
- (29) Account No. 38812080 in the name of Redwing Holdings Inc. was opened and closed in Miami on unknown dates.

**Account Secrecy.** Citigroup took a number of steps that helped to keep the existence of the Pinochet accounts secret. For example, none of the 15 personal accounts opened for Augusto Pinochet over a 14-year period ever carried his given name, in either New York or Miami. Instead, the six New York accounts used “J. Ramon Ugarte” or “Jose Ramon Ugarte.” The nine Miami accounts used “Jose Ugarte” or “Jose Pinochet Ugarte,” later shortened to “Jose P. Ugarte.”

Some Pinochet family member names were also disguised. For example, all six of the New York accounts opened for Augusto Pinochet began or were converted to joint accounts with his son, but none of them used the son’s full name, instead identifying him as “Marco P. Hiriart.” The one Citigroup account opened for Mr. Pinochet and his wife styled his wife’s name as “Lucia P. Hiriart.” In contrast, Mr. Pinochet’s two daughters were named on their personal accounts as either “Lucia Pinochet Hiriart” or “Maria Veronica Pinochet.”

Citigroup also opened 29 accounts and CDs in New York or Miami in the name of offshore entities established or arranged by Citigroup at the request of Marco or Ines Lucia Pinochet. For example, Meritor Investments Ltd. is an offshore corporation which was established in the Bahamas in 1994, by Cititrust (Bahamas) Ltd. (hereinafter “Cititrust”) at the request of Marco Pinochet. Citigroup documents indicate that Meritor Investments Ltd. is owned by Trust FT-5994N, a numbered trust which Cititrust had established in the Bahamas at the same time and for which Cititrust acts as the Trustee.<sup>87</sup> Citigroup documentation indicates that the sole beneficial owner of both Trust FT-5994N and Meritor Investments Ltd. is Marco Pinochet. Cititrust and its affiliates have administered both the corporation and the trust since their inception.<sup>88</sup>

Citigroup also arranged for an offshore trust and corporation for Ines Lucia Pinochet. Trust MT-4964N is a numbered trust in the Bahamas established by Cititrust in 1991. Citigroup documentation indicates that Ms. Pinochet is this trust’s beneficial owner, and

<sup>87</sup> Some account documentation seems to indicate that the numbered trust was the true owner of the funds in the Meritor accounts and loaned these funds to the corporation for its use. The purpose of such an arrangement is unclear, but may have been a tax motivated device to enable Meritor to claim it had no funds subject to taxation—only loans. See, e.g., “Meritor Investments Ltd. Unaudited Schedule of Loan Payable to Trustee for the Period July 20, 1994 to June 30, 1995,” undated, Bates C002273; untitled Citigroup document regarding “Marxx Hiriartx—Meritxx,” undated, Bates C001713 (“PACT is a fiduciary product we used to sell to clients which is a structure in which a Trust owns a PIC [Private Investment Company]. . . . [I]t allows various tax benefits and administration benefits to the client. . . .”).

<sup>88</sup> Cititrust established still another offshore trust in the Bahamas, Trust IT-5978N, to hold insurance assets for the benefit of Marco Pinochet, but this trust apparently never acquired any assets.

Cititrust and its affiliates have managed the affairs of this trust since its inception. Citigroup also arranged for Ines Lucia Pinochet to acquire control of an offshore corporation known as Redwing Holdings Inc., a bearer-share corporation in the British Virgin Islands (BVI).<sup>89</sup> According to Citigroup documentation, Ms. Pinochet is the beneficial owner of this corporation, which has been managed since her acquisition of it by Torman Ltd., rather than Citigroup. Although Citigroup does not normally establish bearer share corporations for its clients or open accounts for offshore corporations managed by third parties, it made an exception for Redwing Holdings and agreed to provide financial services to this bearer share corporation beginning in 1991.

From 1998 until March 2000, Augusto Pinochet was the subject of numerous civil and criminal proceedings in Spain, the United Kingdom, and Chile, including issuance of a 1998 Spanish court order directing financial institutions to freeze Mr. Pinochet's assets on a worldwide basis. These proceedings and issuance of the freeze order were repeatedly described in international, Chilean, and U.S. news media reports. Throughout this period, Citigroup failed to alert any court or law enforcement entity to the accounts it had held for Mr. Pinochet personally until 1996, to the account held by Marco Pinochet in trust for "Ramon Ugarte" until 1999, or to the accounts the bank continued to manage for his children.

**Due Diligence.** Citigroup began its relationship with the Pinochet family more than 20 years ago, at a time when anti-money laundering (AML) laws were relatively new and a due diligence culture requiring banks to "know your customer" had not yet taken hold. Over time, U.S. banking regulations and laws increased due diligence and AML requirements, particularly for private banking accounts and accounts held by public figures, their immediate family members, and close associates. Most of the Pinochet accounts at Citigroup were handled by Citibank Private Bank and treated as public figure accounts requiring enhanced due diligence.

Over the past 10 years, despite having excellent anti-money laundering policies and procedures on paper, Citibank Private Bank has undergone repeated criticism for poor due diligence practices, lax implementation of its AML controls, and failure to close accounts for foreign public figures who appear to be depositing the proceeds of foreign corruption into their private banking accounts. For example, in 1996, as part of an industry-wide review of anti-money laundering controls in the private banking industry, the Federal Reserve Bank of New York examined Citibank Private Bank and found so many AML deficiencies that it conducted three major audits, from 1996 to 1998, to compel the bank to correct identified problems. In 1997, the Federal Reserve Bank and the OCC, Citigroup's primary regulator, informed Citigroup's Board of Directors of the Private Bank's AML problems and asked for cor-

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<sup>89</sup> A bearer share corporation is a corporation that is owned by whomever has physical possession of the corporation's shares. Such corporations are generally viewed as posing increased risks of money laundering due to the difficulty of determining who has physical possession of the shares. Cititrust apparently asked a BVI company formation agent called Torman Ltd. to obtain a BVI corporation for its client, because Citigroup does not itself have a BVI affiliate that could perform the work. The incorporation papers indicate that Redwing Holdings was actually formed in 1989. It is not clear whether this corporation was active prior to its association with the Pinochet family.

rective action. In response, the Board initiated a “fundamental review” of the bank and, in 1998, announced a new strategy to move Citibank Private Bank away from providing clients with “secrecy” and toward providing them with good investment returns.

In November 1999, this Subcommittee held a hearing and issued a Minority Staff Report presenting extensive evidence of Citibank Private Bank’s ongoing poor due diligence and AML practices, using four examples of private banking accounts held by public figures with millions of dollars in questionable funds, including nearly \$90 million that had been deposited by Raul Salinas, brother of the then President of Mexico.<sup>90</sup> Citibank Private Bank committed to further reforms, especially for public figure accounts. In 2001, after the 9–11 tragedy, Congress enacted the Patriot Act which, among other provisions, imposed a statutory requirement on U.S. financial institutions to conduct enhanced due diligence of private banking accounts for foreign public figures, their family members, and close associates. In 2004, however, in an indication of ongoing AML deficiencies within the Private Bank, the Financial Services Agency of Japan determined that, due to poor AML practices and other misconduct, Citibank Private Bank had engaged in improper transactions and harmed customers, and ordered it to leave the country. In response, Citigroup closed down its Japanese private banking operations, apologized to Japan, and fired the head of Citibank Private Bank.<sup>91</sup>

Citigroup’s due diligence practices regarding the Pinochet accounts, while they improved over time, were marked by misinformation and substantial gaps. Citigroup’s most significant due diligence failures occurred with respect to the accounts opened for Augusto Pinochet.

—**Augusto Pinochet Accounts.** Citigroup opened its first account for Augusto Pinochet in New York in 1981, and its first account for him in Miami in 1985. Citigroup has limited records regarding the bank employees who opened and managed these accounts for the first few years, but records show that, from 1987 until the accounts closed in 1996, the New York accounts were handled by a single relationship manager in the New York branch. The Miami accounts were handled by a different relationship manager in the Miami branch from 1984 until the accounts closed in 1993. Apparently, the two relationship managers were not aware of their respective sets of Pinochet accounts. In addition, according to Citigroup, for many years, neither of these relationship managers realized that she was handling accounts for Augusto Pinochet, then the President of Chile; instead, each thought she was handling accounts for Augusto Pinochet’s brother.

Citigroup told the Subcommittee that, during the 9 years she handled his accounts, the Miami relationship manager never met her client, and was under the impression that “Jose Pinochet” was the brother of Augusto Pinochet and the uncle of Ines Lucia and Marco Pinochet. Citigroup told the Subcommittee that the relationship manager dealt primarily with Ms. Pinochet when handling the

<sup>90</sup> See 1999 Subcommittee Private Banking Hearings and Minority Staff Report.

<sup>91</sup> See, e.g., “Citi’s Compliance Collapse,” *Securities Industry News*, 10/25/04; “A Bad Week in Japan for the Giant American Bank,” *The Economist*, 9/25/04.

Miami accounts. Citigroup indicated that it was not until 1992, that the Miami relationship manager learned from Ms. Pinochet that “Jose” was, in fact, her father, Augusto Pinochet. Citigroup indicated that upon learning this information, the relationship manager promptly informed the head of the Citigroup Florida branch who, in turn, decided that his branch did not want to handle accounts for Augusto Pinochet. Over the course of about a year, the Florida branch closed all of its Augusto Pinochet accounts, with the last three closing sometime before June 1993.

Citigroup told the Subcommittee that the Miami relationship manager apparently did not communicate her discovery or the decision to close the Miami accounts to her counterpart in New York. Citigroup indicated that the Miami relationship manager may not have been aware of the New York accounts, since, during the early 1990s, relationship managers did not normally disclose their clients to each other, Citigroup did not then track all of the accounts associated with a particular client, and the New York accounts carried a different name, “J. Ramon Ugarte,” than the “Jose P. Ugarte” accounts in Miami.

Citigroup has indicated that the New York relationship manager handled the Pinochet New York accounts for about 9 years, from about 1987 to 1996, without ever meeting her client. Citigroup told the Subcommittee that, throughout this period, the relationship manager thought that “J. Ramon Ugarte” was the brother of Augusto Pinochet. Citigroup indicated that the relationship manager learned the true identity of her client for the first time when informed by the bank earlier this year.

The New York branch gradually closed Mr. Pinochet’s six New York accounts over a 2-year period, from September 1994 to September 1996, acting each time in response to a request by Mr. Pinochet to close the relevant account. For 3 more years, until 1999, Mr. Pinochet was the beneficiary of a New York checking account opened in the name of “Marco P. Hiriart in trust for Ramon Ugarte.”<sup>92</sup>

During the years the Augusto Pinochet accounts were open in New York and Miami, the account documentation does not contain any substantive analysis of the source of his wealth or the source of the funds in his accounts, despite hefty balances that reached \$3.1 million.<sup>93</sup> The New York account opening documentation in 1981 consists of a one-page application form with minimal information, documents showing that “Jose Ramon Ugarte” had accounts with two banks in Chile, and a copy of a passport for “Jose Ramon Ugarte,” bearing the signature, “J. Ramon Ugarte.”<sup>94</sup> The Miami account opening documentation in 1985, contains even less information.<sup>95</sup> It describes “Jose Pinochet Ugarte” as a retiree or “Empleado-Jubilado” and waives the requirement for two references. The form incorrectly describes “Lucia P. Hiriart” as his “niece.” In April 1990, a memorandum notes that the client

<sup>92</sup> In May 1999, Marco Pinochet changed the account title, replacing “Ramon Ugarte” with his wife, “Maria Soledad Olave Gutierrez.”

<sup>93</sup> See, e.g., memorandum dated 5/12/92, from Emilie O’Neil to Saraminta Perez, Bates C000277 (“Please confirm . . . you have opened cash reserve account with \$974,791. . . . Also sweep \$56,000 more on 5/15.”).

<sup>94</sup> See New York account opening documentation, Bates C003069-73; C000057.

<sup>95</sup> See Miami account opening documentation, Bates C004523; C000271.

changed the title on his accounts from “Jose Pinochet” to “Jose P. Ugarte,” without providing any explanation.<sup>96</sup> In 1994, the New York branch grants a “Documentation Waiver Request” for one of the accounts, relieving the relationship manager of an obligation to obtain written bank references for the client, since “J. Ramon Ugarte” had been an “excellent client since 1982.”<sup>97</sup>

In short, according to Citigroup, for the bulk of the 14 years Mr. Pinochet’s accounts were open in New York and Miami, the two relationship managers handling his accounts never met their client and did not know his true identity. In addition, neither ever evaluated the source of the funds in his accounts.

—**Marco Pinochet Accounts.** Citigroup’s due diligence analysis of Mr. Pinochet’s son, consistently styled as “Marco P. Hiriart” on Citigroup accounts, was also marked by deficiencies. Marco was closely associated with many of the accounts opened by his father at Citigroup. For example, all six of Augusto Pinochet’s New York accounts began or were converted to a joint account with Marco. Marco also held two New York accounts “in trust for J. Ramon Ugarte,” a checking account opened for 14 years, from 1985 to May 1999, and a custody account opened for 3 years, from February 1993 until February 1996. Marco and Augusto took out a joint \$2 million loan from Citigroup in 1993. Marco also opened multiple Citigroup accounts under his own name, with his wife, or in the name of his offshore corporation, Meritor Investments.

Citigroup’s account opening documentation for the first account opened under Marco’s own name, in June 1985, describes him as a “diplomat” and identifies his “business” as the “Embassy of Chile” in Washington, D.C.<sup>98</sup> Account opening documentation for subsequent accounts during the 1980s and the first half of the 1990s provide little or no additional information about his employment or business interests. In contrast, beginning in 1996 and extending to 2004, Citigroup prepared increasingly detailed analyses of his business interests in documentation associated with his personal accounts and the accounts opened for Meritor Investments. These analyses appear in a variety of documents over the years, entitled as client profiles, know-your-customer forms, or financial questionnaires. Some of these documents provide estimates of his net worth, estimates which varied from \$9.1 million in an undated document, to \$15 million in a 1998 client profile, to \$5.3 million in a 2000 profile, which is the figure generally used in the final 4 years his accounts are open at Citigroup.<sup>99</sup> The documents dated 1996 and later describe the source of his funds as deriving from his ownership of several Chilean businesses, including a real estate investment company, a chain of clothing stores, a motorcycle and small boat import business, and a business that provides aero-

<sup>96</sup> Memorandum dated 4/13/90, from Emilie Judd O’Neil to Maria Cuneo, “Jose Pinochet/Jose P. Ugarte.” Bates C004531. Other documents indicate that this name change actually took place in May 1989. See, e.g., email dated 4/9/90, from Cristine Sikto to Zoila Doria, “Pinochet/Ugarte” Bates C004532.

<sup>97</sup> Memorandum dated 2/15/94, to Josephine Piazza, Documentation Control Unit, “RE: Documentation Waiver Request,” Bates C002215.

<sup>98</sup> Citigroup document, “Banking Account Application” for Marco P. Hiriart, 6/7/85, Bates C002111–14.

<sup>99</sup> See, e.g., Citigroup “Financial Questionnaire” for Marco P. Hiriart and his wife, undated, Bates C002396–98; Citigroup “Client File [110776 UGARTE 2] Client Profile Form,” 10/23/98, Bates C001688–99, at 1693; Citigroup untitled document, 2/11/00, Bates C002614.23–25.

nautical equipment advisory services.<sup>100</sup> The documents also cite earlier bank loans that were used to generate investment returns and a portfolio of marketable securities. Several of the account documents mention confidentiality concerns. For example, a 1998 client profile states that Marco is “very concerned about confidentiality,” while another states that he “does not want contact from Chilean Citibank employees.”<sup>101</sup>

In mid-2000, the account documentation indicates that Citigroup made a decision to exit the relationship with Marco Pinochet.<sup>102</sup> This decision may have been part of a larger bank review of public figure accounts within the Private Bank. The decision was carried out very slowly over the following 3 years. The account documentation cites various reasons over time for exiting the relationship, including that Marco was not within the Private Bank’s target market, his accounts did not present sufficient business opportunities, and, in 2004, that negative information had surfaced about his father. Marco’s last personal account closed in October 2003. Three accounts held by Meritor Investments Ltd. and two held by his wife closed in 2004.<sup>103</sup>

—**Ines Lucia and Maria Veronica Pinochet Accounts.** Beginning in 1983, Ines Lucia Pinochet opened multiple accounts at Citigroup under her own name; the name of her offshore corporation, Redwing Holdings; and the name of her offshore numbered trust, Trust MT-4964N. From 1983 until 1993, she was also the primary contact for Citibank Private Bank personnel in Miami on matters involving her father’s Miami accounts. Her sister, Maria Veronica Pinochet, opened her first accounts at Citigroup 10 years later, beginning in 1995, all under her own name.

As with the Marco Pinochet accounts, the due diligence analysis of the Ines Lucia Pinochet accounts is very limited at first and becomes progressively more detailed. During the 1980s and early 1990s, virtually no analysis of deposits or transactions appears in the account documentation; beginning in 1998, increasingly detailed analyses are provided. The account documents identify the main sources of her wealth as real estate investments and marital assets. The documentation notes that her accounts were generally in six figures, and that her father had not played any apparent role in the banking relationship. On occasion, Ines Lucia Pinochet also obtained extensions of credit from Citigroup, which she repaid. In 1998, Citigroup began negotiations to close her accounts, because her assets were below the Private Bank’s minimum. In late 1999 or early 2000, the bank formed an exit strategy to end the relationship. The last of her personal, trust, and Redwing Holdings accounts closed in January 2001. Account documentation for Maria

<sup>100</sup> See, e.g., Citigroup untitled document, 2/11/00, Bates C002614.23–25 at 24.

<sup>101</sup> Citigroup “Client File [983077 MERITOR 1] Client Profile Form,” 10/23/98, Bates C001663–72 at 67; Citigroup “Client File [110776 UGARTE 2] Client Profile Form,” 10/23/98, Bates C001688–99 at 95. See also Citigroup memorandum dated 1/26/93, from Maureen Ruggiero, Marco Pinochet’s private banker, to “PMS/IIS/Banking Products Documentation Unit,” Bates C002416.

<sup>102</sup> See, e.g., Citigroup “KYC Individual Report,” 4/16/01, Bates C002614.58–62 at 58. (“We plan to terminate this relationship . . .”).

<sup>103</sup> Citigroup explained that it had delayed closing one or more of the accounts, because Marco Pinochet had invested in a proprietary Citigroup investment account that had lost money and was not transferable to another bank. After waiting for a period for the fund to recover, Citigroup closed his accounts.

Veronica Pinochet is very limited. Several of her accounts closed in 2004.

For at least the first 13 years that the Marco and Ines Pinochet accounts were open, from 1983 to 1996, the Citigroup account documentation contains virtually no due diligence information on the source of their wealth or the source of the funds in their accounts, despite the deposit of millions of dollars into the Marco accounts and hundreds of thousands of dollars into the Ines accounts. Beginning in 1996, the bank's due diligence analyses grow increasingly detailed, identifying specific assets and businesses that support the level of funds in the accounts. These later records do not attempt, however, to go back in time to explain how Marco and Ines Lucia Pinochet acquired their wealth prior to 1996.

**Transactions of Interest.** Bank records show that the 63 U.S. accounts and CDs opened by Citigroup for Mr. Pinochet and his immediate family members were used in a variety of ways. Some of the Pinochet accounts experienced numerous deposits and withdrawals, and contained substantial sums, at times in the millions of dollars. A number of the Pinochet accounts transferred funds to or from other Pinochet accounts at Citigroup, creating internal funding shifts which make it difficult to track the flow of funds. For example, in 1992, one Augusto Pinochet account contained more than \$3 million; the same \$3 million later appears to have been shifted to a Meritor account. At the same time, other Pinochet accounts saw relatively little activity and contained relatively modest amounts. In July 1995, based upon available records, it appears there was a minimum of \$3.6 million in the Pinochet-related accounts in the United States open at that time.

While an exhaustive analysis is beyond the scope of this Report, a few transactions illuminate how Mr. Pinochet used the Citigroup accounts to move funds within the United States and across international lines, transact business, and construct an international web of secret accounts.

- In March 1990, Mr. Pinochet closed Riggs Bank Account No. 450858, which had been opened in the name of Jose R. Ugarte, and withdrew the remaining funds in the account, totaling \$96,378.22, using a Riggs cashiers check. On March 15, 1990, that cashiers check was deposited into Miami Citigroup Account No. 12032544, which was then open in the name of Jose P. Ugarte and Lucia P. Hiriart.
- On June 24, 1992, an unidentified Citigroup account, believed to be one of the 63 Pinochet-related accounts, sent a \$280,000 wire transfer to a military officer account at Riggs, Account No. 709345 in the name of Gabriel Vergara. A similar transaction took place on November 13, 1992, with a wire transfer for \$185,000. In less than 6 months, then, these two transfers had moved a total of \$465,000 from Citigroup to the Vergara account at Riggs.
- On April 25, 1996, Meritor Investments, the offshore corporation controlled by Marco Pinochet, sent a \$403,000 wire transfer from Citigroup Account No. 10328149 in New York, through a Bahamas clearing account, to Washington Riggs Ac-

count No. 76750393 which was opened in the name of Augusto Pinochet Ugarte and Lucia Hiriart Rodriguez. These funds later contributed to a \$1 million wire transfer to a Bahamas Riggs account opened in the name of Ashburton Co. Ltd., an offshore corporation controlled by Augusto Pinochet.

—On May 18, 2000, Citigroup closed accounts associated with Ines Lucia Pinochet and provided her with a \$390,000 Citibank cashiers check made payable to Redwing Holdings Inc. On May 25, 2000, she deposited that check into her newly opened Riggs Account No. 75256035 in London.

**Regulatory Oversight.** From 1996 through 1998, U.S. bank regulators audited a number of aspects of Citibank Private Bank, but apparently never examined any of the Pinochet accounts, perhaps because the last Augusto Pinochet personal account closed in 1996, and the Marco P. Hiriart account held in trust for “Ramon Ugarte” did not carry his father’s given name.

As mentioned earlier, from October 1998 until March 2000, Augusto Pinochet was the subject of multiple civil and criminal proceedings and numerous international news media stories, including the issuance of a 1998 Spanish court order seeking to freeze his assets on a worldwide basis. Throughout this period, Citigroup failed to alert its U.S. regulators, or any court or law enforcement entity, to the accounts it had held for Mr. Pinochet until 1996, to the account held by Marco Pinochet in trust for “Ramon Ugarte” until 1999, or to the accounts the bank continued to hold for his children.<sup>104</sup>

On June 26, 2002, the OCC contacted Citigroup and asked whether Citibank Private Bank had any accounts for Mr. Pinochet or his wife, including accounts opened under a list of disguised variants of their names.<sup>105</sup> On June 27, 2002, an internal OCC email reports that the head of Citigroup’s global anti-money laundering group responded that an earlier global search had not turned up any Pinochet accounts at the bank.

“Citibank indicates that:

- 1) After a search of its comprehensive data base, the Private Banking unit did not identify any accounts relating to any of the specified names.
- 2) On the possibility that an account may exist in Citibank but outside of the Private Banking unit, [the head of Citigroup’s global anti-money laundering group] indicated that a global search for Pinochet had been conducted when the adverse publicity first arose = no accounts found. . . . He stated Citibank would be happy to conduct additional follow-up if

<sup>104</sup>On several occasions, the news media has reported that Marco Pinochet denied allegations that his father had bank accounts outside of Chile. See, e.g., “Lagos asegura que Pinochet no esta sobre la ley y pide informe a Congreso de EEUU,” UPI Chile, 7/15/04; “Rights-Chile: Embattled Pinochet Scores Small Victory,” IPS-Inter Press Service/Global Information Network, 5/17/01 (“Marco Antonio Pinochet . . . denied that his father held any accounts abroad.”). Marco Pinochet apparently made these statements even though, for a 15-year period from 1984 to 1999, he shared eight joint accounts with his father at Citigroup in New York.

<sup>105</sup>The OCC made this inquiry to Citigroup in connection with its then ongoing review of the Pinochet accounts at Riggs Bank. Facsimile dated 6/26/02, from OCC to Citibank, Bates C010408–09.



[account numbers or other detailed information] was available.”<sup>106</sup>

Based upon this information, the OCC did not pursue the matter further at Citigroup and did not learn of Citigroup’s relationship with the Pinochet family until 2004.

When asked about the 2002 OCC inquiry, Citigroup told the Subcommittee that, although it had records showing it received the inquiry, it had no record showing that the bank ever conducted any search in response to the request or provided the described information to the agency. The bank said that none of the bank personnel named in the emails recalled either conducting a search or responding to the OCC in this matter. The bank noted that its alleged response was provided less than 24 hours after the request was first made, which would have been highly unlikely and would not have permitted sufficient time for an electronic search of the bank’s records.

Citigroup also pointed out that, as of June 2002, Mr. Pinochet and his wife’s personal accounts had been closed for 6 years, and the bank was in the process of closing accounts for other Pinochet family members. Citigroup indicated that, even so, its normal practice would have been to inform its regulator of the closed and related accounts. Citigroup could not explain why this information was not conveyed to the OCC in 2002. It was not until July 2004, 2 years later, that Citigroup first alerted the OCC to its years-long relationship with the Pinochet family.

### **B. Banco de Chile**

Banco de Chile is one of the oldest and largest banks in Chile.<sup>107</sup> With total assets in 2004 of \$15.8 billion, it offers a wide range of financial services, including retail banking, private banking, and investment services. It is a publicly traded corporation, with headquarters in Santiago, Chile, and more than 240 branch offices throughout the country. Banco de Chile also operates in several other countries, but apparently accepts deposits only in Chile and the United States. A Chilean subsidiary of the bank, Banchile Corredores de Bolsa S.A. (“Banchile”), provides the bank’s clients with brokerage and investment services.

Banco de Chile-United States maintains two offices in the United States, a branch office in New York first established in 1982, and an agency office in Miami, which was established in 1994 and upgraded to a branch office in early 2004. These U.S. branches primarily provide international banking services for the bank’s Chilean clients. In addition, Banchile acts as an introducing broker to help Banco de Chile clients open brokerage accounts in the United States. For a number of years, Banchile helped Banco de Chile clients open brokerage accounts at Lehman Brothers, a U.S. licensed broker-dealer. In 2004, Banchile began doing business with Pershing Securities, another U.S. licensed broker-dealer and a subsidiary of The Bank of New York. Banchile then moved the Banco

<sup>106</sup> Email dated 6/27/02, from an OCC examiner to multiple OCC officials, “RE: Request for Information on Pinochet.” Bates OCC0000045716–17 at 16.

<sup>107</sup> Information about Banco de Chile is taken from its website, public filings, subpoenaed documents, interviews with bank representatives, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

de Chile client accounts from Lehman Brothers to Pershing Securities.<sup>108</sup>

Banco de Chile's relationship with the Pinochet family began in 1973, when Mr. Pinochet opened his first account at the bank's headquarters in Santiago, Chile. At the time, providing banking services to the country's President was considered a great honor, particularly since Mr. Pinochet had a reputation for honest dealing. The number of Banco de Chile accounts opened by Mr. Pinochet and his family in Chile, the amount of funds, and the source of the funds in these accounts, have not been disclosed to the Subcommittee due to Chilean bank secrecy laws and are outside the scope of this Report. What is known is that the bank continued its relationship with the Pinochet family for 32 years, until questions arose about the Pinochet funds at Riggs Bank. In response, Banco de Chile re-evaluated the relationship and, in 2004, closed all Pinochet accounts in Chile and the United States. The bank's decision to close the Pinochet accounts was controversial and has attracted both support and criticism in Chile.

The Subcommittee investigation has determined that Banco de Chile-United States maintained a 9-year relationship with Augusto Pinochet and his family, which began in 1995 and ended in 2004. Banco de Chile-United States has identified 24 New York and Miami accounts and CDs that were opened for Mr. Pinochet, members of his immediate family, and ostensibly unrelated third parties whose accounts served at times as conduits for Pinochet funds. These third parties were primarily offshore corporations controlled by a Chilean attorney, Oscar Custodio Aitken Lavanchy, who allowed them to serve as conduits for Pinochet funds. In addition, one account was opened in the name of a Chilean nonprofit organization, the Fundacion Presidente Pinochet Ugarte (hereinafter "Pinochet Foundation").<sup>109</sup>

In addition to opening these accounts, Banco de Chile-United States has provided individual Pinochet family members with various types of financial services, from arranging international wire transfers, to opening investment accounts, to providing a substantial loan to Mr. Pinochet. This 1997 loan for \$500,000 was repaid in full in 1999, as explained below.

In total, excluding loan proceeds, the U.S. accounts and CDs benefiting Mr. Pinochet appear to have accumulated funds in excess of \$7 million. The vast bulk of these funds, about \$6 million, was transferred into Banco de Chile-United States accounts by Riggs Bank in 2002, after Riggs ended its relationship with the Pinochet

<sup>108</sup> Lehman Brothers and Pershing Securities acted as clearing brokers for the brokerage accounts introduced by Banchile. According to all parties involved, the contracts related to these accounts were clear that Banchile and Banco de Chile-United States were responsible for conducting all needed due diligence for clients wishing to open U.S. brokerage accounts. Banchile and Banco de Chile-United States were also responsible for initiating all buy and sell orders and monitoring account activity. At Pershing Securities, clients were not allowed to circumvent Banchile and the bank and go directly to the securities firm to conduct transactions for their accounts. At Lehman Brothers, clients could go directly to the securities firm to conduct transactions for their accounts, but there is no evidence that Banchile clients relevant to this Report did so. Lehman Brothers and Pershing Securities fully cooperated with all Subcommittee inquiries and produced all requested information.

<sup>109</sup> In addition to the 24 accounts, the bank identified six U.S. accounts opened for Mr. Pinochet's assistant, Monica Ananias Kuncar, or members of her immediate family. At least one of these accounts contains funds exceeding \$250,000. Because the Subcommittee has not subpoenaed account documentation to determine the extent to which this and other Kuncar accounts may have served as conduits for Pinochet funds, this Report does not address them further.

family. The remaining \$1 million was deposited into the U.S. accounts over several years, primarily from Pinochet-related accounts in Chile at Banco de Chile. The source of the funds in the Chilean accounts has not been disclosed to the Subcommittee due to Chilean bank secrecy laws.

Banco de Chile fully cooperated with all Subcommittee inquiries and produced all requested documentation and information in the United States, including documentation related to an extensive internal review of the Pinochet-related accounts conducted at the request of the bank by outside legal counsel. Citing bank secrecy laws, however, Banco de Chile did not produce any information about Pinochet-related accounts and transactions in Chile. Information about accounts and transactions involving its Chilean operations have been reconstructed from Banco de Chile's U.S. wire transfer records and records produced by other financial institutions.

The 24 U.S. accounts and CDs provided by Banco de Chile-United States to the Pinochet family, from 1995 to 2004, can be summarized as follows.

**Personal Accounts.** The three Banco de Chile-United States accounts opened for Mr. Pinochet in the United States are the following.

- (1) Account No. 442506/321 was opened in the name of Maria Lucia Hiriart Rodriguez and Augusto Jose Ramon Pinochet Ugarte in New York on August 29, 1995, and closed on March 18, 1999.
- (2) Account No. 401892/321 was opened in the name of Maria L. Hiriart Rodriguez and Augusto Jose R. Pinochet Ugarte in Miami on June 24, 1996, and closed on March 23, 1999.
- (3) Account No. 401892/331/001/002/01 was opened in the name of "Pinochet Joint Miami TD," establishing a CD, in Miami on May 29, 1998, and closed on November 9, 1998.

**Pinochet Family Accounts.** The five Banco de Chile accounts opened in the United States for members of the immediate family of Mr. Pinochet are the following. Several of these accounts contained modest amounts, and it is unclear whether or the extent to which each account may have been used as a conduit for transactions benefiting Mr. Pinochet.

- (1) Account No. 401323/321 was opened in the name of Mr. Pinochet's daughter, Jacqueline Marie Pinochet Hiriart, in Miami on September 27, 1995, and closed on December 14, 2000.
- (2) Account No. 401323/301 was opened in the name of Jacqueline Marie Pinochet Hiriart in Miami on December 14, 2000, and closed on January 14, 2002.
- (3) Account No. 340/204013231 was opened in the name of Jacqueline Marie Pinochet Hiriart in Miami on December 14, 2000, and closed in early 2005.

- (4) Account No. 23000690 was opened in the name of Mr. Pinochet's grandson, Alejandro Ponce Pinochet, in Miami on January 2, 2003, and closed in early 2005.
- (5) Account No. 21014466 was opened in the name of Mr. Pinochet's granddaughter, Francisca Lucia Ponce Pinochet, in Miami on August 30, 2004, and closed in early 2005.

**Third Party Accounts.** Between November 1997 and July 2003, Banco de Chile-United States opened 11 U.S. accounts in the name of third parties which served at times as conduits for Pinochet funds. All but one of these accounts were opened in the name of an offshore corporation controlled by Mr. Aitken. These corporations are Abanda Finance Ltd., which was incorporated in the British Virgin Islands ("BVI"); Belview International Inc., another BVI corporation; Sociedad de Inversiones Belview Int S.A., a Chilean corporation; Eastview Finance S.A., a BVI corporation; G.L.P. Ltd., a BVI corporation; and Tasker Investments Ltd., a BVI corporation. The final account was opened for the Pinochet Foundation.

- (1) Account No. 101136/345/001/002/01-04, for four CDs, was opened in the name of Eastview Finance S.A. in Miami on November 10, 1997, and closed on March 24, 1999.
- (2) Account No. 101136/335/001/002/01-04 was opened in the name of Eastview Finance S.A. in Miami on November 10, 1997, and closed on August 9, 1999.
- (3) Account No. 101136/335/001/003/01 was opened in the name of Eastview Finance S.A. in Miami on July 10, 1998, and closed on August 31, 1998.
- (4) Account No. 310/105033261 (503326/325) was opened in the name of Eastview Finance S.A. in New York on November 5, 1998, and closed on January 8, 2003.
- (5) Account No. 503326/335/001/002/01 was opened in the name of Eastview Finance S.A. in New York on January 7, 1999, and closed on August 30, 2001.
- (6) Account No. 310/105033831 (503383/324) was opened in the name of the Pinochet Foundation in New York on January 8, 1999, and closed on December 14, 2004.
- (7) Account No. 310/102114411 (211441/305) was opened in the name of Abanda Finance Ltd. in New York on November 15, 1999, and closed on December 31, 2002.<sup>110</sup>
- (8) Account No. 310/011001328 was opened in the name of Sociedad de Inversiones Belview Int S.A. in New York on July 17, 2002, and closed on November 8, 2002.
- (9) Account No. 310/012002183 was opened in the name of Belview International Inc. in New York on July 23, 2002, and closed on September 20, 2004.

<sup>110</sup>Although the Abanda New York account was used on only one day, November 15, 1999, and had a zero balance thereafter, it apparently was not closed for several years.

- (10) Account No. 310/011004478 was opened in the name of GLP Ltd. in New York on November 19, 2002, and closed on September 16, 2004.
- (11) Account No. 310/021005635 was opened in the name of Tasker Investment Ltd. in Miami on July 26, 2003, and closed on September 15, 2004.

**Brokerage Accounts.** In addition to opening bank accounts, Banco de Chile, through its affiliate Banchile acting as the introducing broker, helped Mr. Aitken open five brokerage accounts at U.S. securities firms for his offshore corporations Belview International Inc.; Eastview Finance S.A.; G.L.P. Ltd.; and Tasker Investments Ltd.

- (1) Account No. 743-13165-17-765 was opened in the name of Belview International Inc. at Lehman Brothers in Miami on August 29, 2002, and closed on November 26, 2002.
- (2) Account No. 743-13374-14-765 was opened in the name of GLP Ltd. at Lehman Brothers in Miami on November 21, 2002, and closed on May 18, 2004.
- (3) Account No. 0AJ 002418 was opened in the name of GLP Ltd. at Pershing Securities in New York on February 24, 2004, and closed on February 11, 2005.
- (4) Account No. 743-15017 was opened in the name of Tasker Investments Ltd. S.A. at Lehman Brothers in Miami on July 30, 2003, and closed on April 19, 2004.
- (5) Account No. 0AJ 002392 was opened in the name of Tasker Investments Ltd. S.A. at Pershing Securities in New York on February 24, 2004, and closed on January 3, 2005.

**Account Secrecy and Due Diligence.** When opening U.S. accounts for Mr. Pinochet and his family, Banco de Chile-United States dealt openly with Mr. Pinochet, a former President and respected figure in Chile. The bank clearly knew him and his family members. The first three accounts the bank opened for Mr. Pinochet in the United States bore his name in an open and transparent manner. So did the five accounts opened for Pinochet family members. In general, these eight accounts held relatively modest amounts, that attracted little concern.

The same cannot be said about the 15 U.S. bank and securities accounts that the bank opened or helped to open for offshore corporations controlled by Mr. Aitken. Oscar Aitken was known to Banco de Chile-United States as a Chilean attorney with ties to Mr. Pinochet and a principal partner in the law firm of Aguero, Aitken, Frias, and Henriquez. He was also a longstanding client of the bank in Chile, having opened his first account there in 1973.

Mr. Aitken opened his first personal account at Banco de Chile-United States in 1990. Four years later, in 1994, he opened his first U.S. account at Banco de Chile-United States for an offshore corporation. Banco de Chile told the Subcommittee that it did not help Mr. Aitken establish or manage any of his offshore corporations. In fact, the bank indicated that it does not have an offshore affiliate that routinely establishes or manages offshore entities for its clients, and only a limited number of its U.S. clients ever use

an offshore corporation as a named account holder. The bank told the Subcommittee that its internal review discovered that Mr. Aitken was associated with eight or nine such offshore corporations and had many more than any other client at Banco de Chile-United States.<sup>111</sup>

The bank's internal review determined that both Mr. Pinochet and Mr. Aitken were treated as important clients by Banco de Chile-United States and by the head of the bank's New York branch, the New York general manager, who often handled matters for these clients. The New York general manager was a longterm, well regarded employee of the bank, served as head of the New York branch from 1987 to 2002, and in November 2002, was promoted to country manager of U.S. operations. The bank's internal review determined that he was well acquainted with Mr. Aitken and knew of Mr. Aitken's ties to Mr. Pinochet whom the New York general manager greatly respected. The bank's internal review further determined that, in some cases, the New York branch had known that bank accounts opened in the name of Aitken corporations were being used to hold or transfer Pinochet funds. The branch had also, at times, facilitated transactions involving these accounts. The bank's internal review found that, in several instances, the New York general manager had failed to inform his superiors in Chile of important matters related to these accounts, as explained below. In 2004, the bank terminated his employment with the bank.

From 1998 until March 2000, Augusto Pinochet was the subject of numerous civil and criminal proceedings in Spain, the United Kingdom, and Chile, including issuance of a 1998 Spanish court order directing financial institutions to freeze Mr. Pinochet's assets on a worldwide basis. These proceedings and issuance of the freeze order were repeatedly described in international, Chilean, and United States news media reports. Throughout this period, Banco de Chile-United States failed to alert any court or law enforcement entity to the accounts it had held for Mr. Pinochet personally, in the United States, from 1995 until 1999.

**Transactions of Interest.** The Subcommittee investigation has examined four sets of transactions involving Banco de Chile, Pinochet funds, and the United States. The first involves cashiers checks issued by Banco de Chile that moved Pinochet funds from Chile to the United States; the second involves Riggs cashiers checks that moved Pinochet funds from the United States to Chile; the third involves funds transfers that moved Pinochet funds from the military officer accounts at Riggs Bank in the United States to Banco de Chile accounts in Chile; and the fourth involves Pinochet-related transactions that utilized the offshore corporate accounts opened by Mr. Aitken at Banco de Chile-United States. These transactions illustrate how Augusto Pinochet took advantage of various banking services to move funds across international lines, often leaving a minimal audit trail for investigators to follow.

—**Banco de Chile Cashiers Checks.** The first category of transactions involves Banco de Chile cashiers checks used to move

<sup>111</sup> Banco de Chile told the Subcommittee that, in 2004, it closed all Chilean and U.S. accounts associated with Mr. Aitken.

Pinochet funds from Chile to the United States. Bank records show that, on at least 13 occasions from 1990 until 1997, cashiers checks issued by Banco de Chile were used to transfer funds from Chile to Pinochet accounts at Riggs Bank in the United States. Each of these cashiers checks was issued by a branch of the bank in Chile, and drew upon the bank's U.S. dollar account in New York to enable the check amount to be paid out in U.S. dollars. According to the bank, in every case, the funds for the cashiers checks were initially provided by someone in Chile who purchased the cashiers check from the Chilean branch. The bank told the Subcommittee that it could not identify any of the persons who provided the underlying funds for the cashiers checks due to Chilean bank secrecy laws. The end result is that use of these cashiers checks has, in effect, enabled the true originators of the funds to hide their identities from the Subcommittee.

Over 7 years, the 13 Banco de Chile cashiers checks moved about \$1.3 million in Pinochet-related funds from Chile to the United States. The transactions are as follows.

- On October 17, 1990, a \$50,020 Banco de Chile cashiers check was deposited into Miami Riggs Account No. 707547 opened in the name of Augusto P. Ugarte and Lucia Hiriart.
- On October 17, 1990, a \$29,739 Banco de Chile cashiers check was deposited into a Miami Riggs account in the name of J.R. Pinochet.
- On December 9, 1993, a \$303,000 Banco de Chile cashiers check made payable to Daniel Lopez in trust for Augusto J. Pinochet was deposited into Miami Riggs Account No. 710053 opened in the name of Daniel Lopez in trust for Augusto J. Pinochet.
- On January 14, 1994, a \$15,000 Banco de Chile cashiers check made payable to Daniel Lopez in trust for Augusto J. Pinochet was deposited into Miami Riggs Account No. 710053 opened in the name of Daniel Lopez in trust for Augusto J. Pinochet.
- On March 21, 1995, a \$50,800 Banco de Chile cashiers check was deposited into Washington Riggs Account No. 76750393 opened in the name of Augusto Pinochet Ugarte and Lucia Hiriart Rodriguez (hereinafter "Mr. Pinochet and his wife").
- On February 21, 1996, two Banco de Chile cashiers checks totaling \$232,450 were deposited into Washington Riggs Account No. 76750393 opened in the name of Mr. Pinochet and his wife.
- On March 1, 1996, four Banco de Chile cashiers checks totaling \$287,000, two made payable to "J. Pinochet" and two made payable to "M.L. Hiriart," were deposited into Washington Riggs Account No. 76750393 opened in the name of Mr. Pinochet and his wife.
- On May 20, 1997, a \$193,000 Banco de Chile cashiers check was deposited into Washington Riggs Account No. 76750393 opened in the name of Mr. Pinochet and his wife.

—On August 27, 1997, a \$155,000 Banco de Chile cashiers check was deposited into Washington Riggs Account No. 76750393 opened in the name of Mr. Pinochet and his wife.<sup>112</sup>

In addition, the Subcommittee identified two occasions on which personal checks written on Banco de Chile accounts were used to transfer funds to Pinochet accounts at Riggs. These transactions are as follows.

—On March 16, 1998, a \$243,000 Banco de Chile personal check, made payable to M. Lucia Hiriart, was drawn on New York Banco de Chile Account No. 442506 and deposited into Washington Riggs Account No. 76750393 opened in the name of Augusto Pinochet Ugarte and Lucia Hiriart Rodriguez.

—On September 23, 1998, a \$147,000 Banco de Chile personal check, made payable to A. Pinochet, was drawn on New York Banco de Chile Account No. 442506 and deposited into London Riggs Account No. 74041013 (formerly numbered 25005393) opened in the name of Augusto Pinochet Ugarte.

Together, these two personal checks deposited about \$390,000 into Pinochet accounts in Washington, D.C. and London.

—**Riggs Cashiers Checks.** The second category of transactions involves cashiers checks issued by Riggs Bank which were used to move Pinochet funds from the United States to Chile. Bank records show that Riggs Bank issued 38 cashiers checks, each for \$50,000, in four batches from August 2000 until April 2002, as described earlier.<sup>113</sup> The first batch was made payable to “Augusto Pinochet”; the second batch to “Maria Hiriart and/or Augusto P. Ugarte”; the third batch to “Augusto Pinochet Ugarte and/or Lucia Hiriart De Pinochet”; and the fourth batch to “L. Hiriart and/or A.P. Ugarte.” Each batch was paid for by funds from a Pinochet account or CD at Riggs.

From August 2000 until August 2003, Chilean branches of Banco de Chile cashed 36 of the Riggs cashiers checks, for a total of \$1.8 million. Due to Chilean bank secrecy laws, Banco de Chile has told the Subcommittee that it cannot provide documentation from Chile showing who presented each cashiers check and whether that person was paid in cash. According to a Chilean appeals court finding, the checks were cashed at Banco de Chile “by a third party, despite the fact that they were nominative. Then various amounts of the cash in dollars were changed to cash in Chilean pesos on the informal market so that said transaction would not be reported to the Central Bank.”<sup>114</sup> By cashing these 36 Riggs cashiers checks over 3 years at its branch offices in Chile, Banco de Chile enabled Mr. Pinochet to move \$1.8 million from the United States to Chile.

<sup>112</sup>The same system was also used on one occasion to move Pinochet funds from Chile to London. This transaction took place on September 29, 1997, when a Banco de Chile cashiers check for about €122,000 (about \$200,000) was deposited into London Riggs Account No. 74041013 (formerly numbered 25005393) opened in the name of Augusto Pinochet Ugarte. See Bates RNB032282–83.

<sup>113</sup>See 2004 Hearing Record at 151–152. Riggs issued the 38 cashiers checks to Mr. Pinochet in the four batches as follows: 8 checks in August 2000; 10 checks in May 2001; 10 checks in October 2001; and 10 checks in April 2002. Two of the 38 checks were cashed by BankBoston; the rest were cashed by Banco de Chile in Chile.

<sup>114</sup>Case No. 1649–2004, Court of Appeals of Santiago, 12/10/04, at 7.



—**Military Officer Transfers.** The third category of transactions involves transfers that moved funds from the military officer accounts at Riggs Bank in Miami to Banco de Chile accounts in Chile. Bank records show that, on nine occasions from 1990 until 1996, checks or wire transfers moved a total of about \$650,000 from the military officer accounts at Riggs Bank in Miami to Pinochet-related accounts in Chile at Banco de Chile. All but one of the documents transferring these funds to Chile used a disguised variant of Mr. Pinochet's name or the name of his personal assistant, Monica Ananias Kuncar, as the designated recipient of the funds. The transactions are as follows.

- On November 26, 1990, a \$17,823 check cleared which had sent the funds from Miami Riggs Account No. 451666 opened in the name of Chilean military officer Jose Miguel Latorre Pinochet to "J.P. Ugarte" at Banco de Chile in Chile.
- On November 26, 1990, a \$10,261 check cleared which had sent the funds from Miami Riggs Account No. 451666 opened in the name of Chilean military officer Jose Miguel Latorre Pinochet to "J.P. Ugarte" at Banco de Chile in Chile.
- On September 19, 1994, a \$65,000 wire transfer sent the funds from Miami Riggs Account No. 709345 opened in the name of Chilean military officer Gabriel Vergara Cifuentes, to "Jose Ugarte" at Banco de Chile Account No. 500006257104 in Chile.
- On March 2, 1995, a \$117,000 check cleared which had sent the funds from Miami Riggs Account No. 710467 opened in the name of Chilean military officer Juan Ricardo Mac-Lean Vergara, to "J. Ugarte" at Banco de Chile Account No. 500006257104 in Chile.
- On March 10, 1995, a \$87,000 check cleared which had sent the funds from Miami Riggs Account No. 710467 opened in the name of Chilean military officer Juan Ricardo Mac-Lean Vergara, to "J. Ugarte" at Banco de Chile Account No. 500006257104 in Chile.
- On November 16, 1995, a \$26,056 check cleared which had sent the funds from Miami Riggs Account No. 710467 opened in the name of Chilean military officer Juan Ricardo Mac-Lean Vergara, to an unspecified account at Banco de Chile in Chile.
- On March 1, 1996, a \$36,000 wire transfer sent the funds from Miami Riggs Account No. 710467 opened in the name of Chilean military officer Juan Ricardo Mac-Lean Vergara, to "Monica Anania" at Banco de Chile Account No. 500006257104 in Chile.
- On March 1, 1996, a \$287,000 wire transfer sent the funds from Miami Riggs Account No. 710467 opened in the name of Chilean military officer Juan Ricardo Mac-Lean Vergara, to "Monica Anania" at Banco de Chile Account No. 60069158 in Chile.
- On April 2, 1996, a \$6,227 wire transfer sent the funds from Miami Riggs Account No. 710467 opened in the name of Chilean military officer Juan Ricardo Mac-Lean Vergara, to

“Monica Anania” at Banco de Chile Account No. 60069158 in Chile.

—**Aitken Offshore Corporations.** The fourth and final category of transactions involves Pinochet-related transactions that utilized the offshore corporate accounts opened by Mr. Aitken at Banco de Chile-United States. Three specific transactions involving these U.S. accounts illuminate how they were used as conduits for Pinochet funds and how, in some instances, a Banco de Chile-United States employee facilitated transactions for Mr. Aitken and Mr. Pinochet.

—**2002 Riggs Transfer of \$6 Million.** The most troubling incident involving Mr. Aitken, his offshore corporations, and Banco de Chile-United States took place in July 2002, when Riggs Bank transferred \$6 million to a newly opened account at the Banco de Chile New York branch for Sociedad de Inversiones Belview S.A. (hereinafter “Sociedad de Belview”), a Chilean corporation controlled by Mr. Aitken.

On July 17, 2002, after an OCC review of its Pinochet accounts prompted Riggs Bank to end its relationship with Mr. Pinochet, Riggs Bank sent three wire transfers to Banco de Chile’s New York branch depositing a total of about \$6 million into the new Sociedad de Belview account.<sup>115</sup> These wire transfers included about \$5 million from Ashburton Co. Ltd.; about \$950,000 from Althorp Investment Co. Ltd.; and \$23,666.73 from Maria Lucia Hiriart Rodriguez, Mr. Pinochet’s wife. Mr. Aitken has apparently claimed that he informed Banco de Chile-United States at the time that these funds were associated with Mr. Pinochet, but Banco de Chile employees disagree, insisting that at the time they were unaware of any connection between these funds and Mr. Pinochet. The bank also indicated to the Subcommittee that it did not question Mr. Aitken at the time about the source of the \$6 million, even though the funds represented an amount significantly greater than any other transaction Mr. Aitken had brought to the bank, significantly exceeded the bank’s estimate of his net worth, and took place the same month the Patriot Act had required the bank to tighten its U.S. AML controls.

A week after the funds were deposited, Mr. Aitken opened another new account at the New York branch for Belview International Inc., a BVI corporation he controlled, and transferred \$5.9 million from the Sociedad de Belview account to the new Belview International account. About a month later, Mr. Aitken transferred \$5.9 million from the Belview International account, plus \$100,000 from the Sociedad de Belview account, to a newly established brokerage account at Lehman Brothers in the name of Belview International.

In November 2002, he transferred most of the funds in the Belview Lehman account to another Lehman account he had opened in the name of G.L.P. Ltd., a BVI corporation under his

<sup>115</sup> See account statement for Sociedad de Inversiones Belview Int. S.A., Bates PSI01460. Mr. Aitken had apparently asked for this new account to be opened on an “urgent” basis, making this request on the day of or the day before the wire transfer. Bank records indicate that the account was opened and allowed to accept funds on July 17, 2002, even though the “Customer Application Form” for the account is dated July 23, 2002, and the required Head Office approval to open the account is dated July 19, 2002.

control. For the next 18 months, Banchile managed the assets in the G.L.P. account, buying and selling various securities.<sup>116</sup> On occasion, Mr. Aitken withdrew funds from the G.L.P. Lehman account, depositing them into a newly opened G.L.P. checking account at Banco de Chile's New York branch or to other Banco de Chile accounts he controlled. In December 2002, Mr. Aitken withdrew \$300,000 from the G.L.P. Lehman account and deposited the funds into a Lehman account he had opened for another BVI corporation he controlled. Six months later, he transferred \$750,000 from the G.L.P. Lehman account to a related corporate account at Lehman Brothers. In July 2003, Mr. Aitken transferred about \$1.1 million from these corporate accounts through a series of accounts he controlled. The funds ended up at a new Miami Banco de Chile account he had opened for Tasker Investments Ltd., still another BVI corporation he had formed. The next day, Mr. Aitken transferred about \$1.1 million from the Tasker Miami account to a new Tasker brokerage account he had opened at Lehman Brothers. Despite multiple transfers through multiple accounts, apparently neither the bank nor the security firm required Mr. Aitken to explain the \$1.1 million transfers.

In 2004, Mr. Aitken was interviewed by a Chilean Judge investigating the Riggs accounts opened by Mr. Pinochet. When asked whether he had possession of any Pinochet funds in the United States, Mr. Aitken apparently identified the funds in the G.L.P. and Tasker accounts as belonging to Mr. Pinochet. On August 12, 2004, pursuant to the Judge's direction, Mr. Aitken transferred these funds, then totaling about \$6.8 million, from the United States to a bank account in Chile under the control of the Chilean court.<sup>117</sup>

—**1997 Loan for \$500,000.** In 1997, Augusto Pinochet applied to Banco de Chile-United States for a \$500,000 loan. On November 10, 1997, the New York branch of Banco de Chile issued the loan to Mr. Pinochet personally, but accepted loan collateral from Eastview Finance, S.A., ("Eastview") an offshore corporation controlled by Mr. Aitken. This transaction provided the bank with clear evidence of a Pinochet-Aitken relationship. The loan transaction also had unusual features which should have elicited questions by the bank, but did not.

The loan proceeds were deposited into Mr. Pinochet's New York account at Banco de Chile.<sup>118</sup> On the same day they were deposited, the funds were withdrawn from that account, using a \$500,000 personal check made payable to Coutts & Co. (USA) International ("Coutts") and signed personally by Mr. Pinochet. That check was then delivered to the Coutts office in Miami. On the same day, Mr. Aitken asked Coutts to use the check to pur-

<sup>116</sup> In February 2004, Banchile switched the G.L.P. securities account from Lehman Brothers to Pershing Securities, but continued to manage the account. Information from Banchile, Lehman Brothers, and Pershing Securities.

<sup>117</sup> At that time, the funds were in accounts at Pershing Securities, because in February 2004, Banchile switched both the G.L.P. and Tasker securities accounts from Lehman Brothers to Pershing Securities. Pursuant to the Judge's direction, Mr. Aitken transferred about \$5.5 million from the G.L.P. account and about \$1.3 million from the Tasker account at Pershing Securities. These amounts apparently included the funds originally transferred by Riggs Bank plus interest and stock gains, less various withdrawals since 2002. See Bates PSI01008, PSI02423, PSI02397, PSI02421, PSI02414.

<sup>118</sup> Pinochet Joint New York MMA account statement for November 1997, Bates PSI02447.

chase four CDs in the name of Eastview Finance, to be picked up later by the Miami branch of Banco de Chile. Coutts declined, however, to complete the transaction before the personal check had time to clear. Coutts instead delivered the personal check to the Miami branch. On the same day, the Miami branch sent Coutts a Banco de Chile cashiers check for \$500,000. Coutts accepted the cashiers check and, in return, issued a Coutts cashiers check in the same amount. Coutts then delivered its cashiers check to the Miami branch of Banco de Chile.<sup>119</sup>

Following instructions provided by Mr. Aitken, the Miami branch used the \$500,000 to establish four CDs, each in the amount of \$125,000, and each in the name of Eastview Finance. Acting on behalf of Eastview, Mr. Aitken then pledged all four CDs as collateral for the \$500,000 loan to Mr. Pinochet.

The odd nature of this transaction derives from the fact that all of the \$500,000 in loan proceeds were immediately pledged as collateral for the loan itself and not used for any business purpose. In addition, it is unclear why the loan was issued in New York, and the collateral held in Miami. It is also unclear why Mr. Aitken and Eastview Finance became involved in a loan issued solely to Mr. Pinochet. Some bank personnel apparently viewed Mr. Aitken's actions as consistent with his acting as a legal adviser to Mr. Pinochet on the loan, or as a guarantor of the loan amount. Another speculation was that the transaction was designed to make it appear that the funding for the Eastview CDs came from Coutts rather than Banco de Chile, but it is unclear why that would have been significant. The reason for Coutts' participation in the transaction is also unexplained.

In March 1999, Mr. Pinochet repaid the New York loan in full, with interest. Mr. Pinochet had already made several payments to reduce the principal. He made the final payment with \$250,000 supplied by Mr. Aitken who, the day before, had cashed in two of the Eastview CDs in Miami and transferred the \$250,000 plus earned interest to Mr. Pinochet's New York account.<sup>120</sup> The day after repaying the loan, Mr. Pinochet closed his New York account at Banco de Chile.

The significance of the 1997 loan transaction is threefold. First, it provided the bank with clear evidence of a relationship between Mr. Pinochet and Mr. Aitken. This relationship necessarily came to the attention of bank officials involved with issuing the 1997 loan to Mr. Pinochet, arranging its collateral, and monitoring its repayment. Second, the loan set a precedent for later transactions in which Mr. Aitken used an offshore corporation he controlled to take custody of funds belonging to Mr. Pinochet and to transact business on behalf of Mr. Pinochet. Third, the transaction succeeded in part because of the bank's willingness to facilitate the transaction with few or no questions about its purpose, Mr. Aitken's role, or its unusual features.

<sup>119</sup> See, e.g., Pinochet personal check to Coutts. Bates PSI02448; Banco de Chile cashiers check, Bates PSI02445; Coutts cashiers check, Bates PSI02449.

<sup>120</sup> Five months earlier, in November 1998, Mr. Aitken had cashed the other two Eastview CDs and transferred the funds, totaling \$250,000, to an Eastview account he had opened at the Banco de Chile branch in New York. Mr. Aitken did not supply the funds from these two CDs to Mr. Pinochet, instead retaining the funds in the new Eastview account. See Bates PSI01283.

—**1999 Real Estate Transaction.** In 1999, Mr. Pinochet engaged in another transaction in the United States, that again involved odd circumstances, the participation of an Aitken offshore corporation, and reliance on Banco de Chile-United States to facilitate the transaction.

On November 16, 1999, while Mr. Pinochet was under house arrest in London and the subject of a Spanish court order directing financial institutions to freeze his assets, he purported to transfer real property he owned in Chile, an apartment in Vina del Mar, to Abanda Finance Ltd., a BVI company controlled by Mr. Aitken. Documentation indicates that Mr. Pinochet purported to “sell” the property to Abanda Finance for 214.8 million Chilean pesos, or about \$400,000. Banco de Chile investigators indicate that the actual purpose of this transfer was to disguise Mr. Pinochet’s ownership of the property while allowing him to continue as the property’s beneficial owner. The apartment is currently subject to a freeze order issued by a Chilean court.

To complete the “sale,” Mr. Aitken opened an account for Abanda Finance at Banco de Chile in New York on November 15, 1999, the day before the transaction. To give the appearance that a sale was actually consummated, over the course of 2 days, November 15 and 16, Mr. Aitken initiated a series of transfers that sent \$400,000 on a round trip through multiple bank accounts he controlled, including New York accounts opened for Eastview Finance and Abanda Finance. The intended result of this round trip was to provide Abanda Finance with a bank statement showing that it had withdrawn \$400,000 from its account on November 15, 1999, presumably to pay for the apartment. In fact, it appears no funds were ever paid for the real estate supposedly purchased by Abanda Finance.

Banco de Chile documentation indicates that, to carry out the round trip transaction, Mr. Aitken provided multiple letters of instruction to the New York branch. The branch then issued wire transfers moving the funds through six different accounts in the United States over 2 days, often in the names of offshore corporations. The transaction involved a hefty sum, \$400,000, and moved the funds in a pattern that was explained beforehand to the New York branch so that it would facilitate the circuit of funds. Again, the bank appears to have asked few, if any, questions about the nature of this transaction, the role of Mr. Aitken, or the role of his offshore corporations.

Together, the 2002 Riggs transfer, 1997 loan, and 1999 wire transfers, show that Mr. Aitken readily and deliberately allowed his offshore corporate accounts to be used as conduits for Pinochet funds.

**Pinochet Foundation.** Still another U.S. account at Banco de Chile-United States, which was opened in the name of the Pinochet Foundation, may have served as a conduit for Pinochet funds. Banco de Chile closed this account in 2004.

The Pinochet Foundation was first established in Chile in 1995. The Foundation’s website states that it is dedicated to promoting and preserving the values and the historic and cultural identity of

Chile.<sup>121</sup> News media reports indicate that the Foundation has also provided substantial financial assistance to Mr. Pinochet, including by paying his legal bills in the United Kingdom, paying rent on a luxury mansion during his detention in London from 1998 until 2000, and paying travel expenses to and from London for Pinochet aides and relatives.<sup>122</sup> The Subcommittee has been told that the Foundation also provided an office for Mr. Pinochet for a period of time in Chile, and may have paid his office expenses.

The Pinochet Foundation opened a Banco de Chile account in New York on January 8, 1999.<sup>123</sup> Persons with signatory authority for the New York account and, in some cases, power of attorney to direct transactions involving the account include members of Mr. Pinochet's immediate family and former members of the Pinochet regime. These persons are listed in the account opening documentation and include: Lucia Hiriart de Pinochet, Mr. Pinochet's wife and a member of the Foundation's board of directors; his daughter, Lucia Pinochet Hiriart; Hernan Briones Gorostiaga, the Foundation Chairman and a Chilean businessman; Carlos Caceres Contreras, a Foundation board member and former Minister of Finance during the Pinochet regime; Luis Cortes Villa, the Foundation's spokesperson and former head of the Santiago Military Guard during the Pinochet regime; Hernan Guiloff Izikson, Foundation Vice Chairman and Chilean businessman; Alberto Kassis Sabag, a Foundation board member and Chilean businessman; Alfonso Marquez de la Plata Irarrazabal, a Foundation board member and former Secretary-General of Government during the Pinochet regime; and Jorge Prado Aranguiz, a Foundation board member and former Minister of Agriculture during the Pinochet regime.

Altogether, deposits to the Foundation's New York account, from its opening in 1999 until its closing in 2004, exceeded \$2.2 million. These deposits came from multiple sources and ranged in size from small to large amounts. The largest single deposit was \$811,000, which was deposited into the account in August 2000, by the law firm, Kingsley Napley, that represented Mr. Pinochet in the United Kingdom and which was possibly forwarding U.K. government funds reimbursing Mr. Pinochet for certain legal expenses. In some cases, substantial deposits to the Foundation account were made by persons about whom the bank has little information. Examples include \$200,000 in deposits from "American Engineering," an entity about which nothing further is known, and a deposit of \$250,000 on April 26, 2002, by "Ivoryseas Marine Co. Ltd." from an account in Germany. Questions remain about who these entities are, the source of their funds, and the reasons for their substantial transfers to the Foundation.

Major transfers of funds out of the Foundation's account went primarily to two recipients. The first was Kingsley Napley, Mr. Pinochet's U.K. legal counsel, which received a total of about \$459,000 from the New York account. The second major recipient of funds was "Chile Market Investments Ltd.," a BVI securities

<sup>121</sup> See Foundation website at [www.fundacionpinochet.cl](http://www.fundacionpinochet.cl).

<sup>122</sup> See, e.g., "The Pinochet case: now for the bill," *Agence France Presse*, 1/14/00; "Pinochet followers scrounge for cash for his legal bills in Britain," *Agence France Presse*, 7/9/99; "Friends establish fund for Pinochet," *Austin American-Statesman* (Texas), 3/14/99.

<sup>123</sup> The Foundation has also had accounts at Banco de Chile in Chile and at other financial institutions.

broker affiliated with Chile Markets S.A. Corredores de Bolsa, a securities broker in Chile. Repeated outgoing transfers of funds went from the Foundation's New York account to a Chile Market Investments Ltd. account at Merrill Lynch. There is no explanation in the account documentation regarding the purpose of these transfers, or what happened to the funds after they went into the Chile Market Investments account. It is possible that funds from this account were used for some of Mr. Pinochet's living expenses described earlier, such as rent during his extended detention in London, or for travel expenses. Due to the lack of information about the account's outgoing transfers, it is difficult to assess either the nature of these transfers or the extent to which the Foundation account may have served as a conduit for Pinochet funds.

**Regulatory Oversight.** Banco de Chile-United States is regulated by both the OCC and the Federal Reserve Bank of Atlanta. The OCC oversees the bank as a whole and its New York branch, while the Federal Reserve Bank oversees its Miami branch.

Until recently, both regulators routinely examined the bank's AML controls and routinely gave the bank satisfactory ratings. In 2004, however, after learning of the bank's Pinochet-related accounts, the OCC initiated an extensive review of the bank's AML policies and procedures and identified a host of major deficiencies. In February 2005, Banco de Chile and its New York branch entered into a 33-page consent decree with the OCC requiring the bank to revamp and strengthen its AML policies and procedures, particularly with respect to identifying and monitoring high risk accounts, reviewing accounts opened for public figures and offshore corporations, providing complete information in wire transfers, prohibiting accounts from being held under the name of someone other than the true owner, hiring additional compliance personnel, and improving bank systems for conducting audits, monitoring high risk accounts, and reporting suspicious activity. The same month, the Miami branch of Banco de Chile entered into a cease and desist order with the Federal Reserve Bank of Atlanta requiring many of the same AML reforms. The U.S. Treasury Financial Crimes Enforcement Network is currently considering whether to impose a civil monetary penalty on the bank for failure to comply with its U.S. AML obligations.

Two incidents related to the Pinochet accounts merit additional consideration. In late June 2002, as part of its review of Pinochet accounts at Riggs Bank, the OCC asked Banco de Chile-United States whether it had any U.S. accounts for Mr. Pinochet. The bank disclosed that Mr. Pinochet and his wife had a few U.S. accounts during the late 1990s, and that Mr. Pinochet had been a longstanding client of the bank in Chile for more than 30 years.

Banco de Chile-United States did not disclose at that time that there was any relationship between Mr. Aitken and Mr. Pinochet or that some accounts controlled by Mr. Aitken had been used by Mr. Pinochet to hold or transfer funds. About 2 weeks after the OCC inquiry, on July 17, 2002, Banco de Chile-United States received the \$6 million transfer from Riggs, but did not contact the OCC to alert it to the transfer. Nor did the bank mention the \$6 million transfer when an OCC examiner arrived at the New York

branch on July 19–20 to review records from the closed Pinochet accounts.

Mr. Aitken has apparently claimed that he orally informed the New York branch at the time that the \$6 million transfer was associated with Mr. Pinochet, but the bank insists that none of its personnel was aware of a Pinochet connection to the \$6 million at the time of the transfer. The bank points out that the funds came primarily from two offshore corporations, Ashburton and Althorp, that it did not know were associated with Mr. Pinochet; the funds were directed to the account of another offshore corporation, Sociedad de Belview, controlled by Mr. Aitken; and bank officials did not then notice a related transfer of \$23,700 from Mr. Pinochet's wife, Maria Lucia Hiriart Rodriguez.

Banco de Chile-United States maintains that the OCC never mentioned Riggs when it made its initial inquiry about Pinochet accounts or when its examiner researched the Pinochet accounts in July, and never cautioned the bank to be on the lookout for a Riggs transfer. The bank also points out that Riggs itself failed to provide any notice under Section 314(b) of the Patriot Act that the \$6 million transfer was the result of an account closure, the funds were of interest to regulators, and the funds were associated with Mr. Pinochet. The bank maintains that had it received any warning in 2002 about Mr. Pinochet, from the OCC, the Federal Reserve Bank, or Riggs Bank, it could have protected the reputation of Banco de Chile by refusing the funds transfer.

Two years later, on July 15, 2004, this Subcommittee disclosed its investigation into the Pinochet funds at Riggs Bank, which was widely reported on the same day by the Chilean news media. According to Banco de Chile, during the evening of July 15, 2004, Mr. Aitken contacted his account executive at Banchile in Chile, and asked whether it would be possible to move his investments out of the United States "without a trace." The Banchile account executive informed him that such a transfer was not possible, and made an appointment to discuss the matter further in the morning. Mr. Aitken also asked the account executive if he had seen the articles published that day about Mr. Pinochet's accounts at Riggs Bank. The next morning, Mr. Aitken met with his account executive and told him that he had been managing funds for Mr. Pinochet since 1999, and had deposited Pinochet funds into accounts he had opened at Banco de Chile-United States and Pershing Securities in the name of certain offshore corporations. According to the bank, the Banchile account executive again indicated that he could not help Mr. Aitken move the Pinochet funds out of those accounts without detection.

The same day, Banchile personnel informed senior Banco de Chile officials in Chile and the United States about the conversation with Mr. Aitken, including the head of the entire bank and the head of the bank's U.S. operations (who formerly served as the New York branch head and helped administer the Aitken offshore corporate accounts). Over the next 2 weeks, the head of Banco de Chile held several telephone conversations with the U.S. operations head about whether the bank was holding Pinochet funds in Aitken-controlled accounts and ordered the U.S. operations head to analyze all transfers from Riggs Bank into the New York branch.



According to the bank, it was not until late in July 2004, that Banco de Chile-United States identified as possibly suspicious the July 2002 \$6 million transfer from Riggs Bank to the Sociedad de Belview account controlled by Mr. Aitken.

On July 27, 2004, the Federal Reserve Bank of Atlanta made a routine annual visit to Banco de Chile in Santiago. Near the end of a meeting with top Banco de Chile officials, the Federal Reserve Bank asked whether the bank had any Pinochet accounts at the branches in the United States. The bank indicated that Mr. Pinochet was no longer a customer in the United States, and the bank had an ongoing investigation to gather additional information. The bank also disclosed that Mr. Pinochet was a longstanding client in Chile. The bank did not then disclose the \$6 million transfer from Riggs Bank in 2002, or the likelihood that certain Aitken-controlled accounts held Pinochet funds. The bank has apparently since indicated that it should have disclosed the Aitken-Pinochet relationship and the Aitken offshore corporate accounts during that meeting with the Federal Reserve Bank.

On August 2, 2004, Mr. Aitken apparently contacted Banco de Chile and informed the bank that Chilean Judge Sergio Munoz had directed him to transfer all Pinochet-related funds in his U.S. accounts to an account in Chile under court control. On August 6, Mr. Aitken apparently told the bank that the securities in the G.L.P. Pershing account and the Tasker Pershing account were being liquidated and the proceeds would soon be ready for transfer. In the meantime, the bank requested and received a written court order to establish a court-controlled account and deposit the funds being transferred by Mr. Aitken. On August 12, Mr. Aitken transferred about \$5.5 million from the G.L.P. accounts and about \$1.3 million from the Tasker accounts to the bank in Chile, and, on August 13, 2004, the bank deposited these funds into an account under the control of the Santiago Court of Appeals.

In September 2004, Banco de Chile conducted a review of the Pinochet and Aitken accounts and, in mid-September, informed U.S. regulators about what the bank had found. In late September, the bank decided to hire outside legal counsel to conduct a more thorough review of both the accounts and actions taken by various bank officials. That internal review resulted in a report in December 2004.

### **C. Espirito Santo Bank**

Espirito Santo Bank is a state-chartered bank with about 85 employees in Miami, Florida.<sup>124</sup> According to its website, Espirito Santo Bank offers “private banking services to domestic and foreign clients” and commercial and institutional banking services to domestic clients. It describes itself as a member of the “Espirito Santo Group” which has worldwide assets of 45 billion euros. It is a subsidiary of Banco Espirito Santo, a publicly traded bank headquartered in Lisbon, Portugal. The Portuguese bank has affiliates in various countries including Brazil, Panama, Spain, Switzerland, Uruguay and Venezuela. Another affiliate, Banco Espirito

<sup>124</sup> Information about Espirito Santo Bank is taken from its website, public filings, subpoenaed documents, interviews with bank representatives and employees, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

Santo (International) Ltd. ("BESIL"), is licensed and operates in the Cayman Islands. Banco Espirito Santo also has a New York affiliate which, in response to Subcommittee inquiries, has stated that it has no record of any account related to Mr. Pinochet or his family.

The Subcommittee investigation has determined that Espirito Santo Bank in Miami maintained an 8-year relationship with Augusto Pinochet and his family, which began in October 1991 and ended in January 2000. Espirito Santo Bank opened at least six accounts and CDs in Miami for Mr. Pinochet, members of his immediate family, or for offshore entities controlled by Mr. Pinochet.<sup>125</sup> Based upon available records, from 1991 until 2000, funds totaling at least \$3.9 million were deposited into these U.S. accounts and CDs. The bank ended the relationship at the request of Mr. Pinochet in 2000, and apparently has not done any business with the Pinochet family since then.

Mr. Pinochet's accounts at Espirito Santo Bank were opened by a former Riggs employee who had worked at Riggs International Banking Corporation (RIBC) in Miami and administered Mr. Pinochet's Miami accounts from the early 1980s to the early 1990s. While at RIBC, he also administered some of the military officer accounts opened there. In September 1991, he was recruited to join Espirito Santo Bank by the head of the bank, who was formerly the head of RIBC from 1981 until 1990, before assuming the top position at Espirito Santo Bank. While head of RIBC, he had become acquainted with Mr. Pinochet and on several occasions corresponded with him about his RIBC accounts.<sup>126</sup> He also helped to open the first Chilean military officer account at RIBC.

Espirito Santo Bank has fully cooperated with all Subcommittee inquiries, producing all requested documentation and related information in the United States. Because the Pinochet accounts were established in 1991 and banks are only required to retain records for 5 to 7 years, however, the bank had not retained account statements for the period 1991 to 1993. Other records from that period were also limited. Some of what the Subcommittee has learned about Espirito Santo accounts during those years has been reconstructed from documentation supplied by other financial institutions. In addition, citing bank secrecy laws, Espirito Santo Bank did not produce any information regarding Pinochet-related accounts at its Cayman affiliate, BESIL.

**Pinochet Accounts.** The Espirito Santo accounts opened for Mr. Pinochet or his family in the United States are the following.

- (1) Account No. 115391494 was opened in the name of A.P. Ugarte or M. Lucia Hiriart in Miami on October 8, 1991, and closed on December 23, 1999.

<sup>125</sup> Documentation obtained by the Subcommittee shows that, in addition to these U.S. accounts, BESIL provided an account in the Cayman Islands for the offshore trust controlled by Mr. Pinochet, the Santa Lucia Trust. See, e.g., fax from Linda V. DeBayle to I. Singh re: Santa Lucia Trust, 12/10/99.

<sup>126</sup> He told the Subcommittee that he does not recall engaging in any correspondence with Mr. Pinochet.

- (2) Account No. 116150253 was opened in the name of Trilateral International Trading Ltd. in Miami on October 17, 1991, and closed on January 31, 2000.
- (3) Multiple accounts issuing CDs in the name of Trilateral International Trading Ltd. were opened in Miami from at least April 1993, and with the last CD continuing until December 1999. Multiple account numbers were assigned to these CDs, including 5111, 5444, 5521, 5522, 5990, 6332, 8269, 8466, 434104, and 492901. Individual CDs varied in amounts from \$53,500 to \$1.8 million. Several were combined, reconfigured, or partially redeemed upon maturity.
- (4) Account No. 116152530 was opened in the name of Banco Espirito Santo (International) Ltd. as Trustee of the Santa Lucia Trust, in Miami, on August 24, 1993, and closed on January 31, 2000.
- (5) Account No. 5613, a CD, was opened in the name of the Santa Lucia Trust in Miami in August 1993 and transferred to a BESIL account for the trust in the Cayman Islands. This CD was cashed in December 1999.
- (6) Account No. 115399095 was opened in the name of Mr. Pinochet's daughter, Jacqueline Pinochet, in trust for Maria Jose Martinez Pinochet, Mr. Pinochet's granddaughter, in Miami on August 10, 1993, and closed on April 1, 1994.

**Account Secrecy.** Espirito Santo Bank took a number of steps that helped to keep the existence of the Pinochet accounts secret. For example, the account opened for Mr. Pinochet and his wife used disguised variants of their names, "A.P. Ugarte" and "M. Lucia Hiriart." Most of the accounts and CDs were opened in the name of offshore entities, Trilateral International Trading and the Santa Lucia Trust. Only one account, opened for Mr. Pinochet's daughter, Jacqueline Pinochet, actually used her given name. When asked about the names used on the accounts, Espirito Santo Bank officials stated that persons in South America frequently used disguised names and opened accounts in the names of offshore entities to protect their privacy and foil attempts at kidnapping, theft, or other misconduct.

The two offshore entities holding Espirito Santo Bank accounts were established at different times and in different ways. Trilateral International Trading is a Bahamas corporation that was established on January 11, 1991, at Mr. Pinochet's request by United Management Services Ltd., a company formation agent in the Bahamas which also provided Trilateral with directors, officers, a registered office, and a registered agent.<sup>127</sup> The account documentation plainly names Mr. Pinochet as the beneficial owner, although the official account opening form is silent as to Trilateral's true owner.<sup>128</sup>

<sup>127</sup> See letter dated 3/4/05, from Alexiou, Knowles & Co. representing United Management Services, Ltd. to the Subcommittee regarding Trilateral International Trading Ltd.

<sup>128</sup> See Espirito Santo Bank account opening form for Account No. 116150253 in the name of Trilateral International Trading Ltd. (10/17/91); letter dated 9/9/98, from Mr. Pinochet to Espirito Santo Bank ("This is to inform you to please to debit my investments accounts in the name of Trilateral International Trading Ltd. Acc. no. 116150253 and Santa Lucia Trust Acc.

Two years later, in 1993, the Santa Lucia Trust was established in the Cayman Islands by the Cayman International Bank & Trust Company (“CIBATCO”). CIBATCO had an ongoing relationship with Banco Espirito Santo International Ltd. (BESIL), which then functioned as a shell bank in the Cayman Islands, without any employees. Upon request, CIBATCO routinely established and administered offshore corporations and trusts for Espirito Santo clients.<sup>129</sup> Account documentation shows that Espirito Santo Bank knew that the Santa Lucia Trust was associated with Mr. Pinochet. For example, a CIBATCO facsimile to Espirito Santo regarding the Santa Lucia Trust requests confirmation of Mr. Pinochet’s signature.<sup>130</sup> In addition, an Amendment signed by Augusto Pinochet on March 14, 1995, established his wife as the trust’s sole beneficiary.<sup>131</sup>

**Due Diligence.** There is no indication in available bank records that Espirito Santo Bank performed any due diligence review, source of funds analysis, or transaction monitoring for the Pinochet-related accounts. The bank clearly knew who the client was, because the account manager had handled the Pinochet accounts at RIBC, and his superior, the head of Espirito Santo Bank, had communicated with Mr. Pinochet while the head of RIBC. Espirito Santo Bank pointed out that, at the time the Pinochet-related accounts were opened in 1991, it was not the bank’s normal practice to evaluate the source of funds deposited into a client’s accounts, or to monitor account activity, although both procedures are required by the bank’s AML controls today.

From 1998 until March 2000, Augusto Pinochet was the subject of civil and criminal proceedings in Spain, the United Kingdom, and Chile, including issuance of a 1998 Spanish court order directing financial institutions to freeze Mr. Pinochet’s assets on a worldwide basis. These proceedings and the issuance of the freeze order were repeatedly described in international and United States news media reports. Throughout this period, Espirito Santo Bank failed to alert any court or law enforcement entity to the accounts it then held for Mr. Pinochet, containing millions of dollars.

When asked why the bank closed the last of the Pinochet-related accounts in January 2000, bank officials explained that, in every case where it closed a Pinochet-related account, the bank had acted at the request of Mr. Pinochet.

**Transactions of Interest.** Virtually all of the Espirito Santo accounts saw multiple transfers of funds to and from other Pinochet-related accounts.

Consider, for example, the first two accounts that were opened within a week of each other in 1991, one for Mr. “Ugarte” and Ms.

no. 1161525230.”); Espirito Santo Bank account opening form for Account No. 0115391494 in the name of A. P. Ugarte or M. Lucia Hiriart, (10/7/91)(“Has Corp A/C N/O Trilateral Int’l Trading Inc.”).

<sup>129</sup> Subcommittee interview with Espirito Santo Bank representatives. BESIL, which still operates in the Cayman Islands, now has two full time employees at that location. It still works with the Cayman International Bank & Trust Co. which has since been acquired and renamed Ansbacher (Cayman) Bank.

<sup>130</sup> Telefax from Indy Singh to Espirito Santo Bank of Florida “RE: Santa Lucia Trust,” (12/13/99).

<sup>131</sup> Letter dated 4/13/95, from Edgar W. Tatman of Espirito Santo Bank, the account manager for the Santa Lucia Trust account in Miami, to CIBATCO’s Managing Director, regarding the Santa Lucia Trust; and letter dated 9/9/98, from Mr. Pinochet to Espirito Santo Bank of Florida.

“Hiriart” and one for Trilateral International Trading. Over the course of the next 8 years, the Ugarte/Hiriart account received deposits totaling about \$2.1 million. Half this amount, about \$1.1 million, came from the Trilateral account, in multiple transfers over time varying from \$18,000 to \$500,000 per transfer. Between August 1992 and August 1994, the account also received multiple transfers of funds totaling about \$525,000 from one of the military officer accounts at Riggs, opened in the name of Gabriel Vergara Cifuentes. Another \$410,000 or so came from checks drawn on accounts at Banco de Chile and Citigroup, where Mr. Pinochet and his family had numerous accounts, and from checks drawn on accounts at American Express International Bank and Swiss Bank Corporation in New York.

Available records show withdrawals from the Ugarte/Hiriart account totaling about \$1.8 million. They include about \$440,000 withdrawn in various amounts for “Daniel Lopez,” an alias used by Mr. Pinochet; Mr. Pinochet’s assistant, Monica Ananias Kuncar; his son, Marco Pinochet; a Chilean military official, Eugenio Castillst Cadiz, who maintained an account at Riggs; and his daughters, Ines Lucia and Maria Veronica Pinochet. Another \$500,000 was wire transferred in September 1997, to Levant Management, a Chilean company and Espirito Santo bank client since 1996.<sup>132</sup> Another \$550,000 was transferred to the Trilateral account, and about \$350,000 went to various, other unknown parties. This account closed in December 1999.

Available records show that the 1991 Trilateral account received deposits over 8 years totaling about \$3.5 million. It appears that the account’s initial funding, about \$1.19 million, came from a Pinochet account at Riggs in 1991.<sup>133</sup> Records indicate that another \$1.4 million was deposited into the account in July 1993, via a credit memo. The source of those funds is not identified. About \$550,000 was transferred over time from the Ugarte/Hiriart account at Espirito Santo Bank, together with about \$195,000 from the Santa Lucia trust account. Another \$175,000 appears to have been interest generated from the account and various CDs established for Trilateral. One account statement dated July 31, 1993, identifies multiple CDs whose value then totaled about \$2.6 million.<sup>134</sup>

Despite these CDs, the Trilateral account did not function as a savings account; rather it distributed most of the money it received. On August 24, 1993, for example, about \$1.9 million was withdrawn from the Trilateral account and transferred to a newly established account for the Santa Lucia Trust, providing that trust’s initial funding. From 1992 until 1999, another \$1.1 million was transferred over time in varying amounts to the Ugarte/Hiriart account at Espirito Santo Bank, as described above. On September 9,

<sup>132</sup> Espirito Santo Bank indicated that, in 2000, the name of Levant Management had changed to Rio Investment Corporation, and that it was related to a money exchange business in Chile called Interam Turismo.

<sup>133</sup> In January 1991, Miami Riggs Account No. 70754-7, opened for Mr. Pinochet and his wife, sent a \$1.15 million wire transfer to the Bank of Bahamas for further credit to Deloitte & Touche. At the time, Deloitte & Touche had an agreement with Riggs to provide it with a variety of services, including management of Riggs Bank & Trust Co. (Bahamas), which was then a shell bank. Ten months later, in October 1991, Deloitte & Touche sent a \$1.19 million wire transfer to Espirito Santo Bank for deposit into the newly opened Trilateral account.

<sup>134</sup> See Espirito Santo Bank account statement for Account No. 0116150253 for July 1993.

1998, an Espirito Santo cashiers check for \$400,000, drawn on the Trilateral account and made payable to Augusto Pinochet Ugarte, appears to have been cashed at Banco de Chile in Chile.<sup>135</sup> The purpose and ultimate use of this \$400,000 cashiers check is not currently known. The Trilateral account closed in January 2000.

The Santa Lucia Trust account was first opened in August 1993, just after the Trust was established. Shortly after the account was opened, the Trust received a \$1.9 million deposit from the Trilateral account and established a \$1.9 million CD in Miami, which was then transferred to a trust account at BESIL in the Cayman Islands. During the 6 years the trust account was open, account records show that it accumulated deposits totaling about \$2.3 million, most of which came from the \$1.9 million transfer from the Trilateral account and interest earned on that amount. The vast majority of these funds was kept in the trust's BESIL account in the Cayman Islands, while the Miami account usually showed modest balances. This account closed in January 2000.

The final Espirito Santo account, opened for Mr. Pinochet's daughter in trust for his granddaughter, was active for only 8 months. The account was opened in August 1993, with \$15,000 from an unidentified source. Within 1 month, half the total, about \$7,200 was withdrawn in multiple checks of various amounts payable to Mr. Pinochet's assistant, Monica Ananias Kuncar. The account was closed in April 1994.

In December 1999, Espirito Santo Bank transferred all of the funds in the Pinochet-related accounts that were then open, including the Ugarte/Hiriart joint account, the Trilateral account, and the Santa Lucia Trust account, to the Miami office of Coutts & Co. (USA) International. The bank wire transferred about \$2,000 from the joint account and about \$12,000 from the Trilateral account. In the case of the Trust, the bank wire transferred about \$12,700 from the Trust's Miami account, and over \$2.3 million from the Trust's Cayman account to its Miami account and from there to an account at Coutts. All of the funds wire transferred by Espirito Santo Bank were deposited at Coutts into an account in the name of Eastview Finance, S.A. Each of the wire transfer records also referenced Oscar Aitken in connection with the Eastview account. As explained earlier with respect to Banco de Chile, Mr. Aitken is a Chilean attorney who had close ties to Mr. Pinochet and who allowed Eastview Finance, a BVI corporation he controlled, to act as a conduit for Pinochet funds.

**Regulatory Oversight.** Espirito Santo Bank told the Subcommittee that neither its state nor federal regulators ever inquired about any of the Pinochet-related accounts, and it had never provided information about them to any regulator or law enforcement authority.

#### **D. Other Financial Institutions**

In addition to the Riggs, Citigroup, Banco de Chile-United States, and Espirito Santo Bank accounts described above, the Sub-

<sup>135</sup>A letter to the bank dated the same day discloses that Mr. Pinochet instructed Espirito Santo Bank to debit both the Trilateral and Santa Lucia Trust accounts to finance this \$400,000 check. Bank records show that the Trust had deposited \$70,000 into the Trilateral account on September 11, 1998, just after the cashiers check was drawn on that account.

committee saw evidence of Pinochet-related accounts and transactions involving a host of other financial institutions operating in the United States, including Banco Atlantico which is now part of Banco de Sabadell; Bank of America; Coutts & Co. (USA) International which is now part of Banco Santander; Ocean Bank; and PineBank N.A.

**Banco Atlantico.** In September 2004, Banco Atlantico merged with Banco de Sabadell to become the fourth largest bank in Spain, offering a wide range of financial services, including retail and private banking.<sup>136</sup> Although no Pinochet-related accounts have been identified at any U.S. branch or affiliate of Banco Atlantico or Banco de Sabadell, records indicate that, from 1981 until 2000, foreign affiliates of Banco Atlantico in Gibraltar; Madrid, Spain; and Zurich, Switzerland repeatedly transferred substantial sums of money to Pinochet accounts at Riggs Bank in the United States, totaling in excess of \$5.8 million.

Banco Atlantico and Banco de Sabadell fully cooperated with Subcommittee requests for documents and related information, providing all requested U.S. documentation. Citing bank secrecy laws, however, neither bank supplied any records from Banco Atlantico's overseas affiliates in Gibraltar, Madrid, and Zurich.<sup>137</sup> Information about transactions involving these foreign affiliates were reconstructed from Banco Atlantico wire transfer records and from records produced by other financial institutions. In addition, the Subcommittee obtained information suggesting that the Banco Atlantico affiliate in Gibraltar may have had a single account opened in the name of Mr. Pinochet and his son, Marco Pinochet.

While limited documentation prevents a complete analysis of the Pinochet transactions involving Banco Atlantico, the evidence available to the Subcommittee indicates that, between 1981 and 2000, more than \$5.8 million was transferred from Banco Atlantico's overseas affiliates to Pinochet-related accounts at Riggs Bank through 13 wire transfers and one check. The 13 wire transfers were routed through a Banco Atlantico branch in New York before being transmitted to Riggs.<sup>138</sup> The paperwork associated with these transactions reference Augusto Pinochet; "Ramon Pinochet" and "A.P. Ugarte" disguised variants of his name; "Daniel Lopez," a Pinochet alias; "M.L. Hiriart" or "M. Hiriart," believed to be Mr. Pinochet's son (but possibly his wife); "Marco P. Hiriart" and "Mario P. Hiriart," believed to be Mr. Pinochet's son; and various Chilean military officers with Riggs accounts in Miami.

According to the available records, one check originated in Madrid, one wire transfer originated in Zurich, and eight wire transfers originated in Gibraltar. Due to incomplete records, the origins of four other transfers cannot be determined, but they likely originated overseas since there were no Pinochet accounts at Banco

<sup>136</sup>Information about Banco Atlantico is taken from its website, public filings, subpoenaed documents, interviews with bank representatives, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

<sup>137</sup>In addition, records related to Banco Atlantico Gibraltar Ltd. were unavailable because, in November 2004, Banco Atlantico sold its Gibraltar branch to the European Financial Group (EFG) of Switzerland, and transferred all of its Gibraltar records to EFG. Banco Atlantico indicated that all of its Gibraltar staff switched employment to EFG as well, which meant that none of Banco Atlantico's current staff had personal knowledge of the Pinochet accounts in Gibraltar.

<sup>138</sup>The Banco Atlantico office in New York office has since closed.

Atlantico in the United States. The key transactions are the following.

- On November 23, 1981, a Banco Atlantico account in Madrid sent a \$400,000 check payable to “El Portador,” the bearer of the check. This check was deposited into Miami Riggs Account No. 350413, which had been opened that same day in the name of Jorge Ballerino Sanford and/or Ramon Castro Ivanovic. This account was the first of the military officer accounts at Riggs Bank in Miami, as described earlier.
- On July 19, 1994, “M. Hiriart” sent a \$250,000 wire transfer through the Banco Atlantico New York correspondent account to Miami Riggs Account No. 710053, opened in the name of Daniel Lopez in trust for Augusto J. Pinochet.
- On July 25, 1994, a Banco Atlantico account in Zurich sent a \$147,000 wire transfer to Miami Riggs Account No. 709345 opened in the name of Gabril Vergara Cifuentes, a Chilean military officer. No originator’s name was provided on the wire transfer.
- In November 1994, “M. Hiriart” sent a \$627,000 wire transfer through the Banco Atlantico New York correspondent account to Miami Riggs Account No. 710053, opened in the name of Daniel Lopez in trust for Augusto J. Pinochet.
- On February 3, 1995, “RAPI” sent a \$217,000 wire transfer through the Banco Atlantico New York correspondent account to Miami Riggs Account No. 710467 opened in the name of Juan Ricardo Mac-Lean Vergara, a Chilean military officer.
- On September 25, 1995, “Mario P. Hiriart” sent a \$417,000 wire transfer from a Banco Atlantico account in Gibraltar to Miami Riggs Account No. 710467 opened in the name of Juan Ricardo Mac-Lean Vergara, a Chilean military officer.
- On February 22, 1996, “Marco P. Hiriart” sent a \$226,000 wire transfer from a Banco Atlantico account in Gibraltar to Miami Riggs Account No. 710467 opened in the name of Juan Ricardo Mac-Lean Vergara, a Chilean military officer.
- On September 26, 1996, “M. Hiriart” sent a \$365,167 wire transfer for “M.L. Hiriart” from a Banco Atlantico account in Gibraltar to Washington Riggs Account No. 76750393 opened in the name of Augusto Pinochet Ugarte and/or Lucia Hiriart Rodriguez.
- On May 28, 1996, “Marco Hiriart” sent a \$427,344 wire transfer from a Banco Atlantico account to Washington Riggs Account No. 76750393 opened in the name of Augusto Pinochet Ugarte and/or Lucia Hiriart Rodriguez.
- On February 25, 1997, “M. Hiriart” sent a \$805,442 wire transfer for “M.L. Hiriart” from a Banco Atlantico account in Gibraltar to Washington Riggs Account No. 76750393 opened in the name of Augusto Pinochet Ugarte and/or Lucia Hiriart Rodriguez.
- On May 27, 1997, “M. Hiriart” sent a \$843,397 wire transfer for “M.L. Hiriart” from a Banco Atlantico account in Gibraltar



to Washington Riggs Account No. 76750393 opened in the name of Augusto Pinochet Ugarte and/or Lucia Hiriart Rodriguez.

- On March 10, 1998, “Marco P. Hiriart” sent a \$143,110 wire transfer for “Sr. AP Ugarte” from a Banco Atlantico account in Gibraltar to London Riggs Account No. 74041013, an account which is unknown to the Subcommittee.
- On January 29, 1999, “Ramon Pinochet” sent a \$499,985 wire transfer for “Transamerica Merchant International” from a Banco Atlantico account in Gibraltar to Account No. 449700000 at Refeo Capital Market International bank, an account which is unknown to the Subcommittee.
- On July 24, 2000, “M.L. Hiriart” sent a \$487,111 wire transfer for “M.L. Hiriart” from a Banco Atlantico account in Gibraltar to Washington Riggs Account No. 76835282 opened in the name of Augusto Pinochet Ugarte and/or Lucia Hiriart de Pinochet.

These transfers and other information available to the Subcommittee indicate that Mr. Pinochet and his family had at least one account at the Zurich branch of Banco Atlantico. When the Zurich branch closed in 1994, the evidence indicates that the Pinochet account or accounts were transferred to the Banco Atlantico branch in Gibraltar. The number of Pinochet-related accounts located in the Gibraltar branch remains unclear; some information obtained by the Subcommittee suggests there may have been just one joint account for Mr. Pinochet and his son, but the wire transfer documentation indicates it is also possible there were three accounts for Mr. Pinochet, his wife, and his son Marco. In November 2004, the Gibraltar affiliate was sold to the European Financial Group of Switzerland; information provided to the Subcommittee indicates that, at the time of the sale, one or more of the Pinochet accounts was apparently still in existence and allegedly disclosed to the buyer as part of the due diligence process associated with that sale.

**Bank of America.** Bank of America is one of the largest financial institutions in the United States, managing assets in excess of \$470 billion and reporting net income in 2004 of about \$14 billion.<sup>139</sup> It offers clients a wide range of financial services, including retail banking, private banking, credit cards, brokerage services, and investment advice. According to the bank’s website, it employs over 175,000 individuals worldwide, maintains offices in 35 countries, and supports clients in 150 countries.

Bank of America fully cooperated with Subcommittee requests for documents and related information, providing all requested U.S. documentation. Citing bank secrecy laws, however, the bank did not supply any records from foreign affiliates which, the bank disclosed, “may maintain or may have maintained accounts in Chile

<sup>139</sup> Information about Bank of America is taken from its website, public filings, subpoenaed documents, interviews with bank representatives, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

and Spain” for Mr. Pinochet or his family.<sup>140</sup> Information about a few transactions involving BankBoston and Mr. Pinochet have been reconstructed from records produced by other financial institutions.

Account records indicate that, from 1993 until 2004, Bank of America maintained three U.S. accounts and as many as six CDs at a time for Mr. Pinochet’s daughter, Ines Lucia Pinochet. At least three of these CDs, in the amount of \$100,000 or more, were purchased in 2002; the other CDs, which ranged in value from \$10,000 to \$125,000, were purchased between 1996 and 2002, and some were held in trust for one or more of her sons. The maximum amount of funds in Ms. Pinochet’s Bank of America accounts at one time totaled about \$420,000, in December 2002.

One source for the funds in the accounts was a \$300,000 Riggs cashiers check issued in September 2002, which withdrew funds from Ms. Pinochet’s account at Riggs in London. The cashiers check was deposited into Ms. Pinochet’s Bank of America account on September 30, 2002. Nine days later, on October 9, Ms. Pinochet purchased three \$35,000 Bank of America cashiers checks and later deposited two of them into an account she held at PineBank in Miami. Also, on October 9, 2002, she wrote a \$60,000 personal check from her Bank of America account to her PineBank account, for a total transfer from her Bank of America account to her PineBank account of \$130,000. Bank of America closed her U.S. accounts in 2004.

In addition, documents obtained by the Subcommittee from Riggs Bank show that BankBoston in Chile, cashed two cashiers checks for Mr. Pinochet in 2001, that together provided him with \$100,000.

—On January 3, 2001, BankBoston cashed a Riggs cashiers check dated August 18, 2000, for \$50,000, made payable to “Augusto Pinochet.”

—On October 1, 2001, BankBoston cashed a Riggs cashiers check dated May 15, 2001, for \$50,000, made payable to “Maria Hirriart and/or Augusto P. Ugarte.”

Because bank secrecy laws in Chile preclude Bank of America from producing documentation related to these transactions, the Subcommittee does not know who presented the Riggs cashiers checks to BankBoston. According to a Chilean appeals court finding, the checks were cashed at BankBoston “by a third party, despite the fact that they were nominative. Then various amounts of the cash in dollars were changed to cash in Chilean pesos on the informal market so that said transaction would not be reported to the Central Bank.”<sup>141</sup>

**Coutts & Co. (USA) International.** Coutts & Co. (USA) International is an Edge Act corporation that was once part of the Miami-based Coutts Group, which is the international private banking arm of The Royal Bank of Scotland Group.<sup>142</sup> In May

<sup>140</sup> Letter dated 12/20/04, from Bank of America to the Subcommittee. In 2004, Bank of America completed its acquisition of FleetBoston, and all of its affiliates, including BankBoston in Chile which is known to have maintained accounts for Mr. Pinochet and other family members.

<sup>141</sup> Case No. 1649–2004, Court of Appeals of Santiago, 12/10/04, at 7.

<sup>142</sup> Information about Coutts & Co. (USA) International and its parent Banco Santander is taken from their websites, public filings, subpoenaed documents, interviews with bank rep-

2003, the Coutts Group sold Coutts & Co. (USA) International and its Latin American private banking division to Banco Santander Central Hispano (“Banco Santander”). Banco Santander is one of the largest banks in Chile and in Europe. Coutts & Co. (USA) International became part of Banco Santander’s International Private Banking Unit, which manages about \$25 billion globally. Coutts & Co. (USA) International is headquartered in Miami.

Banco Santander has cooperated with Subcommittee requests for documents and related information pertaining to Coutts & Co. (USA) International. Because Banco Santander purchased Coutts & Co. (USA) International in 2003, and the Coutts accounts were not transferred to Banco Santander until January 2004, its personnel is not familiar with many of the transactions involving Mr. Pinochet, which took place years earlier. The bank also no longer employs the Coutts personnel who had knowledge of these transactions. Information about some of the transactions involving Coutts & Co. (USA) International has been supplemented from records produced by other financial institutions.

The evidence available to the Subcommittee indicates that, beginning in 1993, Coutts & Co. (USA) International opened multiple accounts for Eastview Finance S.A. and Tasker Investments Ltd., offshore corporations controlled by Oscar Aitken, the Chilean lawyer with ties to Mr. Pinochet.<sup>143</sup> Acting as an introducing broker, Coutts also helped Eastview Finance open a brokerage account at Pershing Securities in June 2001.

In December 1999, as part of its process for closing its Pinochet-related accounts, Espirito Santo Bank wire transferred all of the funds in the Pinochet joint account, the Trilateral account, and the Santa Lucia account, totaling about \$2.3 million, to Coutts & Co. (USA) International for further credit to Eastview Finance. One of the four wire transfers used to transfer the funds to Coutts referenced “A.P. Ugarte,” the name of the account at Espirito Santo Bank that was the source of the funds. The account documentation indicates that, as part of the process of accepting the Espirito Santo wire transfers totaling about \$2.3 million, the Coutts account manager assigned to the Eastview account was required to explain the source of the incoming funds. The account manager indicated that the source of the funds was Mr. Aitken’s business investments and rental properties. According to Banco Santander, Mr. Aitken never informed the bank that the Eastview account or the incoming funds were associated with Mr. Pinochet.

Once the \$2.3 million was deposited into the Eastview account at Coutts, the funds were invested in short term CDs. In March 2000, some of the CDs matured and \$400,000 was transferred out of Coutts to an account at a Chilean financial services firm, called Monex. In October 2000, other CDs with a value of about \$1.9 million matured, and Eastview Finance invested part of the funds, about \$1.49 million, in a fixed income financial instrument offered

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representatives, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

<sup>143</sup> Eastview Finance had Account Nos. 763802 and 763810, as well as a custody account, while Tasker Investments Ltd. had Account Nos. 56297511 and 56297521. Coutts also maintained other accounts for Mr. Aitken.

by Pulsar Internacional, a Mexican holding company. The remaining \$500,000 was transferred to Monex in November 2000.

Over the 11 years it was open, from 1993 until 2004, the Eastview account at Coutts experienced significant activity and substantial funds transfers. While the nature of many of these transactions cannot be determined, some of the transactions involve financial institutions with Pinochet-related accounts and the source of much of the funds in the account after December 1999, can be traced to Pinochet funds transferred from Espirito Santo Bank. For example, in November 1997, the Eastview account at Coutts sent a \$394,000 wire transfer to a Tasker account at Morgan Stanley. In April 2002, an Eastview account at Banco de Chile-United States, Account No. 105033261, sent a \$26,156 wire transfer to the Eastview account at Coutts. In April 2002, the Eastview account at Coutts sent a \$200,000 wire transfer to a Monex account at Banco de Chile New York, and the wire instructions referenced "Abanada Finance Ltd." A similar transfer for \$35,000 took place in October 2002. In March 2002, the Eastview account at Coutts sent a \$1,500 wire transfer to Bank Leumi in Miami for "Aleman, Cordero, Galindo and Lee 're: GLP'." A similar transfer of \$1,200 occurred in September 2002. In November 2003, the Eastview account at Coutts sent a \$132,000 wire transfer to the Tasker account at Lehman Brothers, Account No. 74315017, that had been set up by Banco de Chile. It is clear that the Eastview account at Coutts functioned as a conduit for Pinochet funds. Whether the Tasker account also received Pinochet funds is currently unclear.

In addition to maintaining the Aitken-related corporate accounts, Coutts also played a role in the November 1997 loan issued by the New York branch of Banco de Chile-United States to Augusto Pinochet for \$500,000. When the loan was issued, Mr. Pinochet immediately withdrew the loan proceeds using a personal check drawn on his New York Banco de Chile account and made the check payable to Coutts & Co. (USA) International. The check was delivered on the same day to the Miami office of Coutts. At the same time, Mr. Aitken asked Coutts to use the check to purchase four CDs in the name of Eastview Finance, each in the amount of \$125,000, which would be picked up later by representatives of Banco de Chile in Miami. Coutts declined to complete the transaction, however, before the personal check had time to clear. Instead, Coutts delivered the check to the Miami branch of Banco de Chile. On the same day, the Miami branch sent Coutts a Banco de Chile cashiers check for \$500,000. Coutts accepted the cashiers check and, in return, issued a Coutts cashiers check in the same amount. The Coutts cashiers check was then delivered to the Miami branch of Banco de Chile, where it was used to buy four CDs in the name of Eastview Finance. In response to questions, Banco Santander has indicated that it does not know why Coutts was involved in this transaction nor what role it played.

In 2003, Coutts was sold to Banco Santander. According to Banco Santander, the Aitken accounts were not identified by Coutts during the due diligence process. In the late fall of 2004, the Aitken offshore corporate accounts were brought to the attention of Banco Santander, and the bank closed all of its accounts related to Mr. Aitken, except for one. The only account now open is the Eastview

account holding the Pulsar financial instrument. According to Banco Santander, Pulsar Internacional declared bankruptcy and the Pulsar financial instrument is currently tied up in bankruptcy proceedings. Banco Santander has allowed the account to remain open pending the identification of a purchaser or resolution of the bankruptcy matter, but has frozen all activity in the account.

**Ocean Bank.** Ocean Bank is a state-chartered bank which offers a range of financial services, including private banking, consumer lending, corporate lending, and merchant card processing.<sup>144</sup> According to its website, Ocean Bank managed over \$4.6 billion in assets last year and increased its income by more than 50 percent from 2003 to 2004. It is headquartered in Miami and operates 23 branches in Florida.

Ocean Bank fully cooperated with Subcommittee requests for information. Information about some of the accounts and transactions involving Ocean Bank has been reconstructed from records produced by other financial institutions.

Ocean Bank currently maintains at least four accounts and CDs for Mr. Pinochet's son, known to the bank as Marco Antonio Hiriart. A checking account, first opened in December 1998, currently holds a modest balance. Three CDs have a total value in excess of \$325,000, two of which were established in 2003, and one in 2004.

The source of funds for the three CDs appears to have been Cititrust Account No. 10328149, a Bahamas account opened in the name of Meritor Investments Ltd., the Bahamian offshore corporation controlled by Marco Pinochet. Between October 2003 and June 2004, at least five wire transfers, totaling \$349,326, moved funds from the Meritor account in the Bahamas to the Ocean Bank checking account in Miami. In addition, Cititrust records show that, on June 8, 1995, Meritor Investments Ltd. sent a \$81,300 wire transfer to an Ocean Bank account for Sociedad de Inversiones Fermar Limitada, a Chilean real estate company owned by Marco Pinochet. This wire transfer indicates that Mr. Hiriart had a fifth account at Ocean Bank, opened as early as 1995, in the name of his Chilean corporation. The current status of the Sociedad de Inversiones Fermar Limitada account is unknown.

**PineBank.** PineBank N.A. is a small, nationally chartered bank located in Miami, Florida.<sup>145</sup> According to its website, it specializes in global trade finance and international private banking focused on Latin America, the Caribbean, and emerging markets.<sup>146</sup> Bank

<sup>144</sup> Information about Ocean Bank is taken from its websites, public filings, interviews with bank representatives, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

<sup>145</sup> Information about PineBank N.A. is taken from its website, public filings, subpoenaed documents, and information supplied by other financial institutions. The relevant documents are maintained in Subcommittee files.

<sup>146</sup> Among other countries in Latin America, PineBank conducts business related to Chile. In 2003, PineBank as well as the Bank of New York, and Banco de Chile's New York branch, were accused of accepting stolen certificates of deposit from a Chilean government business development agency, the Corporation for the Promotion of Production ("Corfo"), in a \$100 million major fraud carried out by insiders at Corfo and a brokerage firm Inverlink. Legal proceedings related to this matter are ongoing. See, e.g., "Chile 'Shaken But Not Broken,'" *The Banker*, 5/1/03; "Chilean financial scandal hits US shores," *UPI*, 11/7/03.

records indicate that Augusto Pinochet's grandson, Rodrigo Andres Garcia, the son of Ines Lucia Pinochet, is employed by the bank.

PineBank fully cooperated with Subcommittee requests for documents and related information. Information about some of the accounts and transactions involving PineBank has been reconstructed from records produced by other financial institutions.

The bank maintained several accounts and CDs for Ms. Pinochet from 2001 until 2004. The first account was opened on August 15, 2001, in the name of "Ines L. Hiriart." Over time, the bank established three CDs for her, with a total value of about \$170,000. Bank of America records show that between October and December 2002, Ms. Pinochet transferred \$130,000 from an account at that bank to a PineBank account, using funds traceable to her Riggs account in London. In December 2002, PineBank issued her a loan to purchase real estate in Chile. In 2003, her account received deposits totaling about \$150,000 from Sun Trust Bank, which Ms. Pinochet explained were related to a sale of real estate in Florida. According to the bank's due diligence records, the source of funds in Ms. Pinochet's accounts came primarily from real estate sales and marital assets, and her parents did not play any apparent role in the banking relationship. In 2004, PineBank closed all of her accounts.

**Other Financial Institutions.** In addition to the financial institutions named above, the Subcommittee investigation saw evidence of transactions involving Mr. Pinochet, his immediate family, offshore entities he controls, or third parties willing to act as conduits for Pinochet funds at a number of other financial institutions operating in the United States, including American Express; Bank Atlantic in Miami; First National Bank and Trust Company in Stuart, Florida; Kislam National Bank in Miami; Morgan Stanley; and Swiss Bank Corporation which is now part of UBS AG. Limited Subcommittee resources have precluded an analysis of each of these transactions and related financial accounts.

### **E. A Secret Web of Accounts**

Because Mr. Pinochet was able to open or utilize accounts at so many financial institutions operating in the United States, often under disguised names, he was able to construct a secret web of U.S. accounts that he could use to move funds and transact business with little or no notice from U.S. regulators or law enforcement. He used these accounts to complete transactions, not only within the United States, but also across international lines.

One of the ways he kept this web of accounts secret was his use of multiple account names, as described throughout this Report. The Subcommittee also located at least three different Chilean passports that Mr. Pinochet used when opening accounts at U.S. financial institutions.<sup>147</sup> One is an official diplomatic passport issued in the name of "Augusto Pinochet Ugarte."<sup>148</sup> Another is a non-dip-

<sup>147</sup>The Chilean government informed the Subcommittee that a Chilean judge has taken possession of four different passports for Mr. Pinochet, removed from one of Mr. Pinochet's offices in Chile. It is not known whether those passports match one or more of the passport copies on file with U.S. financial institutions.

<sup>148</sup>See Riggs document, copy of Passport No. D002569, from documentation associated with Miami Account No. 707547, Bates RNB032201.

lomatic passport issued in the name of “Augusto P. Ugarte.”<sup>149</sup> The third is a non-diplomatic passport issued in the name of “Jose Ramon Ugarte.”<sup>150</sup> The three passports have different identification numbers, different photographs, and different signatures. It is possible that his use of these different passports made it more difficult for financial institutions, regulators, and law enforcement to track his various accounts.

The following examples help illuminate how Mr. Pinochet used his various accounts to manipulate the U.S. financial system, move funds, and transact business.

**Moving Money from Gibraltar to Washington to Santiago.**

On July 17, 2000, “M. L. Hiriart,” believed to be Mr. Pinochet’s son Marco (but possibly Mr. Pinochet’s wife), attempted to wire \$487,111 from Banco Atlantico in Gibraltar to Riggs Bank Account No. 76750393, a joint account for Mr. Pinochet and his wife in Washington. Because that Riggs account had been closed in 1999, the transfer was not completed. One week later, on July 24, \$487,111 was successfully transferred from Banco Atlantico in Gibraltar to Washington Riggs Bank Account No. 76835282, a successor joint account opened in the name of Augusto Pinochet Ugarte and/or Lucia Hiriart de Pinochet.<sup>151</sup> The monthly statement for this joint account, covering the month of July 2000, shows an opening balance of \$82,447.49, and a new balance of \$569,964.82 on July 24, the final day of the statement period. At that point, the funds transferred from Gibraltar comprised the vast majority of the funds in the Riggs joint account.<sup>152</sup>

On August 18, 2000, the first significant activity in the joint account since the July 24 wire transfer was a debit of \$400,056. These debited funds were used to finance eight cashiers checks issued by Riggs in the amount of \$50,000 each.<sup>153</sup> Each of these cashiers checks was made payable to Augusto Pinochet. A Riggs private banker then flew to Santiago, Chile and hand-delivered the cashiers checks to Mr. Pinochet.<sup>154</sup> By September 1, 2000, the checks began to be cashed at BankBoston and Banco de Chile branches in Santiago.<sup>155</sup> Over the following 4 months, according to an appeals court in Chile, the checks “were cashed at Banco de Chile and Bank Boston by a third party, despite the fact that they were nominative. Then various amounts of the cash in dollars were changed to cash in Chilean pesos on the informal market so that said transaction would not be reported to the Central Bank.”<sup>156</sup>

<sup>149</sup> See Riggs document, copy of Passport No. A029627, from documentation associated with London Account No. 25005393, Bates RNB033779.

<sup>150</sup> See Citigroup document, copy of Passport No. A010625, from documentation associated with New York Account No. 10040217, Bates C000071.

<sup>151</sup> Letter dated 12/15/04, from Banco de Sabadell, S.A., Miami Agency to the Subcommittee; Riggs Bank monthly statement for Account No. 76835282, 6/22/00 through 7/24/00, Bates RNB 033008. The funds also went through the New York correspondent account of Banco Atlantico.

<sup>152</sup> See Riggs Bank monthly statement for Account No. 76835282, 6/22/00 through 7/24/00, Bates RNB033009.

<sup>153</sup> See Riggs Bank monthly statement for Account No. 76835282, 7/25/00 through 8/21/00, Bates RNB033009; Riggs Negotiable Instrument Issuance Log, 8/18/00, Bates OCC0000045748. Reprinted in 2004 Hearing Record at 1091. Riggs charged a \$7 fee for each of the cashiers checks.

<sup>154</sup> See 2004 Hearing Record at 151.

<sup>155</sup> See, e.g., Riggs Cashiers Check No. 1674316, payable to Augusto Pinochet, Bates OCC0000045749, reprinted in 2004 Hearing Record at 1092-3.

<sup>156</sup> Case No. 1649-2004, Court of Appeals of Santiago, 12/10/04, at 7.

In this example, then, funds went from a Banco Atlantico account in Gibraltar, to a Riggs account in Washington, were converted into cashiers checks that were physically carried to Mr. Pinochet in Santiago, were then converted into dollars as the checks were cashed, and were ultimately converted into pesos on the Chilean black market. How the funds were used subsequently is currently unknown to the Subcommittee.

**Moving Money from New York, the Bahamas and Gibraltar to Washington.** On April 22, 1996, Mr. Pinochet's son, Marco Pinochet Hiriart, faxed a letter to Carol Thompson, the Senior Vice President of Latin America in Riggs Embassy Banking Division, requesting specific information to wire transfer funds to an account in his mother's name at Riggs Bank in Washington.<sup>157</sup> The following day Ms. Thompson replied with a letter providing the requested information.<sup>158</sup> Two days later, on April 25, Marco Pinochet sent a \$403,000 wire transfer from New York Citigroup Account No. 10328149, opened in the name of Meritor Investments, to a Cititrust clearing account in the Bahamas. Meritor Investments Ltd. is a Bahamian offshore corporation controlled by Marco Pinochet and administered by Cititrust, a Citigroup affiliate located in the Bahamas. It is not clear why the funds from the New York account went to the Cititrust clearing account in the Bahamas instead of the normal Citibank Private Bank clearing account in New York; it is possible that this routing was done to remove the name of Meritor Investments, the true originator of the funds, from the wire transfer documentation. On April 25, the \$403,000 was deposited into Riggs Bank Account No. 76750393, a joint account for Mr. Pinochet and his wife in Washington, D.C.<sup>159</sup>

In Washington, the monthly statement for the Riggs joint account, covering the month of April 1996, shows an opening balance of \$374,701.97. A new balance of 779,410.03, which includes the transferred sum, appears on April 30, the final day of the statement period. At that point, the funds transferred from the Meritor account comprised the majority of the funds in the Riggs joint account.<sup>160</sup>

Two weeks later, on May 13, 1996, the Pinochet joint account received a deposit of \$1 million, plus interest, from a CD which had matured. Two days later the CD was renewed, and \$1 million was debited from the account to finance the new CD.<sup>161</sup> Two weeks after that, on May 28, "Marco Hiriart" sent a \$427,344 wire transfer from Banco Atlantico in Gibraltar to the same joint account of his parents at Riggs Bank in Washington, increasing the account balance to more than \$1.2 million.<sup>162</sup>

<sup>157</sup> See letter from Marco P. Hiriart to M. Carol Thompson, 4/22/96, Bates RNB029549.

<sup>158</sup> See letter from Maria Carol Thompson to Marco P. Hiriart, 4/23/96, Bates RNB029547.

<sup>159</sup> See Riggs money transfer documents, 4/25/96, Bates RNB029114-16. See also Cititrust monthly statement for Meritor Investments Ltd., Account No. 10328149, 4/1/96 through 4/30/96, Bates C008265-66. At the time of the transfer, the Meritor account had a balance of \$5,057. After the transfer was completed, the account had an overdraft of \$397,942. On April 30, \$403,000 was deposited into the Meritor account, covering the overdraft. The source of funds for this deposit has not been established.

<sup>160</sup> See Riggs Bank monthly statement for Account No. 76750393, 4/1/96 through 4/20/96, Bates RNB032144.

<sup>161</sup> See Riggs Bank monthly statement for Account No. 76750393, 5/1/96 through 5/31/96, Bates RNB033148.

<sup>162</sup> *Id.*



Three days later, on May 31, 1996, a series of transactions moved \$1 million from the Pinochet joint account in Washington to an investment account opened in the name of Ashburton Co. Ltd., a Bahamian offshore corporation controlled by Mr. Pinochet. First, \$1.1 million was transferred from Mr. and Mrs. Pinochet's joint account into a Riggs International Private Banking Division clearing account.<sup>163</sup> From the clearing account, the funds were transferred to Washington Riggs Account No. 76715547, a money market account that had been opened in the name of Ashburton. At the time of the transfer, the Ashburton money market account in Washington had a zero balance.<sup>164</sup> On the same day, May 31, \$1 million was transferred from the Ashburton money market account in Washington to Riggs Account No. 2121401/640041018, an investment account which was then managed by Riggs Bank & Trust Co. (Bahamas) Ltd. for Ashburton.<sup>165</sup>

In this example, the funds originated at Marco Pinochet's offshore corporation. The funds moved from the corporation's New York account through a Cititrust account in the Bahamas, joined funds sent from a Banco Atlantico account in Gibraltar, and ended up in a Riggs account in Washington, D.C. for Augusto Pinochet and his wife. From there, the funds went to Augusto Pinochet's offshore corporation's money market account, and finally to his offshore corporation's investment account.

These two examples show how Augusto Pinochet used accounts opened in his name, the name of his immediate family members, and in the name of offshore entities controlled by him or his family members to move funds quickly and quietly across three continents, with no questions asked. Countless other examples are possible.

**Uncovering the Web.** Despite the decades-long existence of multiple Pinochet-related accounts at multiple financial institutions operating in the United States, until 2004, U.S. financial regulators and law enforcement apparently were unaware that Augusto Pinochet had constructed an extensive network of U.S. accounts and was using them on a regular basis to move funds and transact business. The OCC came closest to uncovering this secret web of accounts in mid-2002, but its inquiries at that time to three banks apparently generated insufficient information about Pinochet-related accounts to sustain a larger investigation.

In June 2002, two OCC examiners were in the midst of conducting the agency's targeted review of the Pinochet accounts at Riggs Bank. As part of that review, the OCC examiners noted a number of transactions involving other financial institutions, and contacted Citigroup, Banco de Chile-United States, and Bank of America to determine whether they, too, had Pinochet accounts in the United States.

OCC documentation indicates that, in response, Citigroup told the OCC that it did not have any accounts for Mr. Pinochet or his wife, without mentioning the dozens of accounts it maintained for

<sup>163</sup> *Id.*

<sup>164</sup> See Riggs Bank monthly statement for Account No. 76715547, 5/31/96 through 6/30/96, Bates RNB032148.

<sup>165</sup> Interview with Riggs Bank representative. See also Riggs Bank monthly statement for Account No. 76715547, 5/31/96 through 6/30/96, Bates RNB032148.

Marco, Ines Lucia, and Maria Veronica Pinochet or the fact that the bank had previously provided multiple accounts to Mr. Pinochet. Citigroup has indicated that none of its personnel recall conveying this information to the OCC and cannot explain why the bank would not have followed its normal practice of disclosing related and closed accounts. Banco de Chile-United States told the OCC about the U.S. accounts it had provided Mr. Pinochet from 1995 to 1999, and about the bank's longstanding relationship with the Pinochet family in Chile, but reported no existing U.S. Pinochet accounts in 2002. The bank did not then disclose that certain Aitken-related accounts in the United States had served as conduits for Pinochet funds in the past nor did it later contact the OCC when it received the \$6 million transfer from Riggs Bank in mid-July. Banco de Chile has said that it was not then aware that the \$6 million was associated with Mr. Pinochet. Bank of America told the OCC that its only U.S. accounts were for Mr. Pinochet's daughter, Ines Lucia Pinochet. The bank had not then acquired any foreign affiliates, such as BankBoston, with Pinochet accounts outside of the United States.

After receiving this information from the three banks, the OCC examiners reviewed the closed Banco de Chile accounts for Mr. Pinochet and the current Bank of America accounts for Mr. Pinochet's daughter. The examiners made no further inquiry to Citigroup about transactions indicating it had handled Pinochet funds. After reviewing the account documentation, the OCC examiners took no action to determine what happened to the Pinochet funds at Riggs Bank once that bank closed its Pinochet accounts in July and August 2002.

Part of the reason for the examiners' inaction may have been that, around the same time in mid-July, the longstanding OCC Examiner-in-Charge at Riggs Bank announced that he planned to retire from the OCC, was offered a position at Riggs Bank, and then recused himself from all matters involving the bank until he left the agency, which occurred in October 2002. As indicated in the Subcommittee's 2004 Minority Staff Report, the Examiner-in-Charge also instructed the two OCC examiners who had completed the Pinochet review not to include their examination memorandum in the OCC's electronic files for Riggs Bank. He apparently gave them no further instructions about the Pinochet accounts at Riggs. When a new Examiner-in-Charge began work, he was immediately confronted with other issues involving Riggs Bank and apparently did not perform any additional analysis related to the Pinochet accounts nor did he inquire as to the destination of the Pinochet funds that left Riggs.

By failing to trace what happened to the \$6 million in Pinochet funds that left Riggs, both the OCC and the Federal Reserve failed to learn that these funds went to another financial institution operating in the United States. They also failed to learn that Mr. Pinochet was using accounts belonging to offshore corporations at that financial institution to move funds and transact business, and that he opened related accounts at a U.S. securities firm. Mr. Pinochet was able to make use of these accounts for an additional 2 years.

Banco de Chile-United States has pointed out that if the OCC, Federal Reserve Bank, or Riggs Bank had alerted it in 2002 to the money laundering concerns related to the \$6 million in Pinochet funds, it could have protected the bank's reputation by refusing the funds transfer. Timely notice would also have helped the bank to prevent Mr. Pinochet from adding to his secret web of accounts in the United States.

It was not until 2004, that the OCC and Federal Reserve renewed their efforts to locate Pinochet-related accounts at other financial institutions operating in the United States. After the Subcommittee hearing on July 15, 2004, a number of banks filed Suspicious Activity Reports describing transactions or accounts involving Mr. Pinochet. Citigroup contacted both of its regulators in July with information about its past and current relationship with the Pinochet family. In September, Banco de Chile disclosed the Pinochet funds deposited into U.S. accounts opened for the offshore corporations controlled by Mr. Aitken. As regulators worked with these and other banks, the web of U.S. accounts constructed by Mr. Pinochet was gradually revealed.

**Section 314(b) Inquiries.** Significant work tracing Pinochet funds and accounts at other financial institutions was also performed by Riggs Bank. Once Riggs established its Security & Investigations Group in the summer of 2003, that office began to trace certain Pinochet-related transactions to learn more about the source of the funds in the Riggs accounts. As part of this effort, Riggs contacted a number of financial institutions to obtain more information about specific transactions and accounts. In most cases, Riggs sent an inquiry under Section 314(b) of the Patriot Act which allows financial institutions to share information about "individuals, entities, organizations and countries suspected of possible terrorist or money laundering activities," without incurring legal liability for disclosing information.

Most of the contacted financial institutions provided Riggs with the requested information and worked with Riggs to understand the underlying transactions, but a few financial institutions did not. One bank, Citigroup, declined to provide any information in response to Riggs' Section 314(b) requests. When the Subcommittee asked why, Citigroup pointed out that, at the time the requests were made, Riggs was under civil and criminal investigations raising questions about the bank's management and operations. Another bank, Banco Atlantico, expressed a willingness to cooperate but asserted it was unable to assist, because the requested information involved transactions handled by its foreign affiliates and those affiliates operated under bank secrecy laws prohibiting client-specific disclosures, even to an affiliate.<sup>166</sup>

Still another bank, Espirito Santo Bank in Miami, interpreted the legal protections afforded by Section 314(b) so narrowly, that

<sup>166</sup>This same intrabank disclosure problem was discussed at the Subcommittee's 2004 hearing in connection with Riggs accounts opened for Equatorial Guinea. See, e.g., 2004 Hearing Record at 168-69 ("[B]anks in the United States attempting to do due diligence on large wire transfers to protect against money laundering are unable to find out from their own foreign affiliates key account information. This bar on disclosure across international lines, even within the same financial institution, present a significant obstacle to U.S. anti-money laundering efforts.") Laws that prevent U.S. and foreign affiliates of the same financial institution from exchanging client-specific information remain a substantial impediment to anti-money laundering efforts.

it failed to provide highly relevant information. In response to a Riggs request letter dated December 8, 2004, Espirito Santo Bank responded on February 14, 2005, that it had opened an account for "A.P. Ugarte or M. Lucia Hiriart." At the same time, the bank failed to disclose additional accounts which had been opened by Mr. Pinochet in the name of offshore entities he controlled. Espirito Santo Bank wrote:

"The request also referenced possible personal investment companies or trusts established in the names of Augusto Jose Ramon Pinochet Ugarte or Maria Lucia Hiriart Pinochet through Deloitte & Touche, Bahamas. Espirito Santo Bank has no knowledge of the existence of any such personal investment company or trust. Because the request was specific as to the information requested, we are responding only to those specific requests. A broader inquiry on your part may result in our sharing additional information with regard to accounts or trusts maintained by the named or related individuals."

Espirito Santo Bank had, in fact, several accounts that had been opened in the name of an offshore corporation and an offshore trust controlled by Mr. Pinochet. The bank did not disclose them in its February letter, presumably because neither entity had been opened "through Deloitte & Touche, Bahamas," and the bank interpreted Section 314(b)'s legal protections so narrowly that it apparently felt it could not offer any relevant information that had not been specifically requested. Instead, Espirito Santo Bank essentially invited Riggs to send a broader request, and is awaiting a response from Riggs.

Section 314(b) of the Patriot Act provides financial institutions with a powerful tool to share information and resolve questions about particular transactions and accounts to guard against money laundering and terrorist financing. The evidence in the Riggs case study suggests, however, that issues of interpretation as well as bank secrecy laws in foreign jurisdictions limit its usefulness and should be addressed. To increase the usefulness of Section 314(b), U.S. financial regulators should consider issuing guidance clarifying that the legal protections afforded by Section 314(b) are broad and clearly permit financial institutions to respond to requests for information, including by offering information about specific accounts and transactions that may help expose or prevent money laundering or terrorist activities. This guidance could be issued as a separate document or by expanding 31 C.F.R. § 103.110, the regulation implementing Section 314(b). To address the problem of bank secrecy laws that restrict the information that an institution's affiliates can provide, the United States should continue to work with other countries and international bodies, particularly the European Union, to enable a financial institution's U.S. and foreign affiliates to exchange client information across international lines to safeguard against money laundering and foreign corruption.

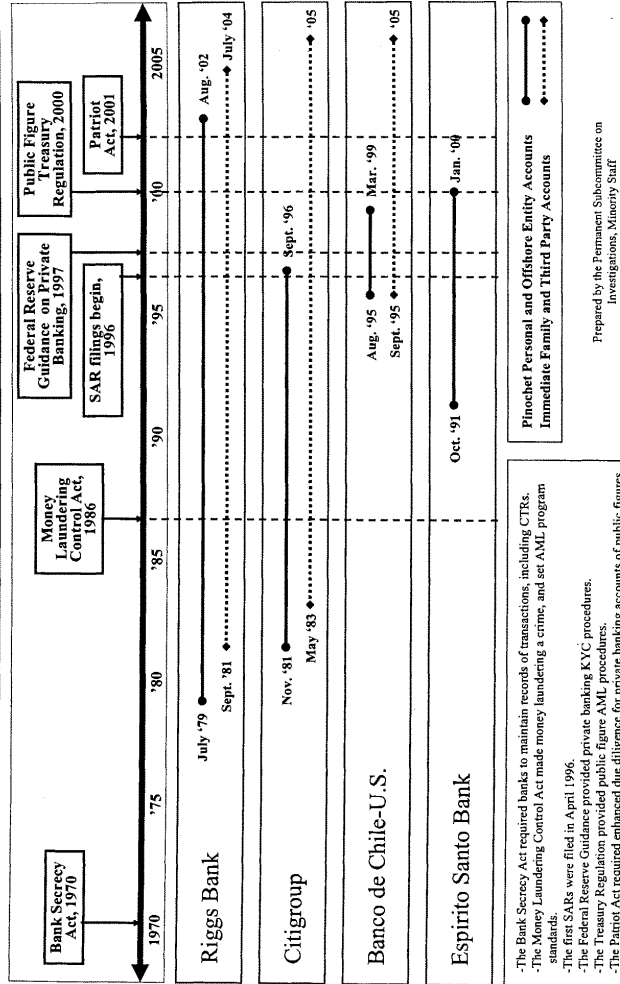
In addition, to prevent the types of problems identified in this Report, steps need to be taken to stop funds that have been identified as suspicious under U.S. anti-money laundering laws from freely traversing the U.S. financial system. These steps can and should be taken by both financial institutions and U.S. financial

regulators. For example, a financial institution that closes or asks a client to close an account due to money laundering concerns, including concerns about foreign corruption, should, before transferring the funds to another financial institution, warn that financial institution under Section 314(b) of the Patriot Act that the funding transfer is the result of an account closure due to possible money laundering or foreign corruption concerns. With that type of warning, financial institutions can protect themselves from accepting suspect funds and clients. U.S. regulators can and should do their part as well. Once U.S. financial regulators identify a suspect account, they should take reasonable steps to prevent the suspect funds from being sent to another U.S. financial institution without an appropriate warning, identify related accounts at other financial institutions operating in the United States, and, if necessary, dismantle any network of suspect U.S. accounts.



# APPENDIX

## PINOCHET ACCOUNTS AND U.S. ANTI-MONEY LAUNDERING LAWS



- The Bank Secrecy Act required banks to maintain records of transactions, including CTRs.
- The Money Laundering Control Act made money laundering a crime, and set AML program standards.
- The first SARs were filed in April 1996.
- The Federal Reserve Guidance provided private banking KYC procedures.
- The Treasury Regulation provided public figure AML procedures.
- The Patriot Act required enhanced due diligence for private banking accounts of public figures.

Pinochet Personal and Offshore Entity Accounts  
 Immediate Family and Third Party Accounts

Prepared by the Permanent Subcommittee on Investigations, Minority Staff

Permanent Subcommittee on Investigations  
**APPENDIX #1**

## **Disguised Pinochet Account Names**

Given Name: Augusto Jose Ramon Pinochet Ugarte

- Augusto P. Ugarte
- A. Ugarte
- A.P. Ugarte
- Jose Pinochet
- Jose P. Ugarte
- Jose Ugarte
- Jose Ramon Ugarte
- J. Ramon Ugarte
- Jose R. Ugarte
- Daniel Lopez

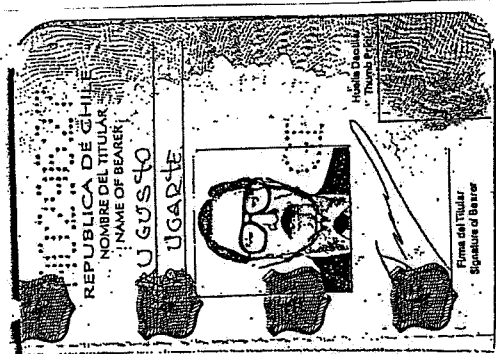
Prepared by the Permanent Subcommittee  
on Investigations, Minority Staff

Permanent Subcommittee on Investigations

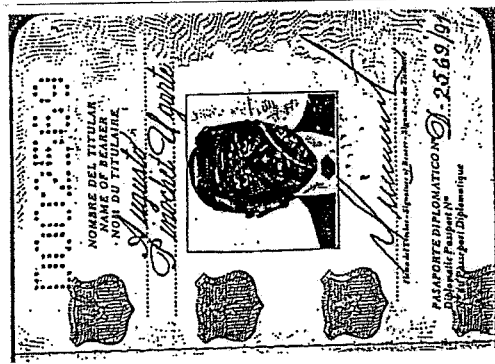
APPENDIX #2



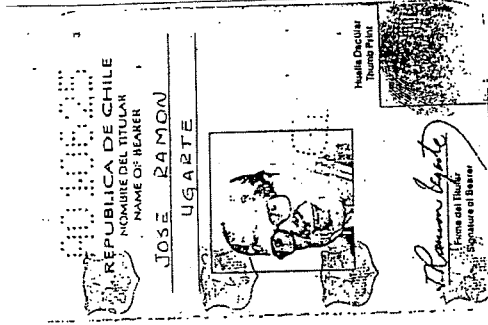
# Pinochet Account Identification



Riggs Bank Miami



Riggs Bank London



Citibank New York



## U.S. Department of Justice

Kenneth L. Wainstein  
United States Attorney

*District of Columbia*

Judiciary Center  
555 Fourth St., N.W.  
Washington, D.C. 20530

January 27, 2005

**FILED**

JAN 27 2005

NANCY MAVER WHITTINGTON, CLERK  
U.S. DISTRICT COURT

Mark J. Hulkower, Esq.  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036

RE: United States of America v. Riggs Bank N.A., Cr. 05-35 (RMU)

Dear Mr. Hulkower:

This letter sets forth the full and complete plea offer to your client, Riggs Bank N.A. (referred to herein as "Company" or defendant). This offer is by the Criminal Division of the United States Attorney's Office for the District of Columbia (the "Office") and the Criminal Division of the U.S. Department of Justice and is binding upon both. Upon receipt, the executed letter will itself become the plea agreement. The terms of the offer are as follows:

1. **Charges:** Pursuant to Fed. R. Crim. P. 11(c)(1)(C), Company agrees to waive its right to grand jury indictment and to plead guilty to a one-count information charging a violation of Title 31, United States Code, Sections 5322 & 5318(g), failure to file timely and/or accurate Suspicious Activity Reports. It is understood that the guilty plea will be based on a factual admission of guilt to the offense charged and will be entered in accordance with Rule 11 of the Federal Rules of Criminal Procedure. An authorized representative of the Bank will admit that the Bank is in fact guilty. By virtue of corporate resolution dated January 24, 2005, defendant has authorized this plea and has empowered its outside counsel, Steptoe & Johnson LLP, to act on its behalf for purposes of this plea. The attached "Statement of the Offense" is a fair and accurate description of the evidence the government believes it can prove regarding a relevant portion of defendant's actions and involvement in the offense. Company accepts responsibility for the conduct described in the Statement of the Offense. Prior to the Rule 11 plea hearing, defendant, through counsel, will adopt and sign the Statement of the Offense as a written proffer of evidence by the United States.

2. **Penalties and assessments:** Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the United States and the defendant agree that the appropriate sentence in the case is that the defendant will pay a fine in the amount of \$16,000,000 and a special assessment of \$400. This \$16,000,000 fine and the \$400 special assessment shall be paid within ten (10) days of sentencing by cashier's

Permanent Subcommittee on Investigations  
**APPENDIX #4 – FN 4**

Mr. Mark J. Hulkower, Esq.  
 January 27, 2005  
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check or certified check made payable to Clerk, United States District Court for the District of Columbia.

The parties further agree to a five year period of corporate probation with the following conditions: (1) defendant shall pay the sums set forth in this agreement; (2) defendant has developed and submitted to the Office its current Anti-Money Laundering/Bank Secrecy Act compliance program to prevent and detect violations of law; (3) defendant will continue the process it has voluntarily started of closing or selling, if the process has not already been completed, its Embassy Banking and International Private Banking divisions; and (4) pursuant to 18 U.S.C. § 3563(a)(1), defendant shall not commit any federal, state or local crimes during the term of probation.

The parties agree that if the Company or its parent, Riggs National Corporation, is sold to a party unaffiliated with the Company as of the date hereof, whether by sale of stock, merger, consolidation, sale of a significant portion of its assets, or other form of business combination, or otherwise undergoes a direct or indirect change of control within the five-year corporate probation period, that the probation period and all other obligations of the Company under this agreement, other than the obligations set forth in paragraph 4 herein, shall terminate upon the closing of any such transaction or the occurrence of any such change of control.

3. **Waiver of Rights:** Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with this plea agreement are admissible against it for any purpose in any criminal or civil proceeding, if the guilty plea is subsequently withdrawn.

The defendant further agrees to waive its right to a pre-sentence investigation report under Fed. R. Crim. P. 32(b). The parties will request a date for sentencing within 90 days of the date of this plea. Should this date need to be rescheduled the parties will work together to find a mutually agreeable and convenient date.

4. **Continuing Cooperation:** This Office agrees that the Company has fully cooperated with its investigation, has accepted responsibility for its conduct, and has voluntarily terminated the operations of the areas of the Company where the conduct at issue occurred. Company agrees to continue to cooperate with the government. Company shall cooperate truthfully, completely, and forthrightly with this Office and other federal, state, and local law enforcement authorities identified by this Office in any matter as to which the government deems the cooperation relevant. Company acknowledges that its cooperation may include, but will not

Mr. Mark J. Hulkower, Esq.  
January 27, 2005  
Page 3 of 5

necessarily be limited to, producing documents and records, answering questions, providing sworn written statements, and testifying before grand juries or at trials.

5. **Government Concessions:** In exchange for defendant's guilty plea, the United States will not bring any additional criminal charges against Company or any of its current, former, or future subsidiaries or affiliates in connection with any conduct, whether presently known by the Office or not, relating to the attached statement of the offense, the subpoena *duces tecum* issued to Company dated September 28, 2004, the Office of the Comptroller of the Currency document request issued to the Company dated July 22, 2004, and/or any other matters arising from conduct arising in or relating to the Embassy Banking and/or International Private Banking divisions of the Company or any current or former affiliate.

6. **Regulatory Agencies:** Your client understands that this Office can make no binding promises about future action by any bank regulatory agency. This Office agrees that upon request from the Defendant it will advise such regulatory agencies or any other element of federal or state government of Defendant's acceptance of responsibility, its full and complete cooperation with the Office's investigations, its voluntary decision to close its Embassy Banking and International Private Banking divisions, and the Defendant's ongoing remediation efforts.

7. **Court is Not Bound:** Defendant understands that this plea offer is contingent upon acceptance by the Court. If the Court refuses to accept any provision of this plea agreement, neither party shall be bound by the provisions of the agreement, and the defendant shall have the right to withdraw its plea pursuant to Fed. R. Crim. P. 11(c)(5).

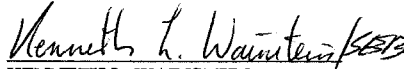
8. **Breach of Agreement:** Company agrees that if it fails to comply with any of the provisions of this plea agreement, makes false or misleading statements before the Court, commits any further crimes, or attempts to withdraw the plea, the United States will have the right to characterize such conduct as a breach of this plea agreement. In the event of such a breach, (a) the United States will be free from its obligations under the agreement and may take whatever position it believes appropriate as to the sentence (for example, should your client commit any conduct after the date of this agreement – examples of which include but are not limited to, obstruction of justice and false statements to law enforcement agents, the probation office or the Court – the government is free under this agreement to seek an increase in sentencing based on that post-agreement conduct); (b) defendant will not have the right to withdraw the guilty plea; (c) defendant shall be fully subject to criminal prosecution for any other crimes which it has committed or might commit, if any, including perjury and obstruction of justice; and (d) the United States will be free to use against defendant, directly and indirectly, in any criminal or civil proceeding any of the information or materials provided by it pursuant to this agreement.

Mr. Mark J. Hulkower, Esq.  
January 27, 2005  
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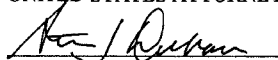
In the event of such breach, any such prosecutions of the defendant not time-barred by the applicable statute of limitations on the date of the signing of this agreement may be commenced against the defendant in accordance with this paragraph, notwithstanding the running of the applicable statute of limitations in the interval between now and the commencement of such prosecutions. Defendant knowingly and voluntarily agrees to waive any and all defenses based on the statute of limitations for any prosecutions commenced pursuant to the provisions of this paragraph.

9. **Complete Agreement:** No other agreements, promises, understandings, or representations have been made by the parties or their counsel than those contained in writing herein, nor will any such agreements, promises, understandings, or representations be made unless committed to writing and signed by Company, Company's counsel, and an Assistant United States Attorney for the District of Columbia.

If the foregoing terms and conditions are satisfactory, Company may indicate its assent by signing the agreement in the space indicated below and returning the original to me once it has been signed by Company and its counsel



KENNETH L. WAINSTEIN  
UNITED STATES ATTORNEY



STEVEN J. DURHAM  
ROBERT R. CHAPMAN  
GERALD BALACEK  
ASSISTANT U.S. ATTORNEYS  
Fraud & Public Corruption Section  
555 Fourth Street, N.W.  
Washington, D.C. 20530  
(202) 514-8316

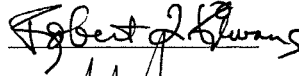
CYNTHIA STONE  
SENIOR TRIAL ATTORNEY  
U.S. Department of Justice  
Asset Forfeiture & Money Laundering Section  
1400 New York Avenue, N.W.  
Bond Building, 10<sup>th</sup> Floor  
Washington, D.C. 20530

Mr. Mark J. Hulkower, Esq.  
January 27, 2005  
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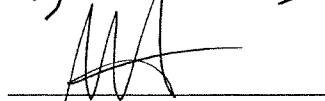
On behalf of Riggs Bank N.A. ("Company"), I have read this plea agreement and have discussed it with the corporation's attorney, Mark J. Hulkower of Steptoe & Johnson LLP. Company fully understands this agreement and agrees to it without reservation. Company does this voluntarily of its own free will, intending to be legally bound. No threats have been made to Company. Company is pleading guilty because Company is in fact guilty of the offense identified in paragraph one.

RIGGS BANK N.A.

Date: January 27, 2005



Date: January 27, 2005



Mark J. Hulkower, Esq.  
Attorney for the Defendant

STATEMENT OF OFFENSEUnited States of America v. Riggs Bank N.A., Cr. 05-35 (RMU)**FILED**

JAN 27 2005

BackgroundNANCY MAYER WHITTINGTON, CLERK  
U.S. DISTRICT COURT

1. Riggs Bank N.A. ("Riggs Bank") is a financial institution organized, licensed and doing business under the laws of the United States with a principal place of business in Washington, D.C. Riggs Bank is the principal subsidiary of Riggs National Corporation, a publicly traded bank holding company based in Washington, D.C. Riggs Bank is a "financial institution" as defined in 31 U.S.C. § 5312; a "bank" as defined in 31 C.F.R. § 103.11(c); and an "insured bank" as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. § 1813(h)). The Office of the Comptroller of Currency ("OCC") has supervisory authority over Riggs Bank. The Board of Governors of the Federal Reserve System (the "Federal Reserve") has supervisory authority over Riggs National Corporation.

2. The Bank Secrecy Act, 31 U.S.C. § 5311 *et. seq.*, and its implementing regulations (collectively, the "BSA"), which Congress enacted to address an increase in money laundering criminal activity utilizing financial institutions, require insured banks and other financial institutions to maintain an effective BSA and anti-money laundering (AML) program to detect and report suspicious activity therein that might be indicative of money laundering and other financial crimes, maintain certain records, and file reports that are especially useful in criminal, tax or regulatory investigations or proceedings. From the U.S. government's perspective, the BSA regulatory regime constitutes law enforcement's first defense against the misuse of the U.S. financial system by money launderers and terrorist financiers.

3. Riggs Bank was required pursuant to the BSA to maintain appropriate procedures to ensure compliance with the BSA to guard against money laundering. These compliance programs, at a minimum, required Riggs Bank to:

- a. provide for a system of internal controls to assure ongoing compliance;
- b. designate an individual or individuals responsible for coordinating and monitoring day-to-day compliance;
- c. provide training for appropriate personnel; and
- d. provide for independent testing for compliance to be conducted by bank personnel or by an outside party.

31 U.S.C. § 5318(h)(3); 12 C.F.R. § 21.21.

Suspicious Activity Reporting

4. Riggs Bank was required pursuant to the BSA to file with the Department of

Permanent Subcommittee on Investigations

**APPENDIX #4 – FN 4**

Treasury and in some cases appropriate Federal law enforcement agencies, in accordance with the form's instructions, a Suspicious Activity Report ("SAR") when it detected the type of activity described below. This requirement replaced the criminal referral process and became effective on April 1, 1996. According to the form's instructions, Riggs Bank was required to file a SAR with the Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") no later than thirty (30) calendar days after the date of initial detection of facts that constituted the basis for filing a SAR. 31 U.S.C. § 5318(g); 31 C.F.R. § 103.18 (previously designated at 31 C.F.R. § 103.21); and 12 C.F.R. § 21.11.

5. Riggs Bank was required pursuant to 12 C.F.R. § 21.11 to report any transaction conducted or attempted by, at, or through the bank, if it involved or aggregated at least \$5,000 in funds or other assets, and the bank knew, suspected, or had reason to suspect that:

a. The transaction involved funds derived from illegal activities or was intended or conducted in order to hide or disguise funds or assets derived from illegal activities (including without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any federal law or regulations or to avoid any transaction reporting requirement under federal law or regulation. or

b. The transaction was designed to evade any requirements promulgated under the BSA. or

c. The transaction had no business or apparent lawful purpose or was not the sort in which the particular customer would normally be expected to engage, and the bank knew of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

#### Currency Transaction Reports

6. Riggs Bank was required pursuant to the BSA to file a Currency Transaction Report ("CTR") for each non-exempted deposit, withdrawal, exchange of currency, or other payment or transfer by, through, or to Riggs Bank that involved a transaction in currency of more than \$10,000. Title 31 C.F.R. § 103.28 required Riggs Bank to verify and record on a CTR the true name and address of the individual presenting the transaction, as well as the true nature of the entity or person on whose behalf the transaction was to be effected. 31 U.S.C. § 5313(a) and 5322 and 31 C.F.R. § 103.22(b)(1) (previously designated at 31 C.F.R. § 103.22(a)(1)) and § 103.28.

#### Due Diligence and Enhanced Due Diligence

7. Beginning in or about the mid-1990's as a result of a high profile Department of Justice investigation of Mexican foreign leaders and U.S. banks, there was a greater public awareness that private banking accounts, maintained for high net worth foreign persons, as well



as accounts for leaders of foreign governments, posed significant risks of money laundering activity and, as such, needed to be scrutinized more closely than ordinary accounts.

8. In January 2001, the Department of the Treasury and the federal banking regulators issued guidance to banks on the application of anti-money laundering programs to private banking accounts maintained on behalf of politically exposed persons, particularly current and former officials of foreign government. The guidance identified the risk that such accounts could be used to launder the proceeds of political corruption, and identified numerous "red flags" indicative of such activity, including structured transactions such as the use of multiple cashier's checks. As a result of the passage of the USA Patriot Act of 2001, by July 2002, enhanced scrutiny of private banking accounts of senior foreign political figures, their family and close associates, became statutorily mandated. Specifically, the statute, 31 U.S.C. 5318(i), and the interim final rule issued by FinCEN in July 2002, 31 C.F.R. § 103.18, required banks such as Riggs Bank to take reasonable steps to:

- a. ascertain the identity of the nominal and beneficial owners of, and the source of funds deposited into, such account as needed to guard against money laundering and report any suspicious transactions; and
- b. conduct enhanced scrutiny of any such account that is requested or maintained by, or on behalf of, a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, that is reasonably designed to detect and report transactions that may involve the proceeds of foreign corruption.

31 U.S.C. § 5318(i)(3).

9. Throughout this period, senior officers at Riggs Bank were informed of Riggs Bank's problems in complying with its obligations under the BSA from the OCC, the Federal Reserve and from internal reviews. Although the regulators never instituted formal corrective action during this period, the warnings of problems within this area of the Bank should have put Riggs Bank on notice that this was a significant problem that needed addressing. Moreover, Riggs Bank had an independent statutory obligation to determine whether its compliance program was effective. 31 U.S.C. § 5318(h)(1)(D).

As a result of these documented deficiencies, and Riggs Bank's failure to correct them, on July 16, 2003, the OCC issued a consent order, setting forth remedial action that the bank must immediately take in order to correct significant deficiencies with their money laundering compliance program. This consent order set forth specific and detailed steps that the Bank must take, to be accomplished within specific time frames.

In response, Riggs Bank invested more than \$50 million to develop and implement a new bank-wide information system solution, a new compliance staff was hired, and new compliance procedures and policies were developed. These investments, in several instances, bore a direct

relation to the discovery of the conduct set forth below.

Notwithstanding these efforts, Riggs Bank proved unable to correct the BSA issues identified by the OCC in the 2003 consent order within the time frames set forth therein. As a result, on May 13, 2004, four additional orders were entered into by Riggs Bank and its regulators, including an additional OCC consent order and the assessment of concurrent \$25 million penalties against Riggs Bank by FinCEN and the OCC. The government contends that Riggs' failure to comply with the requirements of an effective BSA/AML program led to the failure to report numerous suspect transactions conducted through the bank, particularly those transactions involving specific foreign political leaders who were engaged in private banking with Riggs.

#### Pinochet Accounts

10. Augusto Pinochet was the de facto leader or president of Chile from 1973 to 1990, and the Commander-in-Chief of its armed forces from 1990 to 1998 and a Chilean Senator from 1998 to 2002. His rule was marked by allegations of significant human rights abuses as well as other crimes.

a. In October 1998, a Spanish magistrate issued an arrest warrant for Pinochet for crimes of genocide, terrorism and torture. At that time, Pinochet, who was in the United Kingdom for medical treatment, was detained pending extradition hearings. That magistrate also issued an attachment order purporting to freeze all Pinochet assets worldwide.

b. By March of 2000, Spain, Switzerland, Belgium and France had issued warrants against Pinochet for human rights crimes. Ultimately, the United Kingdom dismissed all extradition warrants against Pinochet, who was then returned to Chile. Nearly 60 human rights cases had been filed in Chile against Pinochet and were under active investigation. These included inquiries into Pinochet for his role in the "Caravan of Death," in which 19 persons disappeared, as well as "Operation Condor," which involved allegations that Pinochet ordered the torture and killing of hundreds of political opponents during his rule.

c. On August 8, 2000, the Chilean Supreme Court issued a ruling divesting Pinochet of senatorial immunity, thereby removing a significant hurdle to his prosecution for these crimes. On January 29, 2001, Pinochet was placed under house arrest in Chile. In May of 2001, Pinochet assets were reported to have been frozen in Bermuda pursuant to a treaty request made by the Spanish government.

11. From in or about 1994 until 2002, Pinochet and his wife, Lucia Hiriart Rodriguez, maintained multiple bank accounts, investments, and certificates of deposits at Riggs Bank (the "Pinochet Accounts"). The Pinochet Accounts were located at Riggs Bank in the United States and at its London branch. Additionally, in 1996 and 1998, Riggs Bank assisted Pinochet in the establishment of two offshore shell corporations in the Bahamas – Ashburton Company Ltd. and

Althorp Investment Co., Ltd. Both shell corporations were listed as nominal owners of bank accounts and certificates of deposits maintained by Pinochet. The OCC's publicly-available *Bank Secrecy Act/Anti-Money Laundering Comptroller's Handbook* (September 2000) generally identifies offshore corporations, as well as financial transactions involving bank secrecy jurisdictions, as being a high risk for money laundering.

12. During this time period, Pinochet deposited more than \$10 million into the Pinochet Accounts. Riggs Bank failed to conduct sufficient due diligence as to the source of the funds being deposited into the Pinochet Accounts, and failed to report transactions it knew or had reason to know were suspicious.

a. The OCC's publicly available *Bank Secrecy Act/Anti-Money Laundering Comptroller's Handbook* (September 2000) states: "Effective account opening policies and procedures should address who is accountable and who has the authority for opening and documenting new private banking accounts, reviewing documentation when accounts are opened, maintaining updated documentation, and reviewing documentation and transactions on an ongoing basis. In addition, banks should document the identity and source of wealth of all customers requesting custody or private banking services." Contrary to the caution advised by the OCC, little due diligence was conducted on the source of Pinochet's wealth, other than obtaining a document suggesting that he earned approximately \$12.3 million in "commissions, fees and honoraria" between 1956 and 1997, had acquired approximately \$450,000 in personal savings, and noting that he declared on his Chilean tax returns gross income between approximately 40 and 58 million Chilean pesos per year for the years 1998, 1999 and 2000. Know Your Customer standards and practices evolved over the period that the Pinochet Accounts were maintained at Riggs Bank; however, no attempt was made to reconcile Pinochet's stated wealth with the volume of subsequent deposits until 2002.

b. In approximately April of 1999, the name of Riggs Bank London account 74041013 was changed to "APU," removing the name Pinochet from the account. In December of 2000 the name on Riggs Bank account 76835282 was changed to "L. Hiriart and A. Ugarte," removing the name Pinochet from the account. The government contends that all of these actions could have had the effect of preventing U.S. law enforcement, bank regulators or others with a lawful and legitimate need to examine the accounts from discovering or tracing Pinochet's money.

c. From the early 1980's and continuing for more than a decade, Riggs International Bank Corporation ("RIBC"), an Edge Act subsidiary of Riggs Bank, maintained bank accounts, nominally for various Chilean military attaches, but which appear to have been used by Pinochet himself. An internal Riggs Bank investigation located documents that described two of these accounts as "fronts" for Pinochet, and that internal investigation further revealed transfers of funds into and out of those accounts from accounts belonging to Pinochet and his family, at other banks. Riggs Bank has since closed RIBC.

d. Certain Riggs Bank officer(s) and employee(s) avoided using Pinochet's last name, even in routine internal communication, referring to him as "our prominent client in Chile," "the Washington client," or other aliases, including his wife's maiden name or his maternal family name. Files involving the Pinochet account would not be labeled with his name, but rather with a code, such as "Red Fox - Chile." On August 9, 2000, the day after Pinochet was stripped of immunity in Chile, a Riggs Bank employee noted in a memorandum Pinochet's "change in legal status" and stated that "overseas legal proceedings also included legal 'freezing' of assets in a third country". It is possible that Riggs might receive legal and applicable instructions to 'freeze' the client's assets and to reveal all information "regarding the client." The memorandum avoided referring to Pinochet by name.

13. Over the course of the history of the Pinochet Accounts, a number of suspect transactions were conducted by or directed by Pinochet. Certain Riggs Bank officer(s) and employee(s) transferred monies in a manner that appears to have been intended to avoid scrutiny. Among those transactions were:

a. March 26, 1999: Pinochet prematurely terminated a certificate of deposit held in a London account at Riggs Bank and transferred the funds, approximately \$1.6 million, to a Certificate of Deposit at Riggs Bank in the United States;

b. August 18, 2000: purchase at Riggs Bank of 8 cashier's checks each in the amount of \$50,000 and payable to Augusto Pinochet, and subsequently negotiated at Banco de Chile and other banks;

c. May 15, 2001: purchase at Riggs Bank of 10 cashier's checks, each in the amount of \$50,000 payable to Maria Hiriart and/or Augusto P. Ugarte, and subsequently negotiated at Banco de Chile and other banks;

d. October 10, 2001: purchase at Riggs Bank of 10 cashier's checks, each in the amount of \$50,000 payable to L. Hiriart and/or A.P. Ugarte, and subsequently negotiated at Banco de Chile;

e. April 8, 2002: purchase at Riggs Bank of 10 cashier's checks, each in the amount of \$50,000 payable to L. Hiriart and/or A. P. Ugarte, five of which were subsequently negotiated at Banco de Chile;

f. January 16, 2003: purchase at Riggs Bank of five cashier's checks, each in the amount of \$50,000 payable to L. Hiriart and/or A. P. Ugarte. These apparently were reissues of five of the April 8, 2002 cashier's checks, which had expired.

14. The transactions in the preceding paragraph were unusual and suspicious. Certain Riggs Bank officer(s) and employee(s) knew or had reason to know that these transactions were suspicious, but failed to file a SAR on any of these transactions until after bank regulators, a

subcommittee of the United States Senate, or law enforcement discovered these transactions.

a. The Spanish attachment order, which purported to effect the restraint of assets throughout the world, was reported in the international media by October of 1998. Moreover, the fact of the Spanish investigation was well known before that, and U.S. and international media had reported that the United States was cooperating with the Spanish on the Pinochet matter at least as of June 1997. The Spanish judicial attachment order was never domesticated, served on Riggs Bank, or otherwise made legally operative in the United States or the United Kingdom. When Riggs Bank became aware of the Spanish judicial attachment order it sought legal counsel and was advised that the freeze was not legally operative in the United States although, as noted above, certain Riggs Bank officer(s) and employee(s) were concerned that such a freeze could ultimately be effected in the United States.

b. It was highly unusual that such large transactions would be broken up into smaller cashier's checks. The normal mode of transferring large sums of money within the international financial system is a wire transfer, which is the fastest, cheapest and most reliable system for moving funds. Moreover, as certain Riggs Bank officer(s) and employee(s) knew, these funds were physically transported to Pinochet in Chile, either by express mail or by certain Riggs Bank officer(s) and employee(s).

c. The \$1,000,000 in cashier's checks that constituted the May 15 and October 2001 transactions was not taken directly from Pinochet's accounts, but rather was first passed through a Riggs Bank clearing account. This was against bank policy. No legitimate reason existed for first transferring those funds from the Pinochet Accounts to the Riggs Bank clearing account, except for attempting to obscure an audit trail, and making it more difficult to trace the transfer of Pinochet's funds. Moreover, except for the first two checks issued on August 18, 2000, these transactions were in Pinochet's wife's maiden name or Pinochet's maternal family name, making any search for Pinochet's assets more difficult. Notwithstanding, the bank's internal investigators were able to track and report to enforcement authorities all of the above transactions, although not in a timely manner.

15. Riggs Bank terminated its relationship with Pinochet in 2002.

#### Equatorial Guinea

16. Equatorial Guinea (EG) is a country approximately the size of Maryland on the west coast of Africa. In 1995, billions of dollars of oil reserves were discovered within EG territorial waters, resulting in a significant influx of capital from businesses in the United States and elsewhere. Its President, Teodoro Obiang Nguema, came to power in 1979 in a military coup, and his re-elections in February 1996 and December 2002 were largely viewed by the United States government and by international observers as tainted by fraud and intimidation. Public corruption had long been considered a significant problem. In late 2002 and early 2003, there was growing media attention that leveled specific and detailed allegations of corruption

within the Obiang government.

17. From in or about 1996 to in or about 2004, Riggs Bank maintained numerous accounts for EG. Over the course of this period, Riggs Bank opened over 30 accounts for the EG government, numerous EG senior government officials, and their family members. Riggs Bank opened multiple personal accounts for the EG president and his relatives and assisted in establishing offshore shell corporations for the EG president and his sons (collectively, the "EG Accounts"). By 2003, the EG accounts had become Riggs Bank's largest single relationship with balances and outstanding loans that totaled nearly \$700 million.

18. Despite numerous large cash deposits, suspect wire transfers connected to oil revenues, and Riggs Bank's own KYC policies and procedures, Riggs Bank failed to conduct sufficient due diligence as to the source of some of the funds being deposited into the EG Accounts.

19. In September 1999, Riggs Bank assisted the EG President Obiang in the establishment of Otong S.A., an offshore shell corporation, incorporated in the Bahamas, and held a money market account for the corporation. Otong was a Private Investment Company (PIC). The OCC, in its *Bank Secrecy Act/Anti-Money Laundering Comptroller's Handbook*, described the special risks involved with PICs: "PICs are incorporated frequently in countries that impose low or no taxes on company assets and operations or are bank secrecy havens. Banks should exercise extra care when dealing with beneficial owners of PICs and associated trusts because they can be misused to camouflage illegal activities."

20. Over the course of the history of the EG Accounts, the following transactions took place through an account in the name of Otong S.A. (the "Otong Account"):

- a. April 20, 2000: \$1 million deposit of U.S. currency;
- b. March 8, 2001: \$1.5 million deposit of U.S. currency;
- c. April 20, 2001: \$1 million deposit of U.S. currency;
- d. September 5, 2001: \$2 million deposit of U.S. currency;
- e. September 17, 2001: \$3 million deposit of U.S. currency; and
- f. April 12, 2002: \$3 million deposit of U.S. currency.

21. Riggs Bank failed to determine the background and possible purpose of these transactions, and failed to file a SAR until after the OCC and Congressional investigators brought the transactions to the bank's attention. These transactions were suspicious because of the cash nature of the deposits, because of the lack of understanding as to the source or destination of the money, and because the transactions were not the sort in which the particular customer would normally be expected to engage.

22. Additionally, Riggs Bank filed inaccurate CTRs on these cash deposits. The CTRs listed the Otong account as an exporter of timber, rather than a PIC controlled by the EG

president. Certain Riggs Bank employee(s) knew this representation to be inaccurate.

23. From June 2000 to December 2003, 16 separate wire transfers, totaling approximately \$26.4 million, were sent from an EG oil account at Riggs Bank, which held oil royalty payments to the government of EG, to an account in the name of Kalunga Company, S.A. at Banco Santander in Madrid, Spain. Kalunga Company, S.A., is an EG corporation. At the time of the transfers, certain Riggs Bank employee(s) did not know, but should have known, the circumstances and purpose behind the transfer and the purpose or function of Kalunga Company, S.A. Riggs Bank failed to conduct adequate due diligence on what it knew or should have known was a high risk account and failed to file a SAR or declined to conduct the transaction. These transactions were uncovered by a Riggs Bank internal investigation and reported to the appropriate enforcement authorities, although not in a timely manner. Riggs Bank voluntarily terminated its entire relationship with EG in 2004. The same Riggs Bank internal investigation also unearthed that the account officer with responsibility for the EG accounts had engaged in misconduct for his personal benefit. The individual in question was terminated and matter referred to the appropriate enforcement authorities.

\* \* \* \*

Riggs Bank N.A. has reviewed the foregoing Statement of the Offense with its attorneys and agrees that the foregoing is a true and accurate description of Riggs Bank's conduct in this matter.

DATE: 1/26/05

RIGGS BANK N.A.  
By: Robert L. Klirans

Mark V. Hulkower  
Mark V. Hulkower, Esq.  
Attorney for Riggs Bank N.A.

ADMINISTRATION OF JUSTICE  
INVESTIGATING COURT NO. 5  
MADRID

General Identification Number: 28079 27 2 1996 0007036  
78300

**PRELIMINARY INVESTIGATION ABBREVIATED PROCEEDING  
40/2005 c**

**WRIT**

In MADRID, February 25, 2005;

**FACTS**

**ONE.** On September 16, 2004, application was granted for expansion of the criminal complaint for the alleged crime of concealment of assets and money laundering against Joseph L. Allbritton, Robert L. Allbritton, Steven B. P. Pfeiffer, Carol Thompson, Mr. Ashley Lee, Fernando Baqueiro and Raymond Lund, among others, in which the facts were reported pertaining to each of these persons to the respective jurisdictions of Chile and the United States, according to the nationality and the location in which they carried out their alleged criminal activity, with the plaintiff being required to specify the nationalities and destinations on the date of the facts of all the new defendants.

Likewise, the judicial authorities called upon were asked to report the status of the complaint to this Court, and, in the meantime, the proceedings would be continued against them here; to declare the subsidiary liability of Riggs Bank to be the amount of USD 10,266,000 (10,300,000 euros), as well as of the other people who have contributed to the withdrawal of the concealed assets; to dispatch the following letters rogatory:

1. To the Attorney General of the United States (Director, Office of International Affairs, Criminal Division, US Department of Justice, Washington D.C. 20530) for them to contribute to this cause all documents and reports that are made available by the Permanent Subcommittee on Investigations of the US Senate Governmental Affairs Committee, as well as by the US Federal Bank regulators, pertaining to the bank accounts and assets that appear to be owned by Augusto Pinochet Ugarte, directly or through the members of his family specified in background point number two, or of companies under his control, specifically Ashburton Company Ltd. and Althorp Investment Co., Ltd.; to issue an order to levy an attachment, block and deposit of all balances that may be linked to all insurance policies, insurance contracts of any kind, negotiable instruments, promissory notes, rights and credits of any kind, including bank accounts and/or deposits, investment funds and certificates of deposit that Augusto Pinochet Ugarte, directly or through third parties and the members of his family, may have in the United States; to authorize this Court to take statements from the directors and employees of Riggs Bank, Joseph L. Allbritton, Robert L. Allbritton, Steven B. Pfeiffer and Carol Thompson; to issue an order to levy

Permanent Subcommittee on Investigations

**APPENDIX #4 – FN 5**



a preventive attachment of the assets of the defendants Joseph L. Allbritton, Robert L. Allbritton, Steven B. Pfeiffer and Carol Thompson, as well as of the subsidiary responsible party – Riggs Bank N.A. of Washington D.C. and Riggs National Corporation – until remittance of the amount established by the Court as a bond.

**TWO.** On January 31, 2005, a Writ was issued by means of which it was decided that a preliminary investigation would be initiated as breakdown from the file of Case 19/97, in that which pertains to the crimes of concealment of assets and money laundering.

**THREE.** On February 1, 2005, the public prosecutor filed a pleading that petitions the Court, based on the agreement from January 27, 2005:

“to admit as a provisional estimate the amount of €1,445,530,116 for the full civil liability of Augusto Pinochet Ugarte for the crimes of genocide, terrorism and torture of which he is indicted;

to acknowledge notice of the transactional agreement settling claims of civil liability-reached in Washington, D.C. between, on the one hand, the popular prosecution and private prosecution and, on the other hand, Riggs National Corporation, Joseph L. Allbritton, Robert L. Allbritton, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund by virtue of which they undertake 1) to deliver to the popular prosecution and private prosecution, for submission to these proceedings, the documentary evidence of the movements in the accounts held by the indicted Augusto Pinochet, 2) to deliver to the Spanish Foundation “Presidente Allende” a settlement amount allowing it to distribute the benefit of eight million dollars (US \$ 8,000,000) in full to the victims represented by the popular prosecution and private prosecution and in addition to account for the payment for expenses and court costs;

consequently, to hold as formulated the desistment of the complaint and the criminal claim for alleged violation of Articles 257, 258 and 301 of the Criminal Code and waiver of the civil claim exclusively in respect of Riggs National Corporation, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund, on the one hand, and, on the other hand, Joseph L. Allbritton, Robert L. Allbritton and their immediate family members (including Barbara, the wife of the former);

to hold as petitioned, in accordance with the provisions of Section 637.2 of the Rules of Criminal Law Procedure, the non-suit final resolution and final shelving of these Preliminary Investigation exclusively in respect of Riggs National Corporation, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund and any other past and present Riggs National Corporation employee, agent, representative, director, officer, attorney, successor or assign, on the one hand, and, on the other hand, also in respect of Joseph L. Allbritton, Robert L. Allbritton and their immediate family members (including Barbara, the wife of the former) and their past or present affiliates, employees, agents, representatives, attorneys, successors or assigns;

to hold as petitioned the cancellation of all the cautionary measures adopted in the Writ of September 16, 2004 exclusively in respect of the same aforementioned individuals, in particular

the attachment of their assets and that portion of the Letters Rogatory requesting commencement of legal actions, information or testimony from Riggs National Corporation, Joseph L. Allbritton, Robert L. Allbritton, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund and from any other past and present employee, agent, representative, director, officer, attorney, successor or assign of Riggs National Corporation, while maintaining the Letters Rogatory to hear the testimony of Fernando Baqueiro and Carol Thompson as witnesses, in the event that the Court considers it appropriate to hear that testimony; and I do hereby so petition the Court to grant.”

**FOUR.** A copy was submitted to the Office of the Public Prosecutor, which reported that:

“There is no objection to the declaration of the dismissal without prejudice, in accordance with the provisions of Article 641.2 of the Criminal Procedure Act, vis-à-vis RIGGS NATIONAL CORPORATION, STEVE B. PFEIFER, R. ASHLEY LEE, CAROL THOMPSON, FERNANDO BAQUEIRO, RAYMOND LUN, JOSEPH L. ALLBRITTON, ROBERT L. ALLBRITTON AND BARBARA L. ALLBRITTON.

The provisional quantification of the damages incurred in the facts that are the subject of Case 19/97 of this Investigating Court is considered to be appropriate, as petitioned by the plaintiffs.

There is no objection to the inclusion of the addenda filed with the pleading of the plaintiffs on 2/1/05 into this preliminary investigation.

The creation of a pension fund in the manner and for the purpose provided for in point ten of the aforementioned pleading is considered to be legal.”

#### **LEGAL ARGUMENTS**

**ONE.** The documentation provided shows that although the directors of Riggs Bank initially appeared to have been possible necessary collaborators for the alleged crimes of concealment of assets and money laundering, following the orders of the account holders (Mr. Pinochet Ugarte and his wife Lucía Hiriart), subsequent events revealed lack of criminal intent to commit the crimes specified on the part of the banking institution and its representatives. However, their actions can be placed instead in the scope of violation of banking regulations and the laws that regulate these types of activities, which have been sanctioned by the American authorities after the exhaustive investigation by the Senate in that country. It is thus recorded in the guilty plea attached to the “plea agreement” dated January 27, 2005, between Riggs Bank and the United States Department of Justice, which was submitted for the approval of the Federal Judge of the District of Colombia.

This subsequent action of the Bank has been complemented by open cooperation with the justice administration, facilitating the judicial activity and the discovery of the assets of Augusto Pinochet, who is indicted in Case 19/97 on which this Proceeding is based, and of his wife, against whom the criminal complaint is also directed, as well as making available to the Court all

the assets that these persons may have in the Bank, and recognizing the possible liability to indemnify in favor of the victims via remittance of the approved amount, which coincides with the amount provided by the account holders, after they learned of the judicial attachment of the assets.

This latter development of events has shown that although the initial action could include criminal content by the bank and its employees, at this time, in light of the investigation carried out, this does not appear to be the case, wherefore in this case the question would be focused exclusively in the civil scope, which has also been resolved satisfactorily, given that the bank, pursuant to the “plea agreement” and the “guilty plea”, has recognized this liability and has paid this to the satisfaction of the victims, in addition to being sanctioned \$16,000,000. To this must be added the fact that it has agreed to cooperate subsequently with the courts to facilitate the discovery of other accounts and amounts that could have been involved in similar operations to conceal assets of the defendant subject to judicial attachment since October 19, 1998 and December 10, 1998.

**TWO.** The dismissal, once the lack of intent to commit the act is made a matter of record, determines that this, for the representatives of the bank, is definitive Non-Suite Final Resolution, in accordance with Article 637.3 of the Criminal Procedure Act, without prejudice to continuing the proceedings for the rest of the defendants. Furthermore, and after making a matter of record the existence of the acknowledgement of liability in the banking irregularities and after having their behavior sanctioned (\$16,000,000), it is not appropriate to bring a similar action against the same persons and the banking institution, so as not to violate the *ne bis in idem* principle.

**THREE.** Given the acknowledgement of civil liability, it is necessary to determine how to apply the amount offered and that it must be allocated for remittance to the victims in the manner that will be determined. In this regard, the proposal of attribution that the private and public prosecutors make in point seven of their pleading dated February 1, 2005, which was approved by the Office of the Public Prosecutor, appears to be adequate, based on the money allocated. There is no obstacle to the application of Article 115 of the Criminal Procedure Act, or to the application of the Law on Solidarity with the Victims of Terrorism, given that the principal defendant (Mr. Pinochet Ugarte) is indicted for that crime, among others.

Likewise, and as set forth in point eight, the quantification of victims appears to be adequate (3,355 persons killed or missing, with 65 surviving victims exercising the private prosecution; and 27,255 victims of torture, established by the National Commission on Political Imprisonment and Torture appointed by the Chilean government, in its report from November of 2004). Approximately 3,000 more people could have to be added to all of this, who could not appear before the aforementioned commission on time.

In summary, the total quantification of the liability of Augusto Pinochet is considered to be adequate at 1,445,530,116 euros (one billion four hundred forty-five million five hundred thirty thousand one hundred sixteen euros).

**FOUR.** With regard to the proposal formulated by the prosecutor in point ten of his pleading dated February 1, 2005, it is considered to be acceptable and adequate for the victims to receive the amount that corresponds to them with no unnecessary depreciation of this amount. These operations shall be submitted for judicial approval of their general guidelines.

Therefore, and after reviewing the cited articles and other provisions of general and pertinent application,

#### **ORDER**

**1.** The Non-Suit Final Resolution of the cause for the crimes of Concealment of Assets and Money Laundering against Riggs National Corporation, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro, Raymond Lund, and any other past and present Riggs National Corporation employee, agent, representative, director, officer, attorney, successor or assign, on the one hand, and, on the other hand, also in respect of Joseph L. Allbritton, Robert L. Allbritton and their immediate family members (including Barbara, the wife of the former) and their past or present affiliates, employees, agents, representatives, attorneys, successors or assigns;

**2.** The acknowledgement of the **desistment of the complaint** and the criminal claim by the private and popular prosecutors and **waiver of the civil claim** in respect of Riggs National Corporation, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund, on the one hand, and, on the other hand, Joseph L. Allbritton, Robert L. Allbritton and their immediate family members (including Barbara, the wife of the former);

**3.** The **quantification** of the civil liability of Augusto Pinochet Ugarte pursuant to the facts for which he was indicted on 12/10/1998, in Case 19/1997, at **1,445,530,116 euros**.

**4. to acknowledge notice** of the agreement on civil liability between the Riggs National Corporation, Joseph L. Allbritton, Robert L. Allbritton, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund by virtue of which they undertake 1) to deliver to the popular prosecution and private prosecution, for submission to these proceedings, the documentary evidence of the movements in the accounts held by the indicted Augusto Pinochet, 2) to deliver to the Spanish Foundation "Presidente Allende" an amount allowing it to distribute the benefit of eight million dollars (US \$ 8,000,000) in full to the victims represented by the popular prosecution and private prosecution and in addition to account for the payment for expenses and court costs; consequently, to knowledge as formulated the desistment of the complaint and the criminal claim for alleged violation of Articles 257, 258 and 301 of the Criminal Code and waiver of the civil claim exclusively in respect of Riggs National Corporation, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund, on the one hand, and, on the other hand, Joseph L. Allbritton, Robert L. Allbritton and their immediate family members (including Barbara, the wife of the former);

- **to cancel** all the cautionary measures adopted in the Writ of September 16, 2004, which is amended in this regard, in respect of the same aforementioned individuals. In particular the attachment of their assets, and the Letters Rogatory requesting from the competent American

authorities commencement of legal actions, information or testimony from Riggs National Corporation, Joseph L. Allbritton, Robert L. Allbritton, Steven B. Pfeiffer, Carol Thompson, R. Ashley Lee, Fernando Baqueiro and Raymond Lund and from any other past and present employee, agent, representative, director, officer, attorney, successor or assign of Riggs National Corporation, while maintaining the Letters Rogatory to hear the testimony of Fernando Baqueiro and Carol Thompson as witnesses

It is so declared, ordered and signed by BALTASAR GARZON REAL, MAGISTRATE-JUDGE of Investigating Court No. 5 of MADRID. I certify the foregoing.

**DILIGENCE.** What is ordered is promptly executed. I certify the foregoing.

EXTRACT FROM TRIP REPORT

TO : Juan MacLean File  
FROM : Maurella van der Ree *mvdR*  
RE : BUSINESS TRIP TO CHILE FROM 8/24/96 TO 9/1/96

JUAN MACLEAN (AUM: \$ 41M) : Mr. Maclean had breakfast with us at the Hotel. As per PRF. he is one of several front-men of General Pinochet. Briefly, he's a very quiet, secretive, absent-minded looking gentleman. He mentioned he had 4 children; and, showed no particular interest in any other type of investment. I do not see any potential of growth, unless he himself comes forward and, then again, I wonder since he is a front for the General. I recommend to pay him a courtesy visit once a year.

Permanent Subcommittee on Investigations  
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RNB033416

## Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** General Augusto Pinochet: Commander-in-Chief  
of the Chilean Armed Forces, Santiago, Chile

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On October 25, 1994, Timothy Coughlin, Paul Cushman and I called on General Pinochet in order to express our gratitude for returning the official Chilean Military's accounts from Bank of Nova Scotia to Riggs. During the late 1970's the Chilean Military Mission in Washington moved their official deposits to Canada. This was directly related to the assassination of Chilean Ambassador Letelier in 1976. In July 1994, the official accounts were brought back to Riggs. The average year to date deposit balances of the Mission's seven (7) sweep accounts are \$8,019,500. We also offered our personal banking services to General Pinochet and stated that we would also be pleased to make our services available to the officers of the Chilean Military.

As follow up, we will send him documentation in order to open a personal account.

RNB035426

2005-01585

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## CHILE

PINOCHET: LATEST DEVELOPMENTS IN PROSECUTIONS  
FOR HUMAN RIGHTS CRIMESBackground

As a former head of state, Augusto Pinochet of Chile had enjoyed immunity from prosecution since he left office, but his immunity was challenged by prosecutors investigating a series of deaths and disappearances of political opponents of the former dictator in the mid-1970s.

The *Operacion Condor* case, a network of intelligence services in South America in the 1970s, was one of the latest in a series of cases that have stretched over the last six years, since Spanish judge Garzon attempted to try Pinochet in Spain on his role on the 1973 *Caravan of Death* executions. At that time, Pinochet took refuge in Britain, where he remained under house arrest for 17 months before a medical opinion declared that he was unfit to stand trial and he returned to Chile. Later on, in August 2004, Pinochet was also questioned in Chile by Judge Munoz about a number of secret accounts he held in the Riggs Bank of Washington.<sup>1</sup>

Immunity Lifted

Since May of last year a number of important developments in the courts have occurred. On May 28<sup>th</sup>, 2004, a Santiago Appeals Court decided to strip Pinochet of his immunity from prosecution in the *Operacion Condor* case. On July 9<sup>th</sup>, 2004, his lawyers appealed the decision to the Chilean Supreme Court, which, in July 2002 and in another case, *Caravan of Death*, had already ruled that Pinochet was not mentally fit to stand trial.<sup>2</sup>

However, and in a surprise ruling, the Supreme Court ruled on August 26, 2004, in a narrow 9-8 decision that Pinochet could stand trial for the disappearance in 1975 and 1976 of nineteen opponents in the *Operacion Condor* case.<sup>3</sup> This final decision cannot be appealed.

After this Supreme Court decision, the case went back to Judge Guzman, the lower court judge who was conducting the trial. He scheduled an interrogation of Pinochet and ordered additional testing by psychiatrists to determine the mental state of the former dictator.<sup>4</sup> The defense even requested the judge to order the testimony of the notary who drafted and concluded Pinochet's will in 2002, as to the mental competence of the former dictator. This is

<sup>1</sup> *Pinochet Questioned*, September 25, 2004 at [http://www.americas.org/item\\_16502](http://www.americas.org/item_16502).

<sup>2</sup> *Pinochet Decision Upheld*, August 28, 2004 at [http://www.americas.org/item\\_16323](http://www.americas.org/item_16323).

<sup>3</sup> *Id.*

<sup>4</sup> *Pinochet to be Interrogated by Judge*, August 31, 2004 at [http://www.americas.org/item\\_16178](http://www.americas.org/item_16178).



relevant because, under Chilean law, only a mentally competent person may execute a valid will.<sup>5</sup>

Judge Guzman performed the interrogation of Pinochet on September 25, 2004 for thirty minutes at the general's home in Santiago. Guzman cut the number of questions from fifteen to six because, according to the Judge, Pinochet was very tired. The Judge ordered new medical evaluations for Pinochet before deciding whether to proceed with the trial or not.<sup>6</sup>

Upon Judge Guzman's order, Pinochet underwent new medical tests on September 30<sup>th</sup> to determine if he was mentally fit to stand trial. Three doctors examined Pinochet at his home for more than two hours. For the most part,<sup>7</sup> the medical exams concluded that he was mentally competent to stand trial.<sup>8</sup>

#### Secret Bank Accounts

Allegations of secret bank accounts in May 2004 by a U.S. Senate report stated that the Washington based Riggs Bank helped Pinochet hide up to eight million U.S. dollars and to avoid efforts to seize his assets as ordered by Judge Baltazar Garzon in Spain.<sup>9</sup> Chilean Judge Munoz who questioned Pinochet in August on this matter, followed these allegations and ordered investigations through the country's tax, banking and national security agencies.<sup>10</sup> At the same time, the Chilean Internal Tax Service filed a lawsuit on October 1, 2004, against Pinochet for tax evasion for filing false or incomplete returns.

In November, the Chilean Supreme Court rejected a petition by Spanish Judge Garzon to seize Pinochet assets in Chile, because Chilean Judge Munoz had already taken precautionary measures to freeze the former dictator's bank accounts during the trial process being conducted in Chile.<sup>11</sup>

#### Operation Condor

Two and a half months after resuming the Pinochet trial, on December 13, 2004, Judge Guzman formally charged Pinochet with one count of homicide and nine counts of kidnapping in the *Operacion Condor* case, declaring him mentally fit to undergo criminal investigation in Chile in all of its stages.<sup>12</sup> At the same time, Judge Guzman ordered that Pinochet be placed under house arrest, but Pinochet's defense team filed an appeal before the Santiago Appeals Court which froze the house arrest order until the Court could rule on it. The Court affirmed

<sup>5</sup> *Abogados pidieron citar a declarar a notario que certifico testamento de Pinochet*, September 6, 2004 at <http://www.cooperativa.cl>.

<sup>6</sup> *Supra note 1*.

<sup>7</sup> *Peritos que examinaron a Pinochet reafirman sus conclusiones al juez Guzman* at <http://www.cooperativa.cl/cgi-bin/imprimir.cgi?TDIR=plantillas/extra/imprimir/pags&URL>.

<sup>8</sup> *Pinochet Undergoes Medical Tests*, September 30, 2004, at [http://www.americas.org/item\\_16541](http://www.americas.org/item_16541)

<sup>9</sup> *Pinochet Faces Tax Evasion Charge*, October 1, 2004, at [http://www.americas.org/item\\_16559](http://www.americas.org/item_16559)

<sup>10</sup> *Id.*

<sup>11</sup> *Suprema rechazo exhorto de Garzon para embargar bienes de Pinochet* at <http://www.cooperativa.cl/cgi-bin/imprimir.cgi?TDIR=plantillas/extra/imprimir/pags&URL>.

<sup>12</sup> *Pinochet Charged*, December 19, 2004, at [http://www.americas.org/item\\_17185](http://www.americas.org/item_17185)

the house arrest order by Judge Guzman on December 20, 2004 but granted the release on a two million *pesos* (1 US\$ = 581 *Chilean pesos*) bail.<sup>13</sup>

The Pinochet defense submitted a *recurso de amparo* (*habeas corpus* appeal against an illegal arrest) before the Supreme Court against the indictment and house arrest order based on the argument that Pinochet's mental impairment made his indictment and therefore likely arrest, illegal. On January 4, 2005, the Supreme Court confirmed the indictment by 3-2, ruling that it met all formal legal requirements.<sup>14</sup>

Pinochet lawyers later appealed, calling for the trial to be suspended again on health grounds. Such an appeal would be heard by an appellate court and then again by the Supreme Court. This appeal is the second try by the Pinochet defense to annul the indictment<sup>15</sup> The appeal is scheduled to be decided on March 7, 2005.<sup>16</sup>

#### Human Rights Violations

On January 27, 2005 the Supreme Court ordered judges to conclude investigations into abuses committed during Chile's military dictatorship in six months. The Supreme Court cited international norms that establish the right of the accused to a trial within a reasonable period of time.<sup>17</sup> Human rights advocates, such as Human Rights Watch, stated that to limit the time on these investigations would cripple efforts to promote accountability for past human rights violations. The Chilean government also announced plans for proposed legislation that would also allow human rights investigations to be cut short.<sup>18</sup>

Although the Supreme Court terminated Pinochet's first trial in the *Caravan of Death* case in 2002, based on his health conditions, because under the Chilean justice system, legal precedent is not binding; courts may decide each case on its own merits. Thus a future court decision on whether Pinochet's mental impairment was serious enough to invalidate a trial would not necessarily be the same as in the 2002 decision.<sup>19</sup>

#### Ongoing Proceedings

In the meantime, Judge Munoz, on January 6, 2005, ordered as part of a separate investigation on the Riggs Bank accounts case, a search in Pinochet's office, where some documents were seized.<sup>20</sup> Judge Munoz, was recused from the case in application by the

<sup>13</sup> *Suprema rechazo recurso de amparo de la defensa de Pinochet*, at <http://www.cooperativa.cl/cgi-bin/imprimir.cgi?TDIR=plantillas/extra/imprimir/pags&URL>

<sup>14</sup> *Chile: Supreme Court Confirms Pinochet Indictment*, January 4, 2005, at <http://hrw.org/english/docs/2005/01/04/chile9943.htm>

<sup>15</sup> *Operación Condor: Guzman rechaza la apelación a encausamiento de Pinochet at* <http://www.cooperativa.cl/cgi-bin/imprimir.cgi?TDIR=plantillas/extra/imprimir/pags&URL...>

<sup>16</sup> *Apelación de Pinochet se vera el 7 de Marzo*, February 2, 2005 at

<http://diario.elmercurio.com/2005/02/02/nacional/politica/noticias/impresion22437291-6DF>

<sup>17</sup> *Chile: Limits on Abuse Probes Close Door on Justice*, January 27, 2005, at

<http://www.hrw.org/english/docs/2005/01/27/chile10084.htm>

<sup>18</sup> *Id.*

<sup>19</sup> *Supra* note 13, at 2.

<sup>20</sup> *Chile Judge Searches Pinochet's Office*, January 6, 2004 at <http://www.fortwayne.com/mld/newssentinel/10583327.htm?template=contentModules/prin>

Pinochet defense, and therefore a substitute judge, Dobra Lusic, was carrying out the measures ordered by Munoz in the tax evasion and the Riggs bank cases, such as the interrogation of assistants, and family members as well as medical exams to determine Pinochet's fitness for trial. However, Judge Munoz was reinstated in the case, by the Santiago Court of Appeals, and is still conducting the investigation.<sup>21</sup>

In the tax evasion case, Pinochet offered to pay 5 US\$ million in back taxes in hopes that his assets, of which 6.5 million dollars were frozen while his secret bank accounts were being investigated, would be unfrozen, but government officials said on February 7, 2005 that the Internal Tax Service would continue to pursue Pinochet for tax evasion even if he paid his back taxes because the law does not allow this kind of compromise. The attached assets may not be interchangeable with the back taxes owed because they are part of a criminal proceeding.<sup>22</sup>

Also related to the Riggs case, Pinochet's bank accounts at Banco de Chile in New York were closed as of February 2, 2005, as part of a probe into money laundering at the institution.<sup>23</sup> The U.S. Office of the Comptroller of the Currency also required the bank's commitment to not extend any new credit to Pinochet. Investigations in Chile are trying to determine the origin of millions of dollars that the U.S. Senate report said he held at the Riggs Bank in Washington until the accounts were closed in 2002 and whether Pinochet misused public funds to accumulate wealth. The Riggs Bank pleaded guilty in January 2005 in helping Pinochet hide hundreds of millions of dollars. Some of these funds held at the Riggs Bank were transferred to branches of Banco de Chile in New York and Miami.<sup>24</sup>

On February 8, 2005, Judge Guzman requested that Pinochet be stripped of his immunity on a new case, known as *Operacion Colombo*, which involved a campaign by the Chilean secret police to cover up the alleged killing of 119 dissidents. The campaign included false articles published abroad claiming the killings were the result of a power struggle within the leftist opposition in Chile. A lower court is expected to make a decision on the request in the coming months and it could add to the already long list of Pinochet's legal troubles.<sup>25</sup>

Prepared by  
Graciela I. Rodriguez-Ferrand  
Senior Foreign Law Specialist  
February 2005

---

<sup>21</sup> *50 Personas declaran sobre salud de Pinochet*, February 2, 2005 at <http://diario.elmercurio.com/2005/02/02/nacional/portada/noticias/impresion8C54E9BC-5...>

<sup>22</sup> *SII no retira querrela en contra de Pinochet*, of February 8, 2005, at

<http://diario.elmercurio.com/2005/02/08nacional/portada/noticias/impresionBD655DB1-5>

<sup>23</sup> *Chile Ex-Dictator Pinochet Accounts Closed by U.S. (Update 2)* February 2, 2005, at

<http://www.bloomberg.com/apps/news?pid=71000001&refer=&sid=ae8FeSte>

<sup>24</sup> *Id.*

<sup>25</sup> *New move over Pinochet Immunity*, February 9, 2005, at

[http://www.cooperativa.cl/p4\\_noticias/site/artic/20050208/pags/20050208185523.html](http://www.cooperativa.cl/p4_noticias/site/artic/20050208/pags/20050208185523.html)

David Caruso

From: Victoria Westley  
Sent: Friday, July 30, 2004 10:47 AM  
To: David Bachetti; David Caruso  
Cc: Bryant J. Moravek; Joseph Cahill  
Subject: RE: Pinochet's Daughter

The accounts were opened 25 May 2000. The customer was introduced by her Father. Two accounts: 75256032 USD DDA /C & 75256035 USD Fixed Deposit Account. The opening balance was USD 390,000 put onto fixed deposit for one year, with an instruction to renew at maturity unless other instructions were received. USD 300,000 was removed from the account as a cashier's check 26 September 2002. The current balance is USD 131,940.21. The only activity has been the rollover of the deposit and the withdrawal of USD 300,000.

Regards

Victoria Westley  
Senior Compliance Officer/Group MLRO  
Riggs Bank Europe Limited

Tel:  
Fax:  
Mobile:  
e-mail:

Redacted By  
Permanent Subcommittee on Investigations

-----Original Message-----  
From: David Bachetti  
Sent: 30 July 2004 15:25  
To: Victoria Westley  
Subject: FW: Pinochet's Daughter

Victoria,

Can you please respond to this?

Redacted by the Permanent  
Subcommittee on Investigations

Thank you, David.

-----Original Message-----  
From: David Caruso  
Sent: Friday, July 30, 2004 2:02 PM  
To: David Bachetti  
Cc: Bryant J. Moravek; Joseph Cahill  
Subject: Pinochet's Daughter

David,

I understand that we may have an account for Pinochet's daughter in London. Can you confirm this. If so, can you tell us:

The account number(s)

The date opened

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 25

RNB033047

30-JUL-2004 15:23 FROM RIGGS BK EUROPE, PROPERTY TO [REDACTED] P.02/13

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

2

FTEN01F1 1/3 7. RSEL, ST JAMES'S STREET \*810 16:03:48 30JLV04  
Client Enquiry Client 75256 HIRIART INES L.P.  
Status OPEN Setup Date 26MAY00 Next Limit Review Date  
Client Name MRS INES L.P. HIRIART FX Code - 05  
Mailing [REDACTED] Mail Code W Rest of the World  
Address

Town FORT LAUDERDALE  
Country FLORIDA  
Post Code Country USA  
Geographic Location - CHILE  
Internal Geographic Location - CHILE  
BSR Industry Classification - 500 NOT CLASSIFIED  
BSR Institutional Classification - 434 Other non-residents - other  
Client Executive - 516 EBD LATIN AMERICA  
Old Industry Classification - OVERSEAS FOREIGN AGENCIES  
Old Internal Ind. Classification - OVERSEAS FOREIGN AGENCIES  
Old Institutional Classification - OVERSEAS SECTOR  
Resident Indicator - NON-RESIDENT Client Boss -  
Country Name - CHILE Neighbour -  
Sect1 Limit - 0 Servant -  
Committed Facility - N  
ENTER: View Accounts F1: Enquiry Menu F2: Return F3: Next Screen  
F5: Limits F6: Client Structure F7: Acct Inc. Avail. F8: Signatory Details

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 25

RNB033050

30-JUL-2004 15:23 FROM RIGGS BK EUROPE, PROPERTY TO [REDACTED] P.03/13

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

3

Client : 75256 MRS INES L.P. HIRIART 30JULY04 16:04:07

A/C No / Loan No	Ccy	A/C Type	Balance / Fwd Balance	Facility Limit (000s)
75256032 USD DDA ACCOUNT	USD	21	0.00	0
75256035 USD FIXED DEPOSIT	USD	101	132,068.03CR 131,940.21CR	0

CMD 1 to Exit, 1 or X - Static Details, 2 - Interest, 3 - Statement  
For Next Page - ROLLUP For Previous Page - ROLLDOWN

Redacted By  
Permanent Subcommittee on Investigations

From : Marco Antonio Pinochet [REDACTED]  
Sent : Friday, November 5, 2004 2:07 PM  
To : [REDACTED]  
Subject : Name

Bryant

Daniel Lopez  
casilla Postal 14040  
Correo 21 Santiago Chile

I verified is my Father.

Bye  
Marco

Redacted  
by  
Permanent Subcommittee  
on Investigations

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

[REDACTED]

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 26

[REDACTED]

RNB040496

107

MARCH 22 1990 15-3/540

Pay to the Order of AUGUSTO P. UGARTE \$ 410,000.00  
 For Hundred and Ten Thousand Dollars

**The RIGGS NATIONAL BANK**  
 of WASHINGTON D. C.  
 BEFORE CIRCLE OFFICE  
 1815 MARGARETTA AVE., N.W.

Per DZ

⑆054000030⑆⑆04⑆⑆75077573⑆ 0 107

*Subscribed*

HELI CHECK PRINTERS, INC. PRINT OR TYPE COPY TO BE PRINTED ON CHECKS - ASK CUSTOMER TO REVIEW FOR CORRECTNESS

**AUGUSTO P. UGARTE OR LUCIA HIRIART R. ITP MARIA VERONICA PINOCHET M. AND MARIA JOSE MARTINEZ P. AND LUCIA AMONATEGUI P.**

ZIP CODE

ORDER FOR CHECKS: QUANTITY, FORM, CHECK COLOR, COVER COLOR

ORDER FOR DEPOSIT TICKETS: QUANTITY, BOUND BY (WITH CHECKS, SEPARATE PACKAGE), ORIGINAL ONLY, IN D/P, IN T/P

INITIAL DEPOSIT TICKET: STARTING NUMBER, CURRENCY, COIN, CHECKS, TOTAL DEPOSIT

**RIGGS INTERNATIONAL BANKING CORPORATION**  
 800 BARKELL AVENUE, MIAMI, FLORIDA 33131

⑆055010704⑆ 70754⑆⑆7⑆

Permanent Subcommittee on Investigations  
 APPENDIX #4 - FN 28

RNB033809





ACCOUNT # TA  
RIGGS INTERNATIONAL BANKING CORPORATION  
Miami, Florida

DATE 3/22/90

ACCOUNT NO: H/MKT - 40154-17

NAME: SE. AUGUSTO P. VARRAS and SEA. LUCIA HIDALGO R. I/H/F  
MARIA TERESA HIDALGO M. and MARIA JOSE MARTINEZ P. and  
LUCIA BUNNARCAUI P.

ADDRESS \_\_\_\_\_  HOLD ALL MAIL

TELEPHONE (Home) RES. [REDACTED] TELEX \_\_\_\_\_  
ofc. (Business) 562/[REDACTED] FAX \_\_\_\_\_

ADDRESS FOR CORRESPONDENCE Hold Mail - ABSOLUTELY NO MAIL TO COME

SPECIAL INSTRUCTIONS All communication to be via Jose Manuel Latorres P.  
At tel # 562/[REDACTED]

Initial dep. 410,000.

PERSONAL DATA		BUSINESS ACCOUNT DATA	
Date of Birth	<u>He</u> <u>11/25/15</u> <u>SHE</u> <u>12/11/28</u>	Proprietorship <input type="checkbox"/>	Partnership <input type="checkbox"/>
Nationality	<u>CUBAN</u> <u>CUBAN</u>	Corporation <input type="checkbox"/>	Association <input type="checkbox"/>
Passport No.		Other _____	
Date of Issue		Incorporated In _____	
Place of Issue		Principal Officers:	
Mother's Maiden Name		President	<u>To Come: Letter Auth.</u>
Company		Vice President	<u>Carm - Carmelo</u>
Address		Secretary	<u>Letter w/B London</u>
Business		Treasurer	
Position		Partner	
		Partner	

NAME OF BANKS 1 \_\_\_\_\_ LOCATION \_\_\_\_\_  
FOR REFERENCES 2 \_\_\_\_\_ LOCATION \_\_\_\_\_

SIGNATURES \_\_\_\_\_ = Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 28

RNB033773

1

AUGUSTO P. UGARTE OR  
 LUCIA HERANDEZ  
 MARIA HERANDEZ PINOCHET M. &  
 MARIA JOSE MARTINEZ P. &  
 LUCIA AMUNATEGUI P.  
 HOLD MAIL  
 MONEY MARKET ACCOUNT 7075A-7  
 STATEMENT PERIOD 06-30-90 THROUGH 07-31-90

PAGE 1

---

MONEY MARKET SUMMARY

OPENING BALANCE	10,230.09	# OF ENCLOSURES	1
+ DEPOSITS	452,671.00	AVERAGE BALANCE	24,833
+ INTEREST	47.79	INTEREST PAID YTD	378.78
- CHECKS AND DEBITS	442,949.78		
= NEW BALANCE	462,949.78		

---

MONEY MARKET ACTIVITY		DEPOSITS		DATE	AMOUNT
DEPOSITS	DATE	AMOUNT	REF 01	07-31	47.79
DEPOSIT	07-31	452,671.00	REF 01	07-31	47.79
REFERENCE DESCRIPTION					
REF 01 INTEREST CREDIT					
MONEY MARKET BALANCES					
06-30	10,230.99	07-31	462,949.78		

---

251830731160531 0000000000000

RNB034279

Redacted by Permanent Subcommittee on Investigations

**CMA** Cash Management Account<sup>®</sup> 101

PAY TO THE ORDER OF Augusto P. Ugarte JUNE 26 1990 75-90-400

THIRTY TWO THOUSAND SIX HUNDRED SEVENTY-ONE 08 15,671- DOLLARS

Merrill Lynch

MEMO

⑆044000804⑆ 950700182275⑆ 0101

109 15-90-00

Order of Augusto P. Ugarte July 13 1990

THIRTY TWO THOUSAND \$32,000

THIRTY TWO THOUSAND Dollars

**RIGGS NATIONAL BANK**

MEMO

⑆054000030⑆ 104⑆ 76077573⑆ 0109

CITICORP COTIBANK 0103

BARBARA VIEL ALARCON

Pay to the order of Augusto P. Ugarte April 16 1990 63-988-48 280

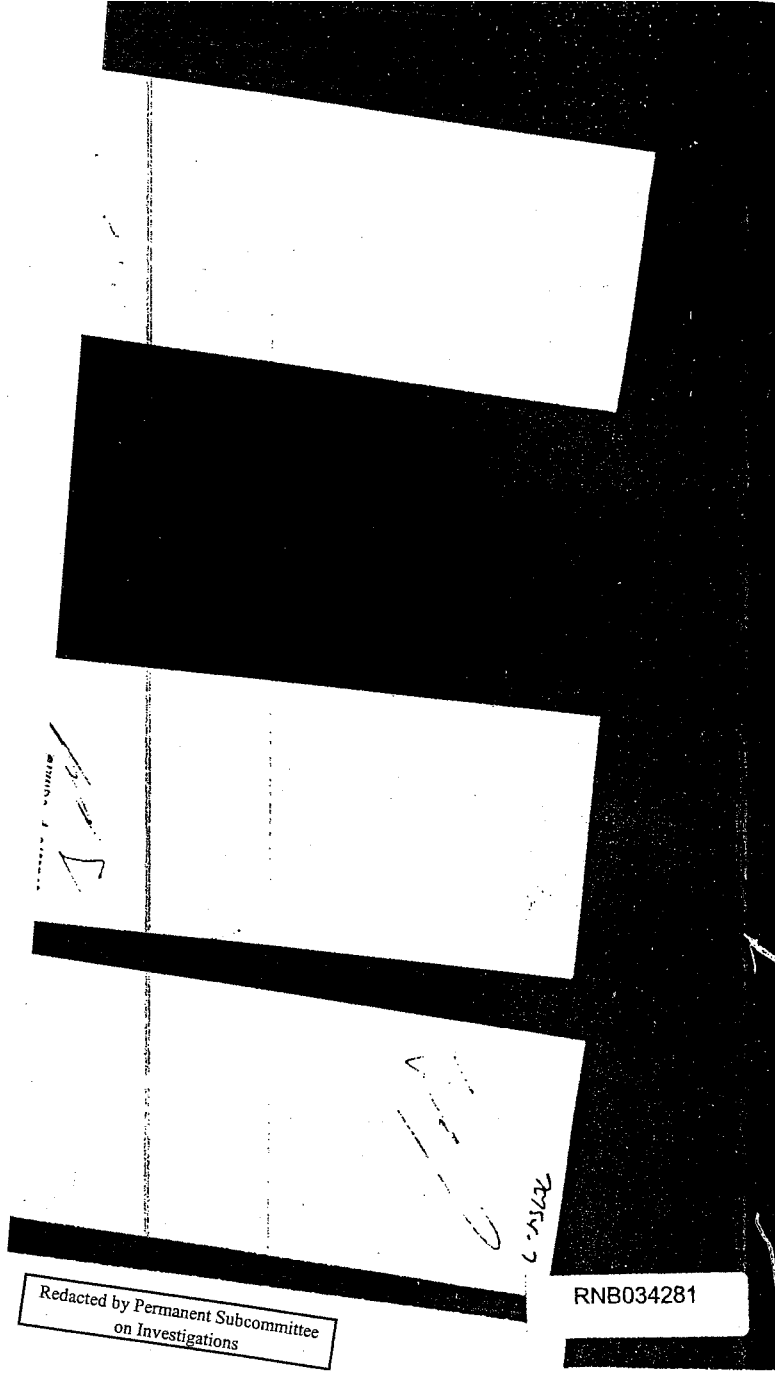
Sixty thousand dollars 60,000 Dollars

MONEY MARKET ACCOUNT

For Barbara Viel A.

⑆266086554⑆ 2100685108⑆ 9103⑆

RNB034280



Redacted by Permanent Subcommittee  
on Investigations

RNB034281

Redacted by Permanent Subcommittee  
on Investigations

Redacted by Permanent Subcommittee  
on Investigations

BANCO DE CREDITO E INVERSIONES

US\$ 75000=00

004506

STGO. ABRIL 16 de 1990

PAY TO THE BARBARA VIEL ALARCON

ORDER OF

setenta y cinco mil 00/100

MANUFACTURERS  
HANOVER

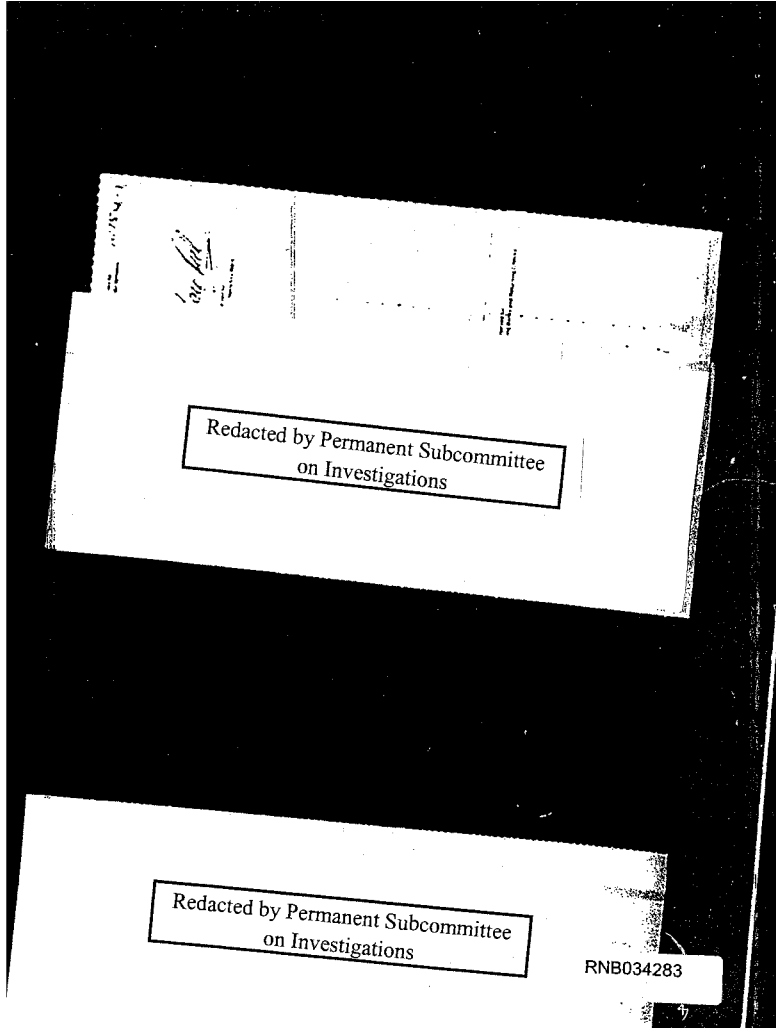
1-30/210

75,000.-

OLLAND

004506 02100030540544 09093

RNB034282



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on Investigations

Redacted by Permanent Subcommittee  
on Investigations

RNB034283



**ESPIRITO SANTO BANK**

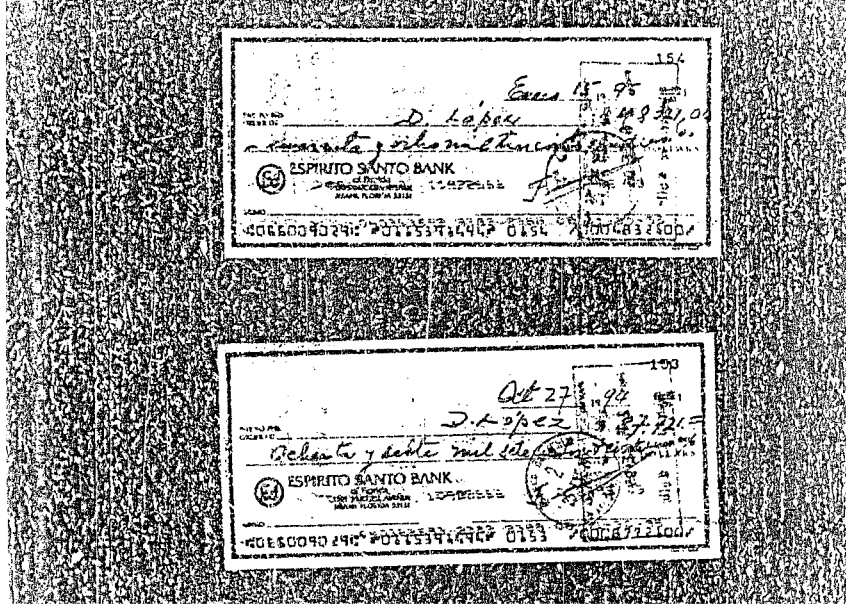
DIRECT INQUIRIES TO: 999 BRICKELL AVENUE, 2nd FLOOR  
 MIAMI, FLORIDA 33131  
 (305) 358-7700

PAGE 1

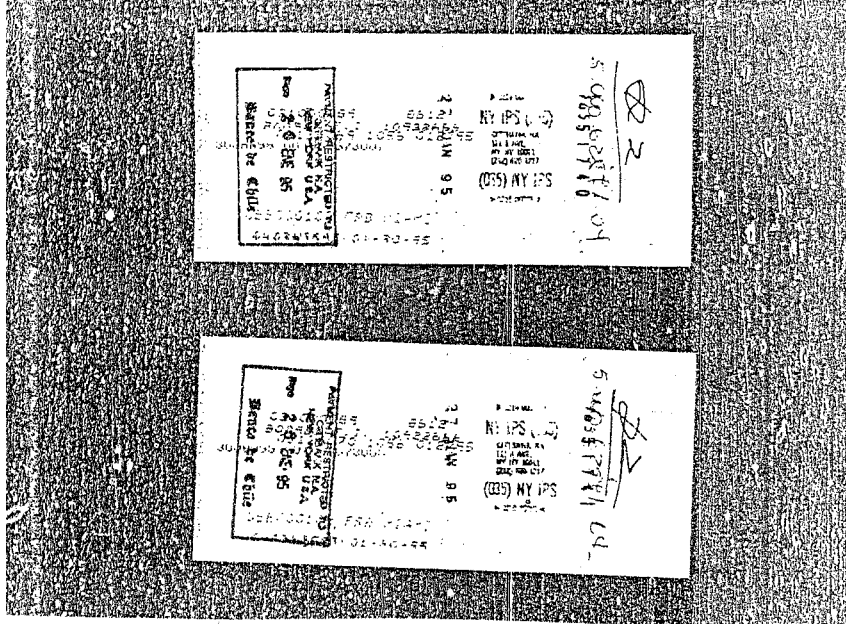
---HOLD MAIL---HOLD MAIL---HOLD MAIL---  
 A. P. UGARTE  
 HOLD MAIL

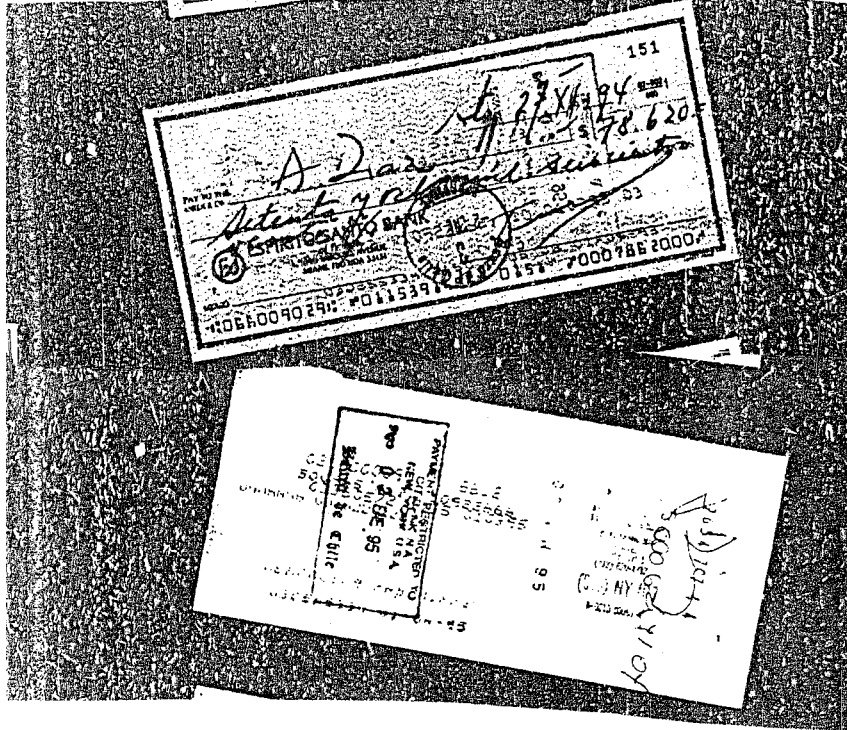
STATEMENT DATE  
 EN/31/95  
 115391494  
 ACCOUNT NO.

DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
12/30/94	BALANCE FROM LAST STATEMENT..:			22,819.75
1/04/95	N S F CHARGES	25.00		22,794.75
1/04/95	CHECK 000151	78,620.00		55,825.250
1/05/95	OWT 72009 TRILATERAL INTL		75,000.00	19,174.75
1/30/95	CHECK 000153	87,721.00		68,546.250
1/30/95	CHECK 000154	48,321.00		116,867.250
1/31/95	INTEREST N O W ACCOUNTS		43.07	116,824.180
1/31/95	INTEREST CHARGE/OVERDRAFT	96.51		116,920.690
1/31/95	HOLD MAIL SERVICE	8.00		116,928.690
	ANNUAL PERCENT YIELD EARNED: 5.73			
	DAYS IN CYCLE: .032			
	TOTAL DR'S: 6	214,791.51		116,928.690
	TOTAL CR'S: 2		75,043.07	
	PREVIOUS STATEMENT BALANCE AS OF: 12/30/94			22,819.75
	CURRENT STATEMENT BALANCE AS OF: 1/31/95			116,928.69
	AVERAGE BALANCE FOR STATEMENT CYCLE:			8,782.08









## CALL REPORT

DATE : February 14<sup>th</sup>, 1997

TO : Juan MacLean File (cc : Eugenio Castillo Cadiz File)

FROM : Maurella R. van der Ree *M. R. van der Ree*

RE : Account Closure and New Account i/n/o Eugenio Castillo Cadiz

*New  
file of  
Castillo Cadiz*

Mr. Juan MacLean, ex-Military Attache in DC (and supposedly a contact of General Pinochet) came in today to close his Money Market and, in turn, open a new Money Market i/n/o Eugenio F. Castillo Cadiz who apparently is replacing Mr. Mac Lean in his current position in Chile. Mr. Mac Lean has been appointed as the new Military Attache to Spain and, as of this month, is moving to Madrid with his whole family.

Mr. Eugenio F. Castillo Cadiz has held an account at Riggs in Washington DC a few years back, during the period he was assigned to a position in Dallas or Atlanta (I cannot recall which city it was exactly). He left us with a copy of his last advice of an overdraft notice he had received after having closed his account upon his return to Chile.

As per my my supervisor's comment, Mr. Juan MacLean is actually a front to General Pinochet (who holds an account at Riggs). Therefore, I am accepting Mr. MacLean's introduction of Mr. Eugenio Castillo Cadiz as the continuation of the indirect relationship to General Pinochet.

RIBC - MIAMI CALL REPORT

flr

PRE-CALL  
 Client: Yes(y/n) Since 1994; \_\_\_\_\_  
 Corp. Name: \_\_\_\_\_  
 Personal Name: JUAN MAC-LEAN IFE GABRIEL VERGARA  
 Address: \_\_\_\_\_  
 Tel.: Off: \_\_\_\_\_ Home: \_\_\_\_\_ Fax: Off: \_\_\_\_\_  
 ORIGINAL SOURCE OF WEALTH: Military Career in the Chilean Army  
 CURRENT BUSINESS/ACTIVITY: Mac-Lean was customer of RNB-Washington during his position as "Military Attache" of the Chilean embassy in Washington in 1987. He is director of the Chilean Army Purchasing Office and has spent 22 years in the Army.  
 Current DDA: \$41,960.75 M. Funds: \_\_\_\_\_  
 Products: MM: \_\_\_\_\_ Trust/PIC: \_\_\_\_\_  
 CD's: \_\_\_\_\_ Credit Card: \_\_\_\_\_  
 Loans: \_\_\_\_\_ RIMCO: \_\_\_\_\_  
 Other: \_\_\_\_\_ TOTAL RELATIONSHIP \_\_\_\_\_

CALL OBJECTIVE: Meet for first time in Chile; this was a \$1mm relationship but the funds have been transferred to Riggs-Washington.

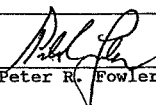
CALL Date: 4-23-96 Place: Hyatt-Breakfast RIBC Officers: P.R. Fowler  
 Sale of Potential Services/Products:  
 Deposits: \_\_\_\_\_ Loans: No  
 Investments: No RIMCO: No  
 Trust: No Credit Cards: \_\_\_\_\_

RISK TOLERANCE: Conservative:  Moderate:  Aggressive:   
 (CDs & T Bills) (Bonds & Stocks) (Stocks & EMRG Paper)

OTHER OFF-SHORE ASSETS: Not Discussed  
 ALSO BANKS WITH: Not Discussed

- COMMENTS/BACKGROUND/ISSUES:  
 1) Delivered Hold Mail (3 months) and last statement.  
 2) W8 signed and obtained  
 3) Asked if we could do more for him and he discreetly said he represents a third party and there are no other requirements or services needed.  
 4) He was aware ICL is no longer with RIBC.

- FOLLOW-UP ACTION  
 1. Consider converting Money Market account to a Now Account By: \_\_\_\_\_  
 to avoid 3 check limit. (Date)  
 2. Maria Cristina Gonzalez to continue to support/back-up By: \_\_\_\_\_  
 this account relationship (Date)  
 3. \_\_\_\_\_ By: \_\_\_\_\_  
 (Date)

  
 Peter R. Fowler

cc: Ray Lund  
 KYC Tracking Report  
 Customer File  
 Related Accounts:

Redacted by the Permanent Subcommittee on Investigations

FO751.596

Permanent Subcommittee on Investigations  
 APPENDIX #4 - FN 33

RNB033402

MIAMI, FLORIDA		DATE	JULY 25, 1994
[CREDIT YOUR ACCOUNT AS FOLLOWS]			
INTERIM TRANSFER FROM:	BCO ATLANTICO NYC		
ORG:	BARATLANTICO ZURICH		
REF:			
RIDS INTERNATIONAL BANKING CORPORATION		TOTAL	\$147,000.00
GABRIEL VENUARA		T.C. 624	AUTHORIZED BY
		70934-5	<i>RM</i>
		RNB034928	

GABRIEL VEROARA I/7/F - 1  
 JOSE MIGUEL LATORRE  
 HOLD MAIL

MONEY MARKET ACCOUNT 70934-5 PAGE 1  
 STATEMENT PERIOD 06-30-94 THROUGH 07-31-94

MONEY MARKET SUMMARY

OPENING BALANCE	4,968.16	# OF ENCLOSURES	1
+ DEPOSITS	147,000.00	AVERAGE BALANCE	39,161
* INTEREST	79.59	INTEREST PAID YTD	159.54
- CHECKS AND DEBITS	.00		
= NEW BALANCE	152,047.55		

MONEY MARKET ACTIVITY

DEPOSITS	DATE	AMOUNT	DEPOSITS	DATE	AMOUNT
REF 01	07-25	147,000.00	REF 02	07-31	79.59
					251636725152855 0000000000000
REF 03	DATE	AMOUNT	DATE	AMOUNT	
	07-31	.00			000000000000000

REFERENCE DESCRIPTION

REF 01 INC MONEY TRANSFER BCD ATLANTICO NYC/ BAHATLANTICO ZURIC  
 REF 02 INTEREST CREDIT  
 REF 03 MAINTENANCE FEE

MONEY MARKET BALANCES

06-30	4,968.16	07-25	151,968.16	07-31	152,047.55
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RNB034929

**International Business Development Activities**  
**Mr. Joe Allbritton**  
**1992-2002**

**CONFIDENTIAL**

RNB035083

**Permanent Subcommittee on Investigations**  
**APPENDIX #4 – FN 36**

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1992	February	London		
1992	March	Turkey		
1992	March	Egypt		

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

Confidential

Page 1

10/6/2002

RNB035084



International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1994	April	Thailand		
1994	June	London		
1994	June	Czech Republic		

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by  
Permanent Subcommittee  
on Investigations

RNB035085

10/8/2002

Page 3

Confidential

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1994	September	London		<b>Redacted by Permanent Subcommittee on Investigations</b>
1994	October	Mexico		
1994	November	London		
1995	January	London		
1995	March	Ecuador		

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1995	April	London		<b>Redacted by Permanent Subcommittee on Investigations</b>
1995	April	Vietnam		

10/8/2002

Page 5

Confidential

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1995	April	Saudi Arabia		
1995	April	Samoa		

Redacted  
by  
Permanent Subcommittee  
on Investigations

International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1995	April	New Zealand		<div data-bbox="711 516 922 1041" style="border: 2px solid black; padding: 10px; text-align: center;">Redacted by Permanent Subcommittee on Investigations</div>

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1995	April	Malaysia		
1995	April	Myanmar		

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
				<b>Redacted by Permanent Subcommittee on Investigations</b>

10/8/2002

Page 9

Confidential

International Business Development Activities  
 Mr. Joe Allbritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
1995	June	London		<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p><b>Redacted by Permanent Subcommittee on Investigations</b></p> </div>
1995	June	Estonia		
1995	June	Latvia		
1995	June	France		
1995	September	London		
1995	November	London		
1996	February	Chile		

• General Maximoo Venegas, Acting Commander-in-Chief of the Chilean Air Force; General Paulino Vialfana, Director Of Administration; General Florencio Doble, The Chilean Military Mission returned to Rigs in 1994 followed by the Chilean Navy. In 1994, the deposit levels for the entire Chilean relationship stood at \$8 million. The combined Embassy and Military Missions have total deposit

Confidential



International Business Development Activities  
 Mr. Joe Albritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
1996	February	Chile	<p>Director of Logistics; Colonel Sergio Cazavie, Chief of Finances Logistics; Colonel Rodolfo Neira, Chief of Finances Administration; Colonel Jose I. Concha, Secretary General; Colonel Axel Muller, Director of Finance Department; Colonel Pablo Abad, Director of Social Services; Brigadier Genera Gonzalo Miranua, General Director of the Direction General de Aeronautica Civil; Brigadier General Gonalo Miranda, Chilean DA; Pablo Flashar Cruz, Director of Finance, Chilean DA</p> <ul style="list-style-type: none"> <li>Admiral Martinez, Captain de Novio Rodolfo Soria Galveiro Deprich, Commander and Chief of 1st Regent; Captain de Fragata Hugo Barra Sakedo, Secretary General, and Personal Officer to Martinez, 1st Lieutenant Patricio Carasco Hellwig, Assistant to the Admiral Martinez; Admiral Hymmie Harris Fernandez, Chief Auditor</li> </ul>	<p>in excess of \$60 million. In addition to this, in 1996 we made a loan to the Government of Chilean for \$12 million to assist them with the purchase of a new presidential aircraft. Riggs has also been short-listed as an advisor for a \$500,000 capital markets transaction that is now estimated to take place in 1999 or 2000.</p> <p>Immediately following Mr. Albritton's trip, the Chilean Air Force sent \$30 million in "new" money to Riggs Europe which has been maintained as a "core" deposit for the new West End Branch (Embassy Banking).</p>
			<ul style="list-style-type: none"> <li>Admiral Martinez, Secretary of the Navy</li> <li>Captain General Augusto Pinochet Ugarte</li> <li>Jorge Marshall, Deputy Governor, Central Bank</li> <li>Mr. &amp; Mrs. Alberto Kassis Sabaj, Mr. &amp; Mrs. Andronco Luksc Cralj, Mr. And Mrs. Adolpho Rojas Gandulfo (Banco de Chile), Mr. and Mrs. Carlos Caseres Correa, Lo</li> </ul>	

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International Business Development Activities  
 Mr. Joe Allbritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
1996	February	Argentina	Curo Military School	
1996	February	Uruguay		
1996	April	London		
1996	June	Palau		
1996	September	London		
1996	November	London		
1997	January	London		
1997	April	London		
1997	June	London		

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 on Investigations**

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International Business Development Activities  
 Mr. Joe Allbritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
1997	September	London		
1997	October	Argentina		
1997	October	Mexico		
1997	October	Uruguay		
1997	October	Argentina		
1997	October	Chile		<p style="text-align: center; border: 2px solid black; padding: 10px;">                     Redacted                      by                      Permanent Subcommittee                      on Investigations                 </p> <p>• General Gonzalo Miranda, Chairman,                      Direccion General de Aeronautical Civil;</p> <p>See comments from previous trip in 1996.</p>

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International Business Development Activities  
 Mr. Joe Allbritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
1997	November	London	<ul style="list-style-type: none"> <li>General Fernando Rojas Vender, Commander in Chief of the Chilean Air Force</li> <li>Captain General Augusto Pinochet Ugarte, Commander in Chief of the Chilean Armed Forces</li> <li>Eduardo Frei, President of Chile</li> <li>General Ricardo Izurieta, Commander and Chief of the Chilean Army</li> <li>Admiral Jorge Patricio Arancibia-Reyes, Under Secretary of the Navy; Vice Admiral Hernan Coujodjian Bergamali, Director of Personnel; Rear Admiral Federico Klein Koch, Secretary General of the Navy; Rear Admiral Felice Howard Brown, Sub-Jefe del Estado Mayor General, Rear Admiral Santiago Diaz Torres, Firestor de Abastecimiento y Conabilidad,</li> <li>Ambasador Genaro Arriagada Herrera; Minister Eduardo Aninat, The Minister of Finance of Chile, Ministry of Finance.</li> </ul>	A new \$10 million "cash-secured" line of credit is established for the Chilean D.A. (FAA) to issue letters of credit.
1998	January	London		
1998	March	Samoa		

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International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1998	April	London		<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: auto;"> <p><b>Redacted by Permanent Subcommittee on Investigations</b></p> </div>
1998	April	New Zealand		
1998	June	London		
1998	September	London		
1998	November	London		
1998	November	China		

**International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002**

Year	Month	Country	Meeting	Comments
			<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <b>Redacted By Permanent Subcommittee on Investigations</b> </div>	
1998	November	Japan		
1999		Chile	<ul style="list-style-type: none"> <li>• Lieutenant General Izurieta, Commander in Chief, Chilean Army</li> <li>• Vice Admiral Jorge Patricio Arancibia, Secretary of the Navy</li> <li>• General Fernando Rojas Vender, Commander in Chief, Chilean Air Force</li> <li>• John Biehl del Rio, Secretary General to the President</li> <li>• General Jorge Coddou Brag, Chairman, Direccion General de Aeronautica Civil</li> </ul>	<p>Since the Chairman's visit with General Izurieta, significant Chilean Army balances have been transferred from Santander in Spain. The Chilean Army Mission's deposits increased by \$10 million last month.</p>

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1999	March	Brazil		
1999	March	Mexico		
1999	March	Guatemala		

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RNB035099

International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
1999	April	Germany		
2000	February/March	Chile	<ul style="list-style-type: none"> <li>Vice Admiral Jorge Patricio Arancibia, Secretary of the Navy</li> <li>General Patricio Rios Ponce (Commander &amp; Chief, Chilean Air Force) &amp; Maria de La Luz</li> <li>General Hernan Enriquez, Director, Direccion General de Aeronautica Civil</li> <li>General Mario Avila Lobos, Chairman, Direccion General de Aeronautica Civil</li> <li>Joe Manuel Mena, Chief Executive Officer; Orlando Guastavino, Chief Financial Officer; Pablo Mayorga, Director of International - Banco del Estado de Chile</li> <li>Adronco Lukatic, Chairman, Banco de Edwards</li> <li>Admiral Juan Basilio Esbry, Chairman, ASMAR</li> <li>Admiral Jorge Martinez Busch and Senator and Mrs. Carmen de Busch</li> </ul>	<p>As a result of this visit the Chilean Navy's deposits are expected to grow by \$10 million during 2000. The letter of credit fee income generated from this relationship during 2000 is expected to increase by 25% to \$75,000.</p> <p>[REDACTED]</p> <p>Additionally, Riggs is the first bank in line for the Air Force's financing needs that occurred during 2000. This includes the possibility of arranging \$500 million financing for a fleet of aircraft.</p> <p>As a result of the visit with Gen. Enriquez and continued outstanding banking services, fee income from this relationship is expected to increase to 50% during 2000.</p> <p>A proposal has been prepared and sent to Admiral Basilio. He also indicated that he would like to have MicroLink installed in order to facilitate Commander Cruzat's work. Carol Thompson will do the follow up regarding MicroLink, the fixed income investment portfolio and the possibility of financing ASMAR's clients.</p>

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International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
2000	March	Argentina	<ul style="list-style-type: none"><li>Vice Admiral Jorge Patrio Arancibia, Secretary of the Navy</li></ul>	<div style="border: 2px solid black; padding: 10px; text-align: center;"><p>Redacted by Permanent Subcommittee on Investigations</p></div>

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International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
2000	March	South Africa		
2000	March	Morocco		

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International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
2000	April	London		
2000	May	Estonia		
<div data-bbox="673 520 894 1050" style="border: 2px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p style="text-align: center;">Redacted by Permanent Subcommittee on Investigations</p> </div>				
2000	May	Latvia		

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RNB035103

International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
2000	May	Ukraine		<div style="border: 2px solid black; padding: 10px; text-align: center;">Redacted by Permanent Subcommittee on Investigations</div>

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International Business Development Activities  
 Mr. Joe Albritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
2000	June	Jersey		<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p><b>Redacted by Permanent Subcommittee on Investigations</b></p> </div>
2000	October	Berlin		
2001	September	Equatorial Guinea	Ronald Reagan Presidential Library, California • H.E. Obiang Nguema Mbasogo, President of the Republic of Equatorial Guinea • H.E. Alejandro Evuwa Owono Asangono, Minister of State • H.E. Santiago Nsobeya Efuman, Minister of Foreign Affairs • H.E. Cristobal Manana Ela, Minister of Mines and Energy • H.E. Ruben Maye Nsue, Ambassador to the United States • H.E. Forencio Maye Ela, Counselor to the President • Julian Ondo Ncurmu, Dir. General of	Total relationship value at time of trip \$252 million. Riggs Bank continues to enjoy an excellent relationship with Equatorial Guinea. We have a total of eight government accounts and also accounts with the Embassy. The relationship has grown to \$408 million as of June 2002. This includes \$100 MM in a RIMCO managed portfolio. Update: Relationship as of September 2002 stands at \$467 million.

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**International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002**

Year	Month	Country	Meeting	Comments
2002	January	London	Presidential Security • Marcos Ndong Edu, Dir. of Presidential Ceremonies and Trips • Hassan Hachem, Presidential Aide • Alfonso Nguema Ondo, Aide-de-camp of the President • Santiago Nze Ntunumu, Presidential press • Reina Ngomo Avomo, Presidential Press • Miguel Angel Mba Onwa, Presidential Press • Pascual Ngua Ndong, Presidential Security • Cristanos Ela Mba, Presidential Security • Gabriel Nve Nguema, Presidential Security	
2002	January	London St. James Street Office	<div style="border: 2px solid black; padding: 10px; text-align: center;"> <p><b>Redacted by Permanent Subcommittee on Investigations</b></p> </div>	

International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
<b>Redacted by Permanent Subcommittee on Investigations</b>				

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RNB035107

International Business Development Activities  
 Mr. Joe Albritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
				<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: auto;"> <p><b>Redacted by Permanent Subcommittee on Investigations</b></p> </div>
2002	February	Washington, D.C.		
2002	February	Washington, D.C.		
2002	February	Washington, D.C.	Luncheon: Ambassador of Chile Andreas Bianchi	
2002	February	Upperville, VA	Average deposits in excess of \$100MM	
2002	March	Chile	<ul style="list-style-type: none"> <li>• Brigadier General Carlos Cid Munoz, Director of Finance for the Chilean Army</li> <li>• Ambassador Genaro Arrigada Herrera and Ana Maria Arrigada, Advisor to President Lagos and Director, BancoEstado, Mr. Maximo Pacheco, International Paper</li> <li>• General Paulino Villafrana, Director of Benefits for the Army &amp; Air Force</li> <li>• General Gonzalo Miranda, Director Policia d Investigaciones (FBI)</li> <li>• Colonel Enrique Cisternas, Deputy Director of Finance, Chilean Air Force</li> </ul>	<ul style="list-style-type: none"> <li>• The Chilean Army requested a \$25 million unsecured line of credit for letters of credit for the Army's hospital project. This facility was approved and a letter of credit in the amount of \$16 million is expected to be opened at Riggs by Sept. 15, 2002. Bidding for the financing for the hospital project has been delayed.</li> <li>• The Chilean Army's deposits have remained stable and letter of credit activity has increased. A visit with Gen. Ricardo Izurieta is pending for Fernando Baquero's next trip to Chile.</li> <li>• Mr. Pacheco - Appointment with Mr. Pacheco is pending for Mr. Baquero's next trip to Chile. Mr. Baquero is expected to travel to Chile during Oct.</li> </ul>

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International Business Development Activities  
 Mr. Joe Allbritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
			<ul style="list-style-type: none"> <li>President Ricardo Lagos, Minister Nicolas Eyzaguirre Guzman, Minister of Finance</li> <li>General Patricio Campos Montecinos, Director of Chile DA and General Ricardo Castell Pauliac and Natividad Castell, Director of Finance, Chile DA</li> <li>General Pedro Bascunan Jara, Chief of Finance of the Air Force</li> <li>Mr. Christian Barros, Undersecretary, Ministry of Foreign Affairs</li> <li>General Patricio Rios Ponce, Commander in Chief of the Air Force and General Mario Avila Lobos, Deputy Commander of the Air Force</li> <li>Admiral Edward Gibbons Hodgson, Director of Finance, Chilean Navy</li> <li>Commander Enrique Cruzat Reyes, Director of Finance, ASMAR</li> <li>General Ricardo Izurieta Caffarena, Commander in Chief of the Chilean Army</li> </ul>	<p>2002.</p> <ul style="list-style-type: none"> <li>Sent Gen. Villafaina information on Rembrandt Insurance, Ltd. and investment services provided by Riggs. This information is being reviewed by Gen. Villafaina and his Board of Directors. Carol Thompson will visit Gen. Villafaina during next trip to Chile.</li> <li>Carol Thompson and Fernando Baquero remain in contact with Gen. Miranda. Gen. Miranda will inform Riggs once the FBI has authorization to open an account in the USA.</li> <li>Chilean Air Force has brought \$30 million of new deposits related to the F-16 project. Riggs has proposed an enhanced cash portfolio. The Air Force is in the process of acquiring approval to invest in a portfolio. Currently a Supreme decree exists, prohibiting the Armed Forces from investing in Portfolios. The Air Force has decided to wait until the bank's Cash Management services are offered through the internet. This should be available through the internet in third quarter of 2002.</li> <li>The Air Force has approved MICROLINK and MTW to be installed in logistics and finance in Santiago. However, they wish to wait until both products are available through the internet. The installment is expected to take place during Oct. 2002.</li> <li>Carol Thompson sent Minister Eyzaguirre an executive summary of CashLink. Minister Eyzaguirre thanked Mrs. Thompson and stated that he will contact Riggs when on a future trip to Washington.</li> <li>The Navy has signed contracts for the Bank's cash</li> </ul>

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International Business Development Activities  
 Mr. Joe Albritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
2002	March	Antarctic	Hosted by Chilean Air Force <ul style="list-style-type: none"> <li>Col. Santiago Callejon Vera, Chilean Air Force</li> <li>Commander Raul Jorquera Conrads, Chilean Air Force</li> </ul>	<p>management services. MICROLINK was installed at the Navy's Finance and Personnel offices in Valparaiso. The Navy has opened 4 year time deposits at Riggs, totaling \$3 million. They have opened new cash secured letters of credit. They have also requested \$1 million unsecured line of credit for future letters of credit.</p> <ul style="list-style-type: none"> <li>Chilean DA - \$2 million line of credit was granted by Riggs and accepted by the Chile DA. All commitment fees have been paid and usage of this line of credit is expected to commence during the 3<sup>rd</sup> quarter of 2002.</li> <li>Mrs. Thompson and Ms. Janell Blue met with Ambassador Tomie, Chile's Ambassador to the OAS, in order to give him a proposal for a buy-lease back transaction. Ambassador Tomie will begin this project in July 2002.</li> <li>ASMAR signed the bank's cash management contracts. MICROLINK and MTW were installed at ASMAR in their Department of Finance. The frigate project has been suspended for the time being. ASMAR has opened a commercial Eurodollar acct. at Riggs in Berlin.</li> <li>Gen. Catalan approved the opening the Carabineros' first official account in U.S. The Carabineros of Chile opened an official acct. during July 2002. They also signed documents for MICROLINK and MTW. Both cash management products have been installed.</li> </ul> <p>Average balances exceed \$100 million.</p>

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International Business Development Activities  
 Mr. Joe Albritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
2002	March	Washington, D.C.		<div style="border: 2px solid black; padding: 10px;"> <p>Redacted by Permanent Subcommittee on Investigations</p> </div>
2002	March	Washington, D.C.		
2002	March	Washington, D.C.		
2002	March	Washington, D.C.		
2002	April	London		
2002	April	New York, NY		
2002	May	Washington, D.C.	<ul style="list-style-type: none"> <li>• General Patricio Campos Montecinos - Chile</li> <li>• Brief meeting at 800 Executive Dining Room, D.A.</li> <li>• Colonel Castell - Chile D.A.</li> <li>• Thanked them for executing loan agreement.</li> </ul>	
2002	June	Washington, D.C.		<div style="border: 2px solid black; padding: 10px;"> <p>Redacted By Permanent Subcommittee on Investigations</p> </div>
2002	June	London		

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International Business Development Activities  
 Mr. Joe Allbritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
2002	June	United Kingdom	Royal Ascot Reception	London. DCM commits to using Riggs.
			<p style="text-align: center;"><b>Redacted By                      Permanent Subcommittee on Investigations</b></p> <ul style="list-style-type: none"> <li>• Captain and Mrs. Carlos Fanta - Assistant Naval Attache, Embassy of Chile</li> <li>• Colonel and Mrs. Ivan Galan - Air Attache, Embassy of Chile</li> </ul> <p style="text-align: right;">Chile - Average balances exceed \$100MM</p>	
2002	June	London and Highgrove, UK		<p style="text-align: center;"><b>Redacted                      by                      Permanent Subcommittee                      on Investigations</b></p>

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RNB035112

International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
				<b>Redacted by Permanent Subcommittee on Investigations</b>

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International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
<b>Redacted by Permanent Subcommittee on Investigations</b>				

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International Business Development Activities  
 Mr. Joe Albritton  
 1992 - 2002

Year	Month	Country	Meeting	Comments
2002	July	Washington, D.C.		<div style="border: 2px solid black; padding: 10px;">                     Redacted                      by                      Permanent Subcommittee                      on Investigations                 </div>
2002	July	Washington, D.C.		
2002	July	Cirencester Park, England		

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RNB035115

International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: 0 auto;"><p><b>Redacted by Permanent Subcommittee on Investigations</b></p></div>				

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International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
<b>Redacted by Permanent Subcommittee on Investigations</b>				

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International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
<b>Redacted by Permanent Subcommittee on Investigations</b>				

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10/8/2002

International Business Development Activities  
Mr. Joe Albritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
2002	October	Jersey		
2002	October	London		
2002	October	Saudi Arabia		

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International Business Development Activities  
Mr. Joe Allbritton  
1992 - 2002

Year	Month	Country	Meeting	Comments
2002	Oct-Nov	Portugal		<b>Redacted by Permanent Subcommittee on Investigations</b>
2002	November	Morocco		

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TIMOTHY C. COUGHLIN, PAUL CUSHMAN III AND MARIA CAROL THOMPSON  
 BUSINESS TRIP TO CHILE AND ARGENTINA  
 (OCTOBER 23 THROUGH OCTOBER 28, 1994)

CONFIRMED MEETINGS, TUESDAY, OCTOBER 25, 1994  
 SANTIAGO, CHILE

## ITINERARY

DATE/ TIME	ACTIVITY/LOCATION	OFFICIAL'S NAME & TITLE
10/25 10:00 a.m.	Central Bank of Chile Agustinas 1180 Santiago, Chile Telephone: [REDACTED]	Dr. Juan Foxley R. Director and Manager of International Division
10/25 11:00 a.m.	Chilean Armed Forces Building Centeno #45 Esquina Alameda, 6th floor Santiago, Chile Telephone: [REDACTED]	General Augusto Pinochet Commander-in-Chief Chilean Armed Forces
10/25 12:00 noon	Chilean Armed Forces Building Centeno #45, 3rd floor Santiago, Chile Telephones: [REDACTED]	General Fernando Rojas Chief of Staff Chilean Air Force
10/25 4:15 p.m.	Ministry of Foreign Affairs Bandera #52 Santiago, Chile Telephone: [REDACTED] Facsimile: [REDACTED]	Ambassador Raul Orellana Director of Administration
10/25 5:15 p.m.	Food and Agriculture Organization of the United Nations Avenida Santa Maria #6700 Santiago, Chile	Mr. Nafez A.K. Abu-Adiya Regional Administrative Officer

[REDACTED] = Redacted by the Permanent  
 Subcommittee on Investigations

RNB035420

Permanent Subcommittee on Investigations

APPENDIX #4 – FN 37

TIMOTHY C. COUGHLIN, PAUL CUSHMAN III AND MARIA CAROL THOMPSON  
 BUSINESS TRIP TO CHILE AND ARGENTINA  
 (OCTOBER 23 THROUGH OCTOBER 28, 1994)

CONFIRMED MEETINGS, WEDNESDAY, OCTOBER 26, 1994  
 VALPARAISO, CHILE

## ITINERARY

DATE/ TIME	ACTIVITY/LOCATION	OFFICIAL'S NAME & TITLE
10/26 11:00 a.m.	Comandancia de la Armada Calle Prat Frente Monumento Heroes de Iquique Valparaiso, Chile Telephone: [REDACTED]	Admiral Jorge Martinez Secretary of the Navy
10/26 12:00 noon	ASMAR (Astilleros y Maestranzas de la Armada) Calle Prat 856, 14th floor Valparaiso, Chile Telephone: [REDACTED]	Commander Sergio Martinez Gonzalez Deputy Director

[REDACTED] = Redacted by the Permanent  
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RNB035421

TIMOTHY C. COUGHLIN, PAUL CUSHMAN III AND MARIA CAROL THOMPSON  
BUSINESS TRIP TO CHILE AND ARGENTINA  
(OCTOBER 23 THROUGH OCTOBER 28, 1994)

CONFIRMED MEETINGS, THURSDAY, OCTOBER 27, 1994  
BUENOS AIRES, ARGENTINA

ITINERARY

DATE/ TIME	ACTIVITY/LOCATION	OFFICIAL'S NAME & TITLE
<p><b>Redacted by Permanent Subcommittee on Investigations</b></p>		

TIMOTHY C. COUGHLIN, PAUL CUSHMAN III AND MARIA CAROL THOMPSON  
BUSINESS TRIP TO CHILE AND ARGENTINA  
(OCTOBER 23 THROUGH OCTOBER 28, 1994)

CONFIRMED MEETINGS, FRIDAY, OCTOBER 28, 1994  
BUENOS AIRES, ARGENTINA

ITINERARY

DATE/ TIME	ACTIVITY/LOCATION	OFFICIAL'S NAME & TITLE
<b>Redacted by Permanent Subcommittee on Investigations</b>		



Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** Dr. Juan Foxley: Director, International Division, Central Bank of Chile  
Santiago, Chile

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on Investigations**

RNB035424

From: CIA. DIVISION ESTUDIOS

PHONE No. : [REDACTED]

Oct. 26 1994 12:48PM

BANCO CENTRAL DE CHILE  
SANTIAGO

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** General Augusto Pinochet: Commander-in-Chief  
of the Chilean Armed Forces, Santiago, Chile

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On October 25, 1994, Timothy Coughlin, Paul Cushman and I called on General Pinochet in order to express our gratitude for returning the official Chilean Military's accounts from Bank of Nova Scotia to Riggs. During the late 1970's the Chilean Military Mission in Washington moved their official deposits to Canada. This was directly related to the assassination of Chilean Ambassador Letelier in 1976. In July 1994, the official accounts were brought back to Riggs. The average year to date deposit balances of the Mission's seven (7) sweep accounts are \$8,019,500. We also offered our personal banking services to General Pinochet and stated that we would also be pleased to make our services available to the *officers of the Chilean Military.*

As follow up, we will send him documentation in order to open a personal account.

RNB035426

## Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** General Fernando Rojas: Chief of Staff, Chilean Air Force  
Santiago, Chile

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On October 25, 1994, Timothy Coughlin, Paul Cushman and I called on General Fernando Rojas in order to explain Riggs' Healthy financial condition. We also discussed the possibility of expanding our banking relationship with the Chilean Air Force. Rojas stated that the majority of their procurement activity is done through their Mission in London. We indicated that we would be delighted to service their banking needs in London through Riggs A.P. Bank. We also stressed our desire to increase our letter of credit activity with the Chilean Air Force.

The Chilean Air Force Mission has banked with Riggs for over 30 years. The Mission maintains six (6) checking accounts and five (5) money market accounts with total average year to date balance of \$616,599.

I believe that this visit was crucial in order to increase our banking relationship. As follow up, we will arrange for a meeting between Riggs A.P. Bank and the Chilean Air Force Mission in London.

RNB035427

Call Memorandum

**FROM:** Carol Thompson  
**TO:** File  
**DATE:** November 3, 1994  
**RE:** Ambassador Raul Orellana: Director of Administration,  
Ministry of Foreign Affairs, Santiago, Chile

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by  
Permanent Subcommittee  
on Investigations**

RNB035428

Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** Nafez A.K. Abu-Adiya: Regional Administrative Officer,  
Food and Agriculture Organization of the United  
Nations, Santiago, Chile

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**Redacted  
by  
Permanent Subcommittee  
on Investigations**

RNB035429

## Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** Admiral Jorge Martinez: Secretary of the Navy,  
Valparaiso, Chile

---

The object of this visit was to stress the bank's healthy financial condition and to seek the return of the Navy's Eurodollar deposits. Admiral Martinez was pleased to hear that Riggs had restored its financial soundness. He listened to our comments; however, he did not discuss the Navy's Eurodollar deposits. He underscored the importance of the Chilean Navy's loyalty to Riggs. Admiral Martinez indicated the possibility of the Chilean Navy engaging in joint ventures with American firms. We offered to assist the Navy in this undertaking.

The Chilean Navy is a highly valued customer of Riggs since the early 1960's. They maintain six (6) checking accounts and one (1) money market account with average year to date balances in the amount of \$3,112,360. Riggs also earned \$13,699. year to date on fees from letters of credit. The bank's overall profitability as of October 18, 1994 is \$68,824. on this relationship.

As follow up, we should stay in close contact with the Navy Mission in Washington and send a letter to Admiral Martinez requesting the return of the Navy's Eurodollar deposits.

RNB035430

Redacted by the  
Permanent Subcommittee  
on Investigations

RNB035431

RNB035432



## Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** Commander Sergio Martinez Gonzalez: Deputy Director,  
Astilleros y Maestranzas de la Armada (ASMAR),  
Valparaiso, Chile

---

On October 26, 1994, Timothy Coughlin, Paul Cushman and I visited ASMAR in order to express our gratitude for the longstanding, highly valuable banking relationship that ASMAR has maintained with Riggs since the early 1960's. Commander Martinez Gonzales was grateful and stated that they were pleased with the bank services. He was interested in knowing whether or not Riggs would want to participate in financing their suppliers in Ecuador. We indicated that Riggs could not undertake such transactions.

ASMAR builds, maintains, repairs, modifies and converts a very wide range of naval equipment and systems for both public and Private sector clients. They carry out modernization on naval devices and all kinds of vessels such as merchant ships, fishing and factory vessels. They also perform work for foreign navies. ASMAR maintains at the bank one (1) DDA with a year to date average balance in the amount of \$1,319,659. ASMAR also maintains at Riggs Eurodollar investments in excess of \$2 million.

Continued close contact is vital in order to maintain and further develop this account relationship.

RNB035433

Redacted by the  
Permanent Subcommittee  
on Investigations

Call Memorandum

**FROM:** Carol Thompson  
Embassy Banking Division

**TO:** File

**DATE:** November 3, 1994

**RE:** Mario Morales: Director of Finance, Direccion Aeronautica Civil  
(Chile D.A.), Santiago, Chile

---

Due to a last minute conflict in his schedule, Mr. Morales was unable to meet with us; however, he made arrangements to give us a signed Business Banker contract and a new signed Master Trust Agreement for the Chile D.A.

The Chile D.A., which operates similarly to the FAA, is a very important client at the bank. They are in charge of major expansion and renovation taking place at the international airport in Santiago. In addition, the Chile D.A. is building new airports in several key locations in Chile.

Riggs has enjoyed a profitable banking relationship with the Direccion Aeronautica Civil since the early 1960's. Their average year to date balances are \$2,019,305.

RNB035442

RIGGS NATIONAL CORPORATION  
800 17th Street, N.W.  
Washington, D.C. 20074-1471  
(202) 835-5507

TIMOTHY C. COUGHLIN  
President

RIGGS

November 4, 1994

General Augusto Pinochet Ugarte  
Chilean Armed Forces  
Centeno 45  
Santiago de Chile

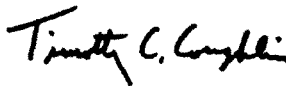
Dear General Pinochet,

It was indeed a pleasure to meet with you last week in Santiago, and I very much appreciate the time and interest you took to discuss Riggs Bank and its banking relationship with the Chilean Military Mission in Washington, D.C. We are very pleased that this historic relationship has been restored after many years and please be assured of my commitment to insuring that your mission and its officers will receive the best banking services. As you know, Riggs has a long established history of banking for the Presidents of the United States and other distinguished persons. It would be an honor for us to open an account for you and to assist you with any banking services you may require outside of Chile. Maria Carol Thompson will forward to you some information and materials for your review so that you can consider opening an account at Riggs.

As a momento of our meeting, I have enclosed a photograph for you. I also want you to know that I have prominently displayed the very handsome medallion you presented to me in my office at Riggs, and I will be pleased to show it to you if you ever decide to visit Washington, D.C. and of course Riggs Bank. In closing I wish to reiterate my thanks for such a delightful meeting and also for the important relationship between the Chilean Military and The Riggs Bank.

With best regards,

Sincerely,



RNB035443

Redacted by the  
Permanent Subcommittee  
on Investigations



REPORT OF TRAVEL EXPENSES

NAME AND TITLE		MR. & MRS. JOE L. ALLBRITTON					DATE:	9/4/86	
DEPARTMENT/DIVISION		THE RIGGS CORPORATION					R.C. No.	405	
PURPOSE OF TRAVEL		BUSINESS TRIP TO QUITO, ECUADOR & SANTIAGO, CHILE - SOUTH AMERICA							
DAILY EXPENSES									
DATE	PLACES VISITED	HOTEL (Daily)	MEALS	TRANSPORTATION	TAXES	ENTERTAINMENT	MSC (Explain Below)	TOTAL	
SAT 8/16/86	Quito, Ecuador								
SUN 8/17/86	" "								
MON 8/18/86	" "								
TUE 8/19/86	Santiago, Chile								
WED 8/20/86	Santiago, Chile Portillo, Chile								
THU 8/21/86	Santiago, Chile Portillo, Chile								
FRI 8/22/86	Santiago, Chile Portillo, Chile								
SAT 8/23/86	Santiago, Chile								
SUN 8/24/86									
TOTALS .....									

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

\*Attach a completed FM-00288 "Report of Entertainment Expenses"

Miscellaneous (Explain) \_\_\_\_\_

APPROVAL: \_\_\_\_\_

DIVISION OR GROUP HEAD

SIGNATURE OF OFFICER OR EMPLOYEE

NOTE: See reverse side for explanations and documentation requirements.

5-571

RNB040517

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 38**



REPORT OF TRAVEL EXPENSES

TO BE REIMBURSED TO THE RIGGS NATIONAL BANK OF WASHINGTON, D.C.

NAME AND TITLE		ROBERT ALLBRITTON/BARBARA ALLBRITTON						DATE:	9/4/86
DEPARTMENT/DIVISION								R.C. No.	
PURPOSE OF TRAVEL		TRIP TO QUITO, ECUADOR & SANTIAGO, CHILE - SOUTH AMERICA							
DAILY EXPENSES									
DATE	PLACE(S) VISITED	MOTEL (Per night)	MEALS	TRANSPORTATION	TAXIS	ENTER TARIFFS	MISC (Explain Below)	TOTAL	
SAT 8/16/86	Quito, Ecuador								
SUN 8/17/86	" "								
MON 8/18/86	" "								
TUE 8/19/86	Santiago, Chile								
WED 8/20/86	" "								
THU 8/21/86	" "								
FRI 8/22/86	" "								
SAT 8/23/86	" "								
SUN 8/24/86	" "								
TOTALS .....									

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

\*Attach a completed FM-00288 "Report of Entertainment Expenses"

Miscellaneous (Explain) \_\_\_\_\_

APPROVAL: *Jackson T. Tillotson*  
DIVISION OR GROUP HEAD

*M. J. G.*  
SIGNATURE OF OFFICER OR EMPLOYEE

NOTE: See reverse side for explanations and documentation requirements.

JOE L. ALLBRITON



3186

September 25, 1986

E-E  
TIC

PAY REGISTERED I 344 DOLS 57 CTS DOLLARS \$1,344.57  
RN251824

TO  
THE  
ORDER  
OF

The Riggs National Bank

⑆00318E⑆ ⑆113000609⑆ 078⑆0718⑆

JOE L. ALLBRITON

DETACH AND RETAIN THIS STATEMENT  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DEEMED

DELUXE FORM WVC-3 V-7

Re: Quito, Ecuador and Santiago, Chile  
trip 8/16-24/86

\$1,344.57

— = Redacted by the Permanent  
Subcommittee on Investigations

RNB040519



MEMORANDUM TO: JAMES A. ONEILL  
SENIOR VICE PRESIDENT & COMPTROLLER  
FINANCE GROUP

FROM: MARY RYAN JOYCE *M*  
SENIOR VICE PRESIDENT

RE: BUSINESS MEETINGS  
DURING TRIP TO CHILE & ECUADOR

DATE: SEPTEMBER 25, 1986

According to your request, below is the list of country's officials whom we met during our recent trip to Chile and Ecuador from August 15 thru September 2, 1986:

Chile

Augusto Pinochet Urgante  
President of the Republic of Chile  
Palacio de la Moneda  
Santiago, Chile

Enrique Sequiel  
President  
Banco Central de Chile  
Agustinas 1180, piso 2  
Santiago, Chile

Harry G. Barnes  
Ambassador  
US Embassy  
1343 Agustinas  
Santiago, Chile

Carlos Cardoen  
Industrias Cardoen  
Providencia 2237, piso 6  
Santiago, Chile

Compania Cervecerias Unidas (CCU)  
Paseo Ahumada 131, piso 2  
Santiago, Chile

Hernan Buchi Buc  
Minister of Finance  
Ministerio de Hacienda  
Teatinos 120  
Santiago, Chile

Hernan Somerville  
Director Coordinator  
de la Deuda Externa  
Banco Central de Chile  
Agustinas 1180, piso 2  
Santiago, Chile

Jose Cox  
Gerente de Proyectos  
Citicorp  
Moneda 970, piso 6  
Santiago, Chile

Guillermo Carey  
Carey & Compania  
Miraflores 178, piso 23  
Santiago, Chile

RNB040520

Memorandum to Mr. James E. Oneill  
Page 2  
September 25, 1986

---

Ecuador

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

RNB040521

MEMORANDUM

TO: Mr. Joe L. Allbritton  
Chairman of the Board

FROM: Paul Cushman, III  
Carol Thompson  
International Banking Group

DATE: November 1, 1995

RE: General Augusto Pinochet Ugarte

---

As a result of discussions related to planning for the trip to Chile, General Izurieta of the Chile Military Mission here in Washington (he came to the luncheon at Lazy Lane in September) has said this morning that General Pinochet would like to invite you to come to Chile in the second week of February to visit General Pinochet at his summer home and to coincide with The Derby in Vina del Mar, the most prestigious horse race in Chile. General Pinochet's personal secretary will be in Washington and would like to begin planning if this would be of interest and would be convenient to your schedule.

Please advise if you would like us to pursue this and thank you for your consideration of this matter.

JLA

## MEMORANDUM

TO: Members of the Executive Committee of the Board of Directors of The Riggs National Bank and Corporation

FROM: Paul Cushman, III *PC III*  
International Banking Group

DATE: March 1, 1996

RE: Chairman of the Board's Visit to Argentina, Chile and Uruguay

Mr. Allbritton visited Argentina, Chile and Uruguay's government officials and Armed Forces to support our relationships with their respective embassies and missions as well as to develop new government related business from these countries. In chronological order, Mr. Allbritton was received in Chile by Admiral Jorge Martinez, Secretary of the Navy, which now has significant deposits with both Washington and Riggs A.P. in London. Mr. Allbritton was received by General Augusto Pinochet Ugarte at the Chilean Army Cavalry School in Quillota for a special cavalry review followed by a ceremony and luncheon. The Military has returned its investment funds to Riggs in Washington after many years at Canadian banks. Mr. and Mrs. Allbritton hosted a dinner in Santiago for Senior officials from the Chilean Air Force. On returning to Washington, a new deposit of \$30 million was placed with Riggs AP Bank by the Air Force. The Chief Finance Officer, General Villafaena, placed this deposit with Riggs despite a higher rate from another competitor bank because of the "relationship" with Riggs.

In Argentina, Mr. Allbritton was received by President Carlos Saul Menem and Domingo Cavallo, the Minister of Finance, was in attendance. This was a significant meeting which was covered by the newspaper La Nacion (copy attached).

**Redacted**  
by  
**Permanent Subcommittee**  
on Investigations

RNB035745

Permanent Subcommittee on Investigations  
**APPENDIX #4 – FN 45**

Memorandum to the Executive Committee  
March 1, 1996  
page 2

This was a successful trip both in terms of reinforcing our embassy relationships and bringing in new business. Carol Thompson, Vice President in our Latin American Embassy Banking Division has done a truly outstanding job in connection with this trip and in managing these embassy relationships despite fierce competition.

RNB035746

LA NACION  
Buenos Aires, Argentina  
February 8, 1996

Together once again: President Menem and Minister Cavallo reunite once again, after their trip to the Swiss city of Davos, in order to receive the Chairman of the Riggs National Bank and Corporation.

Jueves 8 de febrero de 1996



**Otra vez juntos:** el presidente Menem y el ministro Cavallo vuelven a reunirse, después de su llegada del viaje a la ciudad suiza de Davos, para recibir al presidente del Banco Riggs National Corporation.

(Hugo Vibalboa)

RNB035747

THE RIGGS NATIONAL BANK OF WASHINGTON, D.C.  
800 17th Street, N.W.  
Washington, D.C. 20074-0405  
(202) 813-5500

JOE L. ALLBRITTON  
Chairman of the Board

RIGGS

February 14, 1996

Captain General Augusto Pinochet Ugarte  
Commander-in-Chief of the Chilean Armed Forces  
Centeno 45  
Santiago  
Chile

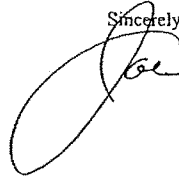
Dear General Pinochet:

I would like to express my profound thanks to you for according me and my associates such a magnificent reception at the Calvary School in Quillota on my visit to Chile. As a horse enthusiast, your fine young calvary officers, their horses and the superb performance they put on was excellent. It was indeed a personal pleasure to spend the day with you in Quillota and to have an opportunity to personally convey our appreciation for the long standing relationship between the Chilean Armed Forces and the Riggs Bank. We attach great importance to our relationship with you and the Chilean Military and look forward to expanding our cooperation in the future.

Chile is clearly a very impressive country with an excellent future thanks to you and the policies and reforms you instituted. As I expressed to you, I will be only too pleased to be of assistance to you and your country in anyway I can in Washington, D.C.

I would like to thank you for the superb cufflinks you presented to me and please know that you would be most welcome to visit my wife Barby and me at our house in Middleburg, Virginia where we raise our thoroughbred race horses.

Sincerely,



RNB035769

Permanent Subcommittee on Investigations

APPENDIX #4 - FN 46

THE RIGGS NATIONAL BANK OF WASHINGTON, D.C.  
800 17th Street, N.W.  
Washington, D.C. 20074-0405  
(202) 835-5500

JOE L. ALLBRITTON  
Chairman of the Board

RIGGS

February 15, 1996

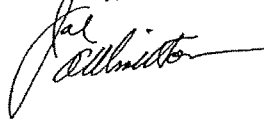
Brigadier General Ricardo Izurieta  
Military Attaché  
Embassy of Chile  
Office of Military Attaché  
2174 Wisconsin Avenue, NW  
Washington, D.C. 20036

Dear General Izurieta:

What a magnificent country you have. With many thanks to you, I am pleased to report that I had an excellent visit to Chile with an especially memorable day with your Commander-in-Chief. From the moment we arrived, we were well looked after and I thank you for all the arrangements you made on our behalf. The Derby was a magnificent event only to be outdone by the truly impressive cavalry officers who performed superbly at the Quillota Military School. I very much enjoyed visiting with General Pinochet and complimented him on his leadership in making Chile into such a success. I offered to him a standing invitation to come and visit our Lazy Lane Farm in Virginia, should he decide to visit the United States.

I thank you for all of your kind assistance in making this such a successful visit. Carol and Paul will brief you on the details of my meetings.

Sincerely,



RNB035775

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 47





JLA  
FROM THE DESK OF:  
RAYMOND M LUND

March 4, 1997

To: Mr. Allbritton

With reference to the attached, I would recommend a \$5,000 contribution.

Please let me know if you concur.

*Ray*

*Algeria Foundation:*  
*\$5,000 OK*  
*Tim G. Lynch*  
Riggs Bank NA

RNB035735



RIGGS

FROM THE DESK OF:

RAYMOND M LUND

---

March 4, 1997

To: Mr. Allbritton

With reference to the attached, I would recommend a \$5,000 contribution.

Please let me know if you concur.

A handwritten signature in black ink, appearing to read "Ray".

Riggs Bank NA

RNB035736

## MEMORANDUM

TO: Ray Lund  
International Banking Group

FROM: Carol Thompson  
Embassy Banking

DATE: March 3, 1997

RE: Donation

---

Please find the attached information on the Augusto Pinochet Ugarte Foundation. This foundation was formed on November 25, 1995 as a birthday gift to General Pinochet. The main objective of the foundation is to develop Chilean culture, art and education. The foundation provides assistance to public schools, libraries and museums as well as, supports cultural events, student awards and sports activities. The foundation also grants scholarships at the university level. The Chilean Armed Forces feel that it is important to promote and preserve the value of the historical and cultural identity of Chile.

General Ricardo Izurieta has asked if Riggs Bank would be so gracious as to contribute to this worthy cause. If a donation is approved, I would personally deliver it to General Pinochet.

Our relationship with the Chilean Armed Forces is long standing, highly valued and one of the largest in Embassy Banking both on an official and personal basis. Total deposits for the relationship are in excess of \$50 million and at times have exceeded \$100 million.

RNB035737

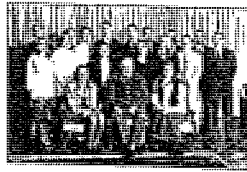
*Stantamate*  
Ricardo Izurieta Caffarena  
Mayor General  
Ayudante Militar y Jefe de las Misiones Militares  
de Chile en B. U. de A.

Fono Fp. (202) 965-9661/62


- MIEMBROS PERMANENTES**
- *Presidente Honorario*  
CGL. Augusto Pinachet Ugarte
  - *Presidente*  
Sr. Hernán Briones Gorostiaga
  - *Directores*  
Sra. Lucía Huzaril de Pinachet  
Sra. Lucía Pinachet Hiriart  
Sr. Carlos Cáceres Contreras  
BGL. Luis Costes Villa  
Sr. Hernán Guiloff Izikson  
Sr. Alberto Kassis Sabag  
Sr. Alfonso Márquez de la Plata I.  
Sr. Jorge Pinto Aránguiz.
  - *Secretario Ejecutivo*  
MGL. Jorge Ballerino Sandford.



*CGL Augusto Pinachet Ugarte  
entrega la primera beca de estudios*



*Primeros fundadores de la Fundación  
Presidente Augusto Pinachet Ugarte*

  
**"UNA FUNDACION  
PARA COOPERAR AL DESARROLLO  
DE LA SOCIEDAD LIBRE  
Y EL PATRIMONIO HISTORICO  
DE CHILE"**

*Casa Central  
O'Brien N° 2244  
Vitacura  
Fono 207 4009  
Casilla N° 52030 - Correo Central*

RNB035739

*La libertad y desarrollo que vive hoy Chile se deben en gran medida a la gestión del Capitán General Augusto Pinochet Ugarte y de las Fuerzas Armadas y de Orden, las cuales legaron una obra fundacional para que los chilenos la ejercitaran y disfrutaran en base de la autonomía personal, de la libre iniciativa y el libre ejercicio de sus derechos.*

*Hoy, la sociedad se hace una Fundación que se encargará de cooperar, promover y preservar esos valores y la identidad histórico-cultural de Chile, como asimismo difundir la obra del Gobierno de las Fuerzas Armadas.*

#### OBJETIVOS DE LA FUNDACION

- Acciones de cooperación y respaldo al bien común de la Nación
- Difusión de la obra fundacional del Gobierno de las Fuerzas Armadas
- Fomento de ideas, principios y valores del orden social libre
- Obras de ayuda social
- Investigación, desarrollo y difusión de la cultura, arte y educación
- Auspicio y financiamiento de becas de estudios universitarios, de enseñanza superior y técnica

#### AREAS Y OBRAS MAS RELEVANTES DE SU GESTION

- Becas de estudios universitarios
- Creación de sedes regionales y provinciales de la Fundación
- Marco académico
- Patrocinio de escuelas públicas
- Hogares universitarios
- Bibliotecas
- Centro de estudios
- Eventos culturales
- Premios y estímulos a estudiantes
- Museos de la identidad histórico-cultural
- Promoción y auspicio del deporte



REGLAMENTO QUE REGULA  
EL OTORGAMIENTO DE BECAS DE  
LA EDUCACION SUPERIOR  
FUNDACION AUGUSTO PINOCHET UGARTE

Translation  
For: Mr. Joe Albritton  
By: Perry De Luca  
Date: 7/3/97  
Re: Correspondence from Herman Briones Gorostiaga, President of the President  
Augusto Pinochet Ugarte Foundation.

*Chick*  
*To: Ray L*

*To: Mr. Thompson*

With my respect,

As a present intermediary, I have the pleasure of very cordially saluting you and demonstrating to you the sincere appreciation of the President August Pinochet Ugarte Foundation for the important donation made to us in the name of the prestigious bank over which you preside.

As a special order of our President, the Honorable General Augusto Pinochet Ugarte, in the name of the Board of Directors and for myself I reiterate to you our sincere appreciation for this contribution, which will be bound for the educational endeavors that we find ourselves presently developing at the foundation.

Very Best Wishes to you,

Herman Briones Gorostiaga  
President, President Augusto Pinochet Ugarte Foundation

RNB035742

Permanent Subcommittee on Investigations

**APPENDIX #4 - FN 50**





*Santiago de Chile, 22 de abril de 1997*

*Señor*  
**JOE J. ALLBRITTON**  
*Chairman*  
*Riggs Bank N. A.*  
*WASHINGTON D.C.*

*De mi consideración:*

*Por intermedio de la presente, tengo el agrado de saludarlo muy cordialmente y manifestarle el sincero agradecimiento de la "Fundación Presidente Augusto Pinochet Ugarte", por la importante donación que nos hiciera llegar en nombre de la prestigiosa entidad bancaria que usted preside.*

*Por especial encargo de nuestro Presidente Honorario, Capitán General Augusto Pinochet Ugarte, en nombre del Directorio y en el mío propio, le reitero nuestros agradecimientos por este aporte, el que será destinado a las labores educacionales que se encuentra desarrollando la Fundación actualmente.*

*Saluda muy atte. a Ud.,*

*Hernán Briones Gorostiaga*  
*Presidente*  
*Fundación Presidente Augusto Pinochet Ugarte*

*cc. Sr. A. Pinochet U.*



SEÑOR  
JOE HILBUNTON SILURIAN  
RUGGS B. INC. N.A.  
EXECUTIVE OFFICE 80017TH  
SUIT, WASHINGTON DC.

R 5910



07 JUL 97 10:48

O'BRIEN 2244, VITACURA - FONO (56-2) 297 4089 - CASILLA 52059, CORREO CENTRAL - SANTIAGO, CHILE

Chairman's Trip  
South America  
1997

Mexico

Monday, October 20, 1997

TO: MEXICO CITY

2:00pm Depart DCA  
Flight time 3 hours 45 minutes  
Time Difference -1

4:45pm Arrive Mexico City

Tuesday, October 21, 1997

MEXICO CITY

10:00am

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

1:00pm

Argentina

Wednesday, October 22, 1997

TO: BUENOS AIRES

9:00am Depart Mexico City for Guayaquil, Ecuador  
Flight Time 4 hours, Time Difference - No Change

1:00pm Arrive Guayaquil, Ecuador  
Fuel Stop 1 hour  
Flight Time to BA 4 hours 45 minutes, Time Difference +2

8:45pm Arrive Buenos Aires

RNB035552

**Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 51**

204

Chairman's Trip  
South America  
1997

Argentina (cont'd)

Thursday, October 23, 1997

11:00am

12:30pm

8:00pm

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

Friday, October 24, 1997

7:30pm

Saturday, October 25 and Sunday, October 26  
SAN CARLOS DE BARILOCHE

TBD Flight Time 2 hours  
Llao Llao Hotel

RNB035553

205

Chairman's Trip  
South America  
1997

Argentina (cont'd)

Monday, October 27, 1997

9:00am

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

10:30am

Uruguay

Friday, October 24, 1997

TO: MONTEVIDEO

10:00am

Depart Buenos Aires  
Flight Time 40 minutes

10:40am

Arrive Montevideo

12:30pm

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

RNB035554

Chairman's Trip  
South America  
1997

## Chile

Monday, October 27, 1997

TO: SANTIAGO

3:00pm Depart Buenos Aires  
Flight Time 1 hour 45 minutes

4:45pm Arrive Santiago

7:30pm Dinner at Hyatt Santiago  
Major General Ricardo Izurieta and  
Mrs. Beatriz Linzmayer  
Riggs: JLA, BBA, TCC, Mrs. C., RML, MCT, MJE

Tuesday, October 28, 1997

SANTIAGO AND VINA DEL MAR

10:00am Meeting  
General Gonzalo Miranda  
Chairman, Direccion General de Aeronautica Civil  
Colonel Jaime Echenique, Chief of Finance  
Riggs: JLA, TCC, RML, MCT

11:00am Meeting  
General Fernando Rojas Vender  
Commander in Chief of the Chilean Air Force  
Riggs: JLA, TCC, RML, MCT

12:00pm Depart Santiago for Vina del Mar

12:30pm Arrive Vina del Mar

12:45pm Luncheon  
Vice Admiral Jorge Patricio Arancibia-Reyes, Under Secretary of the Navy  
Vice Admiral Herman Coujodjian Bergamali, Director of Personnel  
Rear Admiral Federico Klein Koch, Secretary General of the Navy  
Rear Admiral Felipe Howard Brown, Sub-Jefe del Estado Major General  
Rear Admiral Santiago Diaz Torres, Director de Abastecimiento y Contabilidad  
Rear Admiral Guillermo Valenzuela Goudie, Director of Projects and  
Investigations  
Captain Alejandro Osorio Oliva, Chief of Finance  
Riggs: JLA, TCC, MCT

RNB035555

Chairman's Trip  
South America  
1997

Chile (cont'd)

9:00pm Dinner at home of  
Ambassador Genaro Arriagada Herrera  
Mrs. Genaro Arriagada, Special Assistant to the President  
  
Minister Eduardo Aninat, The Minister of Finance of Chile  
and Mrs. Teresa de Aninat  
  
Riggs: JLA, BBA, TCC, Mrs. C., MCT

Wednesday, October 29, 1997

SANTIAGO

11:15am Captain General Augusto Pinochet Ugarte  
Comunander in Chief of the Chilean Armed Forces  
  
Riggs: JLA, TCC, RML, MCT  
  
12:30pm Eduardo Frei, President of Chile  
  
Riggs: JLA, TCC, RML, MCT  
  
5:30pm Tea in honor of JLA  
Captain General Augusto Pinochet Ugarte  
Military Club Locuro  
  
Riggs: JLA, BBA, TCC and Mrs., RML, MCT, MJE  
  
8:00pm Dinner at the home of General Izurieta and Mrs. Beatriz Linzmayer  
  
Riggs: JLA, BBA, TCC and Mrs., RML, MCT

Chairman's Trip  
South America  
1997

Thursday, October 30, 1997

TO: WASHINGTON

10:00am	Depart Santiago for Guayaquil Flight Time 4 hours 30 Minutes Time Difference -2
12:30pm	Arrive Guayaquil for 1 hour Fuel Stop
1:30pm	Depart Guayaquil for Tampa Flight Time 4 hours 15 minutes Time Difference - no change
5:45pm	Arrive Tampa for Fuel Stop and Customs
6:45pm	Depart Tampa Flight Time 1 hour 50 minutes
8:35pm	Arrive DCA

RNB035557



## MEMORANDUM

TO: JOE L. ALLBRITTON  
CHAIRMAN

FROM: MARIA CAROL THOMPSON <sup>CT</sup>  
EMBASSY BANKING

DATE: OCTOBER 14, 1997

RE: CHILE COUNTRY OVERVIEW

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Since the early 1960s Riggs has enjoyed a profitable, longstanding banking relationship with the Chilean Navy, Air Force, Astilleros y Maestranzas de la Armada (ASMAR, the Navy Shipyard), and the Direccion Aeronautica Civil (Chile DA, the equivalent of the FAA). In July 1994, the Chilean Military Mission brought back their official accounts to Riggs from the Bank of Nova Scotia. The Military Mission's official accounts were removed from Riggs and taken to the Bank of Nova Scotia in 1979. This was directly related to the assassination of the Chilean Ambassador Orlando Letelier in Washington, D.C. in 1976.

During 1993, the Chilean Navy moved \$4 million from Riggs and placed it in Banco Hispanoamericano. The Navy brought the \$4 million back and an additional \$3 million during July 1995. In addition, the Chilean Navy established an official banking relationship with Riggs Europe during August 1995. This particular relationship in London now represents deposits in excess of \$20 million, letters of credit, foreign exchange and a line of credit in the amount of GBP 1,800,000.

In July 1990, the Chilean Embassy also returned to Riggs after banking with the National Bank of Washington for ten years. We maintain in close contact with the Chilean Ambassador, John Henry Biehl, through the Bank's relationship and through our active participation in the Washington-based Chilean American Chamber of Commerce.

Our overall relationship with Chile represents deposit balances in excess of \$65 million. During 1996, the Bank earned \$600,000 on those deposits and letters of credit fees in the amount of \$15,000. ASMAR has a \$3 million unadvised facility for the issuance of letters credit. We have recently established a \$10 million unadvised facility for Letters of Credit for the Chile DA. This facility is for the purchase of radars for Chilean Airports. All of these facilities are issued on a 100% cash secured basis with the cash collateral being held in Riggs & Co under a Master Credit Agreement.

RNB035674

**Permanent Subcommittee on Investigations****APPENDIX #4 - FN 52**

During July 1996 the Bank approved a 6 year Term Loan in the amount of \$12 million in order to finance the Chilean Presidential Aircraft (Boeing 737-500). On January 17, 1997 the first disbursement was made to Boeing.

Banco del Estado de Chile maintains an account at the bank with an average year-to-date balance of \$ [REDACTED]. Riggs does not have accounts with any Chilean banks.

Economic and trade reforms undertaken by the Government of Chile have laid the foundation for sustained economic growth as seen over the past decade and as reflected in their single A rating by Moody's. Therefore, our relationship with Chile is one of the most significant among the Latin countries.

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

**Call Report**

**To: File**  
**From: Maria Carol Thompson**  
**Date: November 6, 1997**  
**Re: Chilean Army Mission**

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On October 29, 1997, Joe L. Allbritton, Timothy C. Coughlin, Ray Lund and the writer called on Captain General Augusto Pinochet Ugarte at the Armed Forces building in Santiago. The purpose of this visit was to personally greet the Commander in Chief and to thank him for the long standing and profitable relationship that the Chilean Army maintains with Riggs Bank.

General Pinochet was very gracious and warm. He briefly touched on his retirement plans in the near future and indicated that he hoped to have the opportunity to visit the U.S. as a civilian. He also commented that he had just returned from an interesting trip to China. He was an official guest of the Chinese Government during the first half of October. General Pinochet complimented Mr. Allbritton on the new Embassy Banking Branch in London. During a recent trip to London, Bob Roane gave General Pinochet a tour of Embassy Banking in London.

Later that afternoon Gen. Pinochet and his son Marco Antonio hosted a tea in honor of Mr. and Mrs. Allbritton at the Lo Curo Military Club in Santiago.

RNB035567

**Permanent Subcommittee on Investigations**

**APPENDIX #4 – FN 53**

Gift List  
October 1997  
South America

Country	Date	Person	Gift	#
Mexico	10/21/97			
Buenos Aires	10/23/97			
Uruguay	10/24/97			
Buenos Aires	10/27/97			
Chile	10/27/97			
	10/28/97			
	10/29/97	General Pinochet	Confederate Bond Computer Game 1 Computer Game 2	C8 C9 C10

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

RNB035616

**Permanent Subcommittee on Investigations  
APPENDIX #4 – FN 55**



214

FAX TRANSMITTAL FORM

RIGGS BANK N.A.  
INTERNATIONAL BANKING GROUP  
800 17TH STREET, NW  
WASHINGTON, DC 20006

PLEASE DELIVER IMMEDIATELY

SENDER'S FAX NUMBER: ( [Redacted]  
SENDER'S PHONE NUMBER: [Redacted]

Redacted by the  
Permanent Subcommittee  
on Investigations

ATTENTION: [Redacted]  
Gallery of History

FACSIMILE NUMBER: [Redacted]

FROM: Maggie Pozzi  
International Banking Group

DATE: January 16, 1998

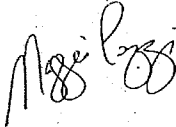
PAGES TO FOLLOW: 1

ADDITIONAL MESSAGE:

[Redacted]

As promised a copy of the the plaque is attached. Thanks so much for your help in replacing it with the proper date.

Best regards,



[Redacted] = Redacted by the Permanent  
Subcommittee on Investigations

RNB035657



CONFEDERATE BOND  
102691 (pickup) SOLD  
6x4 BLACK BRASS

*The Last "Financial" Stand  
of the Southern Congress*

On February 17, 1864, the Confederate Congress issued bonds with coupons in a venturesome attempt to raise monies for desperately needed supplies and food for the beleaguered Southern troops. Coupon and bonds depicted the equestrian George Washington, the Founding Father of America, as the Confederate government saw this symbolism as lending to their credibility. These bonds, backed by cotton, tobacco and naval supply exports, were bought primarily by European investors who benefited from the cotton exports during the Civil War. In February 1864, Union General William T. Sherman's advances at Meridian, Mississippi, were cutting off Confederate railroads and supply depots. Because of these and other Union victories, cotton products intended to guarantee these bonds became increasingly difficult to export, which led to the demise of the Southern economy and contributed to the South's surrender on April 9, 1865.

1865

RNB035658

216

FAX TRANSMITTAL FORM

RIGGS BANK N.A.  
INTERNATIONAL BANKING GROUP  
800 17TH STREET, NW  
WASHINGTON, DC 20006

PLEASE DELIVER IMMEDIATELY

SENDER'S FAX NUMBER:  
SENDER'S PHONE NUMBER:

Redacted by the  
Permanent Subcommittee  
on Investigations

ATTENTION:

[REDACTED]

Gallery of History

FACSIMILE NUMBER:

[REDACTED]

FROM:

Maggie Pozzi  
International Banking Group

DATE:

October 27, 1997

PAGES TO FOLLOW:

0

ADDITIONAL MESSAGE:

[REDACTED]

Goodmorning. The Bond is so beautiful. The frame is beautiful and we cannot wait to present it to General Pinochet. I have one very important favor to ask of you today. Could you please fax me a copy of what the plaque says below the Confederate Bond. My colleague, Carol Thompson, that was shopping with me, needs to be able to present the gift and translate the plaque into Spanish.

Please call me.

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

RNB035659



November 14, 1997

Captain General Augusto Pinochet Ugarte  
Commander in Chief  
c/o Chilean Military Mission  
2174 Wisconsin Avenue, N.W.  
Washington, DC 20007

Dear General Pinochet:

Just having returned from South America, Barby and I wanted to express our sincere appreciation for the warm reception accorded to us during our recent visit to Santiago. Please be assured that you and your Government have a strong advocate in The Riggs Bank and I earnestly share your views concerning enhanced trade and economic ties between our two countries.

I am pleased to report the business relationship between Riggs and the Chilean Military is prospering. I am also grateful for our thriving personal friendship, which you have demonstrated through your gracious hospitality and stalwart support of The Riggs.

As I mentioned to you in our discussions, the long-term prospects for Chile's adherence to democratic, free market principles are strong, which is the direct result of your leadership. You have rid Chile from the threat of a totalitarian government and an archaic economic system based on state-owned property and centralized planning. We in the United States and the rest of the Western Hemisphere owe you a tremendous debt of gratitude and I am confident your legacy will have been to provide a more prosperous and safer world for your children and grandchildren.

I thank you for the marvelous gifts extended to both Barby and myself, including the history books, which I have found fascinating. I ask that you convey our best wishes to Marco Antonio and the rest of your family. I look forward to continuing our discussion and would be most pleased to reciprocate your gracious hospitality the next time you are in the United States.

Warmest personal regards,

RNB037440

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 56

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October 31, 1997

My dear General Pinochet:

It was a great pleasure and honor to be with you on Wednesday at tea at the Military Club. You were so very gracious to allow us this time with you and I was extremely pleased to have this appointment to meet and be with your son Marco Antonio.

The elegant lapis lazuli box you so kindly gave to me shall be used and displayed with a great deal of pride and pleasure. It shall be a reminder of this special time we spent with you during our trip to Santiago.

I do hope that you will come to visit us when your schedule allows. I shall look forward to receiving Mrs. Pinochet and having the pleasure of knowing her.

I am so appreciative of the book you sent to me that your daughter Lucia did on your life. After reviewing it I feel I know you and your family, and now I am excited about the possibility of meeting more of your family and having our friendship develop more.

With appreciation and respect for you and all you have done for our world.

Sincerely,

Captain General Augusto Pinochet ~~Ugarte~~  
Commander in Chief  
c/o Chilean Military Mission  
2174 Wisconsin Avenue, N. W.  
Washington, D. C. 20007

RNB037212

Permanent Subcommittee on Investigations  
APPENDIX #4 – FN 57

RIGGS NATIONAL CORPORATION  
800 17th Street, N.W.  
Washington, D.C. 20074-1471  
(202) 835-5300

JOE L. ALBRITTON  
Chairman of the Board and  
Chief Executive Officer

RIGGS

November 10, 1997

Captain General Augusto Pinochet Ugarte  
Commander in Chief  
c/o Chilean Military Mission  
2174 Wisconsin Avenue, N.W.  
Washington, D.C. 20007

Dear General Pinochet:

Your gracious reception of the delegation from Riggs Bank during my Chairman's recent visit to Chile is much appreciated, and we have returned to the United States with greater understanding than ever of all you have done for your country. Each time we visit Chile, its continued progress under the policies which you so wisely established is amazing to behold, and the entire western hemisphere is the beneficiary.

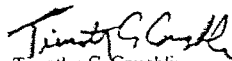
Riggs is privileged to serve Chile's banking requirements, and we will do everything within our power to promote economic trade and military alliance between our two countries which should be the closest of trading partners and military allies. Thanks to you, Chile's policies and objectives are the same as those of the United States, and we must continue to work hard to realize the enormous mutual potential before us.

The opportunity for all of us including our wives to meet with you and your son, Marco Antonio, was a particular pleasure. As parents of four children, my wife and I appreciate the strength of the Pinochet family, and we look forward to the same enjoyment of our future grandchildren that you have today.

Of the books that you have given me, I am just finishing my reading of "The Crucial Day". The factual objectivity with which you tell the story of Chile in the early 1970s is both fascinating and instructive. History provides for fair and proper judgement only when the true facts are known.

With thanks for your gracious hospitality and with best regards.

Sincerely,

  
Timothy C. Coughlin  
President

TCC/rm

RNB035590

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 58

RIGGS NATIONAL CORPORATION  
801 17th Street, N.W.  
Washington, D.C. 20074-1471  
(202) 835-5597

TIMOTHY C. COUGHLIN  
President

RIGGS

November 25, 1997

Via Fax and Mail:

Captain General Augusto Pinochet Ugarte  
c/o Chilean Military Mission  
2174 Wisconsin Avenue, N.W.  
Washington, D.C. 20007

Dear General Pinochet:

On the occasion of your birthday today, all of your friends and supporters at Riggs Bank send you our appreciation and congratulations for all you have done for Chile. Please accept our best wishes for every success in your continuing service to Chile in 1998 and many happy returns to the date of your birth in the years to come.

Sincerely,

Timothy C. Coughlin  
President

TCC/rm

bcc: Raymond M. Lund  
Maria Carol Thompson

RNB035602

Permanent Subcommittee on Investigations

APPENDIX #4 - FN 59

Timothy C. Coughlin Maria Carol Thompson Business Trip to Chile Sunday, March 22, 1998	
8:45am	Arrive to Santiago - greeted at airport by official FIDAE chaperone Col. Rodolfo Neira (Chief of Finance Chilean Air Force) Sheraton Hotel San Cristobal 1742 Santa Maria Ave. Santiago, Chile [REDACTED] [REDACTED]
10:00am	
11:00am	
12:00am	
1:00pm	Lunch Ambassador Genaro Arriagada and Mrs. Ana Maria de Arriagada [REDACTED] [REDACTED] (To be confirmed)
2:00pm	
3:00pm	
4:00pm	
8:00pm	Dinner- Anakena Restaurant, Hyatt Hotel Avenida Kennedy 4601 Santiago, Chile [REDACTED] Col. Eduardo Cruz and Mrs. Ximena de Cruz [REDACTED] (Confirmed)

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

RNB035124

Timothy C. Coughlin Maria Carol Thompson Business Trip to Chile Monday, March 23, 1998	
10:00am	Arrive to FIDAE Los Cerrillos Airport Avenida Pedro Aguirre Cerda No. 5500 Santiago, Chile [REDACTED]
11:00am	FIDAE 98 Opening Ceremony Cocktail
12:00pm	Follow official FIDAE program
1:00pm	Follow official FIDAE program
2:00pm	Follow official FIDAE program
3:00pm	Follow official FIDAE program
4:00pm	Follow official FIDAE program
5:00pm	
8:00pm	Dinner - Restaurante Crostini- Hyatt Hotel Avenida Kennedy #4601 Santiago, Chile [REDACTED] Major General Juan Carlos Nielsen and Mrs. Anabela de Nielsen Chief of Chile National Defense Staff [REDACTED]

(Confirmed)

[REDACTED] = Redacted by the Permanent  
 Subcommittee on Investigations

RNB035125

Timothy C. Coughlin Maria Carol Thompson Business Trip to Chile Tuesday, March 24, 1998	
9:00am	Meeting Gen. Marcos Meirelles Guizman Col. Jaime Echenique Los Cerrillos Airport Santiago, Chile [REDACTED] (Confirmed)
10:30am	Gen. Fernando Rojas Vender Chalet of the Commander in Chief in Fidae Contact: Commander Rodolfo Baeza Maturana [REDACTED] (Confirmed)
12:00am	Luncheon Capitan General Augusto Pinochet Ugarte Honorary Commander in Chief/ Senator [REDACTED] (Confirmed)
1:00pm	Eduardo Aninat Minister of Finance Teatinos 120, Piso 12 Santiago, Chile [REDACTED] Office [REDACTED] [REDACTED] (To be confirmed)
3:00pm	Mayor General Ricardo Izurieta Commander in Chief Edificio de las Fuerzas Armadas Zenteno 45 Santiago, Chile [REDACTED] [REDACTED] (To be confirmed)
8:00pm	Official Dinner hosted by FIDAE 98 Casapiedra

[REDACTED] = Redacted by the Permanent  
 Subcommittee on Investigations

RNB035126

Timothy C. Coughlin Maria Carol Thompson Business Trip to Chile Wednesday, March 25, 1998	
9:00am	Commander Gonzalo Artigas Chief of Finance Direccion General del Territorio Maritimo y de Marina Mercante Calle Erazuriz 537 Valparaiso, Chile [REDACTED] (Confirmed)
9:45am	Admiral Onofre Torres Director of Administration Calle Prat 620, Piso 2 Valparaiso, Chile [REDACTED] (Confirmed)
11:00am	Enrique Cruzat Reyes ASMAR Calle Prat 856, Piso 14 Valparaiso, Chile [REDACTED] (Confirmed)
12:30pm	Luncheon Hotel Miramar Caleta Abarca Valparaiso, Chile [REDACTED] Comodoro Alberto Diaz Director of Finance Chile Navy (Confirmed)
3:00pm	Adm. Jorge Martinez Busch Edificio del Congreso Nacional (entrada Calle Victoria) 9th Floor Valparaiso, Chile [REDACTED] (Confirmed)
4:00pm	Mr. Timothy C. Coughlin return to U.S.
8:00pm	FIDAE dinner in Santiago / MCT

[REDACTED] = Redacted by the Permanent  
 Subcommittee on Investigations

RNB035127



Maria Carol Thompson Business Trip to Chile Thursday, March 26, 1998	
9:00am	IPB
12:30pm	Luncheon
4:00pm	IPB Meeting Ms. Teresita Merino Sheraton Hotel 1742 Santa Maria Ave. Santiago, Chile [REDACTED]
8:00pm	MCT return to the U.S.

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

RNB035128

RIGGS NATIONAL CORPORATION  
800 17th Street, N.W.  
Washington, D.C. 20006  
(202) 835-5507 Fax: (202) 835-5226

TIMOTHY C. COUGHLIN  
President

RIGGS

April 23, 1998

Captain General Augusto Pinochet Ugarte  
Honorary Commander in Chief/Senator  
c/o Chilean Military Mission  
2174 Wisconsin Avenue, N.W.  
Washington, D.C. 20007

Dear General Pinochet:

Thank you for your gracious hospitality at luncheon when Carol Thompson and I were in Santiago last month. Also appreciated are your gifts of the Chilean Army's handsome cuff links which my Chairman and I are proud to wear.

Carol and I enjoyed our visit with you immensely and hope to see your son on his next trip to Washington, D.C. We look forward to seeing you soon.

With best regards.

Sincerely,



Timothy C. Coughlin  
President

TCC/rm

RNB037225

Chairman's Trip to Latin America  
March 1999  
Gift Ideas

Friday, March 12  
Jockey Club Dinner, Miami

Saturday, March 13  
To Santiago, Chile

Sunday, March 14  
South Chile

Lieutenant General Izurieta  
Commander & Chief of the Chilean Army and Mrs. Beatriz Lizamayer

Monday, March 15  
South Chile

Lieutenant General Izurieta  
Commander & Chief of the Chilean Army and Mrs. Beatriz Lizamayer

Gifts:

**Redacted  
by  
Permanent Subcommittee  
on Investigations**

5:00 PM General Fernando Rojas Vender, Commander in Chief, Chilean Air Force  
Gift: [REDACTED]

Dinner John Biehl del Rio, Secretary General to the President and Mrs. Maria C. Navarrete de Biehl (Gloria)

Gifts: [REDACTED]  
[REDACTED] Presented to John Biehl del Rio, [REDACTED]  
[REDACTED]

Mrs. Biehl: [REDACTED]

Tuesday, March 16

General Jorge Coddou Briga, Chairman, Direccion General Aeronautica Civil  
Gift: [REDACTED]

Luncheon Vice Admiral Jorge Patricio Arancibia, Secretary of the Navy  
Gift: [REDACTED]

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

RNB036159

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 70**

March 21, 2000

Lieutenant General Ricardo Izurieta  
Mrs. Beatriz Linzamayer  
Commander in Chief  
Chilean Army  
C/o Chilean Army Mission  
2174 Wisconsin Avenue  
Washington, D. C. 20007

Dear Lieutenant General and Mrs. Izurieta:

Behind every great man is a great woman. Beatriz, you have truly a shining star in Chile.

Where do I begin to thank you? You graced our suite with the sweet smell of beautiful flowers and Chilean wine. You gave us your time on the very eve of the General's return. And if that weren't enough, you remembered *Romeo and Julieta No. 2!* We truly did have a wonderful time getting together with you again for dinner on our recent visit to Santiago.

We still reminisce about that wonderful weekend we met you in Puerto Montt. There are so many priceless gifts you have given, but above all let me thank you for your friendship. This is truly what brought us back to Chile.

On behalf of the Riggs, I wish to thank you and the Army for our longstanding and magnificent relationship. We do look forward to expanding and enhancing it well into the future.

Your kindness and hospitality are far greater than we can ever repay, but I do hope you will present me one day with the opportunity. My house is your house. If you come to Washington or Virginia, I would love to have you visit us in the city or at the farm. If you find yourself needing the sun or the snow, you are welcome to sun at our place in La Jolla or to ski in Aspen.

My very best to you both and to Oscar, Ricardo, Victoria and Mariajose. I remain

Sincerely yours,

RNB036517

Permanent Subcommittee on Investigations

**APPENDIX #4 – FN 75**



## Confidential Memorandum

**To:** File

**From:** Michael Cantacuzene  
Advisory Services Group

**Date:** August 9, 2000

**Re:** Prominent International Private Banking Client

Recent developments in Chile require Riggs to develop alternative strategies for working with our prominent client. The legal status changes are likely to induce our client to change his passive/dormant approach regarding his accounts with in Washington and his accounts elsewhere. The media state that he might be required to convert his assets into a legal bond. Although we can assume that our client has real assets in Chile, it is likely that he will increasingly call on his assets outside of Chile.

Our client's initial request for 3 drafts indicates that our client is more interested in his assets held outside of Chile. The draft mechanism of transferring funds or making payments has both positive and negative aspects. Any draft requires the bank to complete the payee information and to arrange delivery. These two requirements are fraught with potential, but surmountable, challenges. (e.g., KYC, BSA and customs) It is also likely that our client has insufficient knowledge to specifically identify the transfer mechanism that best suits his needs.

**Recommendation:** Prior to completing the final request for the drafts, Riggs should talk with the client to determine his specific near term and long term needs for transfers and payments.

The potential future change in the client's legal status might impair the client's legal ability to instruct Riggs. I understand that the account is construed so that a person close to the client can act in the client's interest and issue instructions in the client's interest.

**Recommendation:** Riggs should contact the second party in order to determine that party's future role and responsibilities.

An Internet search using the client's name, results in information linking Riggs to the client. The client's overseas legal proceedings also included legal "freezing" of assets in a third country. Riggs' linkage to the client is "out there". It is possible that Riggs might receive legal and applicable instructions to "freeze" the client's assets and to reveal all information held in OECD offices regarding the client.

**Recommendation:** Inform appropriate Riggs senior management, public relations officials and legal counsel of the potential to receive subpoenas, legal/regulatory requests and/or press inquiries.

RNB035297

Permanent Subcommittee on Investigations  
APPENDIX #4 – FN 78

The client's recent change in legal status and the potential for another change in legal status require a comprehensive Riggs strategy regarding the Riggs/client relationship and the account related instructions.

**Recommendation: Develop client relationship strategy (based on expected developments) for approval by appropriate Riggs senior management, public relations officials and legal counsel.**

The recent departure of an officer from Latin America Embassy Banking is not a positive development. The officer knew of the Riggs/client relationship and is possibly now working for a competing institution. The former SVP in charge of Latin America Embassy Banking once theorized that another former Riggs employee might have been involved in the media allegation of the client having an account at Riggs.

**Recommendation: Recognize that there are former Riggs officers with accurate and specific knowledge regarding the client.**

Reports indicate that very senior Riggs executives might be considering a trip to Chile and Latin America. A trip by senior Riggs executives to Chile and Latin America at this time poses significant risks to Riggs and our client. Riggs extensive relationships and contact with senior Chilean military officials and departments is well known. The arrival of a senior Riggs executive delegation is a noteworthy event certain to be noticed. (The media and our client's opponents are not unaware of the potential for a Riggs relationship with the client.) The Chilean military (including some Riggs clients) is actively supporting our client regardless of the civilian government's strict instructions. Although the support and opposition have been "civil", tensions are high and each party might seek to involve Riggs in its battles at the expense of Riggs and its opponents. The tensions and international interest in our client's case also decrease the likelihood of Riggs being able to schedule meaningful meetings with undistracted civil or military officials.

**Recommendation: Riggs senior executives should not travel to Chile during the next 4 to 5 months.**

The above issues and challenges require additional information from our client regarding his intentions and situation. A Riggs IPBD officer should probably meet in person with the client and/or his appointed representatives. To protect the client's privacy and interest, the meeting should be arranged discretely and the IPBD officer should travel with the minimum materials and information possible.

**Recommendation: The client's IPBD relationship officer should travel, discretely and within the next 30 days, to Chile to meet with the client and/or his representatives to determine the client's strategies, goals and likely instructions based on the client's actual and potential changes in legal status.**

RNB035298

Santiago, diez de diciembre de dos mil cuatro.

Poder Judicial  
CHILE

Vistos y teniendo presente:

1º.- Que la defensa de Augusto Pinochet Ugarte y Lucía Hiriart Rodríguez solicitó se dejen sin efecto los embargos, medidas precautorias y/o cautelares dispuestas respecto de bienes y dineros de propiedad de sus representados, por cuanto no concurren los supuestos legales para decretarlas.

2º.- Que contestando el traslado concedido, el Consejo de Defensa del Estado y el Servicio de Impuestos Internos, solicitan el rechazo de lo pedido, pues – afirman – se dan en autos las exigencias que el legislador requiere para disponerlas.

3º.- Que estos autos se iniciaron el 21 de julio de 2004, por denuncia deducida por Carmen Hertz Cádiz y Alfonso Insunza Bascuñán, en contra de Augusto Pinochet Ugarte y demás personas que resulten responsables, por los delitos de fraude, exacciones ilegales, malversación de caudales públicos y cohecho, ilícitos por los que se interpuso querrela el 1 de octubre de 2004. Por su parte el Consejo de Defensa del Estado formuló denuncia por hechos que pueden revestir caracteres de delito respecto de Augusto Pinochet Ugarte y su cónyuge Lucía Hiriart Rodríguez, y el Servicio de Impuestos Internos con fecha 30 de septiembre pasado, presentó querrela por infracción al artículo 97 N° 4, inciso primero del Código Tributario, sólo respecto de Augusto Pinochet Ugarte, Oscar Aitken Lavanchy y quienes resulten responsables por la conducta atribuida a Augusto Pinochet Ugarte.

4º.- Que los hechos fundamentales que originan este proceso, en sus distintos cuadernos de que se compone, dicen relación con la investigación del origen de los dineros que actualmente componen el patrimonio de Augusto Pinochet Ugarte y su cónyuge Lucía Hiriart Rodríguez, para determinar si en su adquisición se ha cometido algún ilícito penal, como si otras personas, conociendo dicho origen, se han beneficiado con tales bienes. Del mismo modo, se pretende precisar si, entre tales conductas, Augusto Pinochet Ugarte ha omitido maliciosamente declarar todos sus ingresos para efectos tributarios, ocasionando un menor ingreso al erario fiscal por este concepto.

5º.- Que sobre la base de antecedentes preliminares, al tener conocimiento el tribunal que el imputado Augusto Pinochet Ugarte tenía inversiones en el extranjero, para lo cual constituyó las sociedades con

## Poder Judicial

CHILE

acciones al portador Ashburton Limited y Althorp Investment Limited, a las que posteriormente se unieron G.L.P. Limited y Tasker Investment Limited, además de las anteriores se constituyeron este mismo tipo de sociedades para no reflejar la identidad del propietario de los bienes adquiridos en Chile, como son Abanda Limited, Belview Internacional Inc., Belview S.A., Eastview Finance S.A. cuyo representante era Oscar Aitken Lavanchy, y por ser, eventualmente, producto de un ilícito, con fecha 5 de Agosto del presente año, se dispuso la medida cautelar preventiva de prohibición de enajenar o transferir a cualquier título dineros de los fondos fiduciarios tomados en el Banco de Chile Nueva York, así como de sus ganancias e intereses, la cual fue cumplida, ordenándose, además, depositar, a nombre del tribunal, en el Banco de Chile de Santiago las sumas de \$ 5.508.733,33; 1.351.077,52 y 7.997,98 en dólares de los Estados Unidos de Norteamérica.

Con fecha 9 de agosto se dispuso la medida cautelar preventiva de prohibición de gravar y enajenar los bienes inmuebles pertenecientes a Belview Sociedad Anónima Chile.

6º.- Que ante la solicitud del Servicio de Impuestos Internos con fecha 12 de noviembre se dispuso el embargo de bienes del querellado Augusto Pinochet Ugarte por la suma de \$ 2.476.531.174 teniendo presente lo dispuesto en el inciso segundo del artículo 76 del Código de Procedimiento Penal que ordena como uno de los objetivos del sumario asegurar la responsabilidad pecuniaria de los presuntos culpables.

Para resolver en la manera indicada se tuvo presente, además, que Augusto Pinochet Ugarte y Lucía Hiriart Rodríguez constituyeron sociedades en el extranjero con acciones al portador con el preciso objeto de administrar sus bienes y evitar se conocieran dichas inversiones en Chile o en el extranjero. Se une a lo anterior que tenían cajas de seguridad en el Banco de Chile sucursal Apoquindo, las que fueron cerradas luego de ser conocidos los hechos que se investigan en autos.

Por otra parte, Augusto Pinochet Ugarte, el día 23 de noviembre último envió a cambiar vales vistas por las sumas de \$118.406.936, \$ 10.000.000 y \$ 10.000.000, en el Bank Boston, respecto de los cuales se dispuso el día 24 de noviembre pasado la paralización de toda operación de pago, liquidación o transferencia de dineros relativos a depósitos a plazo o vales vista de Augusto Pinochet Ugarte en el referido banco, por lo que al concurrir personalmente el día 24 de Noviembre referido a efectuar el retiro no lo pudo concretar. Todo lo anterior deja en claro que se está en la situación prevista en el artículo 381 del Código de Procedimiento Penal que autoriza al tribunal, cuando sea de temer que el inculpado oculte sus bienes o se



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desprenda de ellos, ordenar el embargo de bienes de oficio, desde que aparezcan sospechas fundadas de su participación en un hecho que presente caracteres de delito.

7º.- Que en lo relativo a sospechas fundadas de responsabilidad corresponde tener presente:

A.- Augusto Pinochet Ugarte, junto a otras personas, asumieron el poder y el Mando Supremo de la Nación de Chile el día 11 de septiembre de 1973, hecho que motivó hiciera declaración jurada de bienes ante notario con fecha 21 de septiembre de 1973, en que se consigna:

ESPECIE	VALOR
Una propiedad en la comuna de Las Condes	E° 3.000.000
Un automóvil marca Volkswagen	
Un automóvil marca Fiat	
Dos automóviles marca Peugeot	
Cuenta de Ahorros	E° 150.000
Terreno en San Francisco de Limache	US \$ 8.000
Joyas personales del matrimonio y familia	E° 500.000
Ahorros por asignación en Ecuador	US \$ 117.887,65
Moneda extranjera	US \$ 3.865
Biblioteca particular	E° 750.000
Mobiliario y antigüedades	E° 5.000.000

Con ocasión de dejar el poder el 11 de marzo de 1990, realizó una nueva declaración jurada de bienes ante notario el 19 de octubre de 1989, en que consigna:

ESPECIE	VALOR
Un jeep	
Cuenta de ahorro	\$ 6.210.000
Parcela de agrado ubicada en El Melocotón	\$ 23.670.347
Joyas personales del matrimonio y familia	\$ 18.000.000
Ahorros por asignación en Ecuador	US \$ 457.672
Moneda extranjera	US \$ 11.327
Biblioteca personal	\$ 10.000.000
Mobiliario y antigüedades	\$ 50.000.000
Departamento	\$ 19.892.000

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B.- Los ingresos regulares de Augusto Pinochet Ugarte, desde el año 1973 al año 2004, se descomponen en las siguientes cantidades:

CARGO	MONTO
Comandante en Jefe	\$ 91.559.668
Senador Vitalicio	\$ 339.509.927
Ex Presidente de la República	\$ 96.574.388
Pensionado del Ejército	\$ 134.088.978
Total	\$ 661.732.921

C.- Las declaraciones de impuesto de Augusto Pinochet Ugarte, desde 1990 al presente año, se descomponen en la siguiente forma:

AÑO	CANTIDAD
1990	\$ 11.141.146
1991	\$ 15.127.330
1992	\$ 28.418.326
1993	\$ 17.611.473
1994	\$ 33.012.864
1995	\$ 36.464.458
1996	\$ 30.745.485
1997	\$ 33.994.299
1998	\$ 40.881.422
1999	\$ 58.129.768
2000	\$ 41.229.885
2001	\$ 41.259.419
2002	\$ 42.819.210
2003	\$ 46.689.343
2004	\$ 77.528.021

D.- En la liquidación de la sociedad conyugal de Augusto Pinochet Ugarte y Lucía Hiriart Rodríguez, realizada por Escritura Pública de fecha 7 de mayo de 1999, los cónyuges se adjudicaron hijuelas ascendentes a \$ 426.763.007, equivalente a 28.804,16 unidades de fomento, que hace un total de \$ 853.526.014, equivalente a 57.608,32 unidades de fomento, que están constituidas por los siguientes bienes:

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HIJUELA	LUCIA HIRIART	RODRIGUEZ
BIEN	AVALUACION	
Departamento, bodega, dos estacionamientos y bienes comunes ubicado en Jardín del Mar, Viña del Mar		\$ 74.717.188
Propiedad de Los Flamencos, Las Condes		\$ 60.341.945
Propiedad de Los Flamencos, Las Condes		\$ 74.124.548
Derechos en la parcela El Convento ubicada en Santo Domingo, San Antonio		\$ 27.350.372
Sitio sector La Dehesa		\$ 37.454.898
Sitio sector La Dehesa		\$ 42.818.297
Bienes Muebles		\$ 111.120.150

HIJUELA	AUGUSTO PINOCHET	UGARTE
BIEN	AVALUACION	
Parcela ubicada en Quintero		\$ 1.970.531
Retazo de Terreno ubicado en El Melocotón		\$ 48.892.866
Departamento, bodega, tres estacionamientos ubicado en Reñaca		\$ 244.419.880
Departamento, 2 bodegas y estacionamiento ubicado en Valparaíso		\$ 48.492.866
Departamento en Iquique		\$ 65.170.855
Parte predio El Melocotón, Casas del Depósito		\$ 39.603.221
Parte predio El Melocotón		\$ 5.689.352
Vehículo	Marca	
Station Wagon	Land Robert	\$ 39.000.000.
Automóvil	Toyota Terrell	\$ 3.100.000.
Jeep	Sangyong	\$ 10.500.000.
Jeep	Mitsubishi	\$ 6.800.000
Camioneta	Toyota	\$ 10.000.000
Jeep	Grand Cherokee	\$ 9.000.000.
Saldo a favor por alcance		\$ 1.174.391
Se hace cargo del pasivo social		
Crédito	Corp Banca	\$ 68.805.596
Crédito	Banco Santiago	\$ 38.625.364

E.- No obstante lo anterior, efectuado el recuento de los distintos depósitos conocidos hasta ahora, en cuanto a capital e intereses, de Pinochet Ugarte e Hiriart Rodríguez en el extranjero, suman un total de US \$ 15.993.047,75. Los cuales resultan de la suma de cuentas en los Bancos Riggs

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de Londres; Riggs Washington; Riggs Miami; Espirito Santo de Miami; Banco de Chile Nueva York; Banco de Chile Miami, y Coutts Bank de Miami, a lo que se suman transferencias de fondo desde los Bancos Atlántico de Nueva York; Banco Atlántico de Gibraltar; Banco Atlántico de Zurich; Citibank USA; Bank of Bahamas; Sun Bank de USA; Swiss Corp; Bank of América; American Express USA; Lehman Brother de USA y Barclays Bank USA.

F.- Conforme al mérito de los antecedentes reunidos hasta la fecha Augusto Pinochet Ugarte y Lucía Hiriart Rodríguez omitieron declarar ingresos para efectos tributarios que importó un perjuicio fiscal de \$ 2.476.531.174.

G.- De los fondos mantenidos en el Banco Riggs se envió a Chile, 38 Cheques cada uno por US \$ 50.000, uno por US \$ 1.379,46 y otro por US \$ 1.162,16, girados nominativamente a nombre de Augusto Pinochet y/o María Hiriart, desde el año 2000 a 2003, haciendo una suma total de US \$ 1.902.541,62, los cuales fueron cobrados en el Banco de Chile y Bank Boston por un tercero, no obstante ser nominativos, luego de lo cual se cambiaron distintas sumas de efectivo en dólares a efectivo en pesos chilenos en el mercado informal, con el propósito que dicha operación no fuera informada al Banco Central; fondos que, en todo caso, no aparecen incluidos en sus declaraciones de impuestos.

H.- Se ha establecido, además, que Augusto Pinochet Ugarte usó en beneficio propio recursos del Ejército de Chile, lo que hacía enviando a sus secretarios privados a abrir cuentas en el Banco Riggs de Miami, cuyos viajes se financian con fondos institucionales y luego tales personas giran los cheques por diferentes cantidades y los entregan a Pinochet Ugarte, quien consignaba el beneficiario, entre quienes se cuenta J. Ugarte; J. P. Ugarte; G. Ugarte; A.J.P. Ugarte; D. López; Mónica Ananías; Inés Hiriart; Inés L. Hiriart, y M. Hiriart R., entre otras personas y sociedades. Además, funcionarios del Ejército que cumplieron destinaciones en el extranjero en calidad de Agregados Militares adquirieron con fondos que eran depositados por el Ejército en sus cuentas corrientes diversos bienes para Augusto Pinochet Ugarte como son antigüedades, libros, joyas, mobiliario y objetos de uso personal. Por su parte Mónica Ananías Kunkar, secretaria personal de Pinochet, ha declarado que tales documentos, como otros que se han girado a su nombre o que ha cambiado por encargo directo de Augusto Pinochet, los ha cobrado y le ha entregado personalmente tales dineros.

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8º.- Que del estudio de la situación patrimonial de Pinochet Ugarte se ha podido determinar que, en lo relacionado con la adquisición de lo que actualmente constituye el predio de su propiedad ubicado en El Melocotón, lo adquirió por medio de la reunión de distintos lotes independientes, con la utilización de procedimientos que establece el Derecho Público chileno cuando las adquisiciones miran al interés social y no particular de sus autoridades, que se refieren a las siguientes:

- Propiedad Rústica o Parcela llamada "Casas del Depósito" ubicada en el lugar denominado el "Melocotón Alto", de la comuna de San José de Maipo, Provincia de Santiago, la que tiene una extensión de más o menos ocho hectáreas, correspondiente al Lote A.

- Inmueble ubicado en El Melocotón Alto, Comuna de San José de Maipo, Región Metropolitana, con una superficie de 1.760 metros cuadrados, Rol 107-9

- Parte de las fajas de terrenos que ocupaba el Ex - Ferrocarril de Puente Alto a El Volcán, ubicados en la Comuna de San José de Maipo, Provincia de Cordillera, Región Metropolitana, de una superficie aproximada de 6.516 metros cuadrados, individualizada como Lote A.

- Venta de las tres propiedades antes indicadas por Ramón CASTRO IVANOVIC a Augusto PINOCHET UGARTE

- Donación de Augusto PINOCHET UGARTE de las tres propiedades antes indicadas al Fisco de Chile

Fecha	Operación	Vendedor	Comprador	Precio
29-Ene-82	Compra	Luis ROMERO VASQUEZ	El Fisco	\$2.700.000
15-Jul-82	Venta Uno	El Fisco	Ramón CASTRO IVANOVIC	\$240.000
09-Ago-82	Compra	Elena GONZALEZ GONZALEZ	El Fisco	\$1.100.000
04-Mar-83	Venta Dos	El Fisco	Ramón CASTRO IVANOVIC	\$85.000
04-Mar-83	Reinscrip.	Emilia MENA y otros	El Fisco	\$484.
05-Jun-83	Venta Tercer	El Fisco	Ramón CASTRO IVANOVIC	\$260.640
21-Dic-83	Compra Total	Ramón CASTRO IVANOVIC	Augusto PINOCHET	\$1.500.000
24-Abr-84	Donación	Augusto PINOCHET	El Fisco	Sin valor.

- Propiedad Rústica o Parcela "Casas del Depósito" que corresponde al Lote B, del Plano de la Subdivisión de dicho inmueble, ubicada en El Melocotón Alto, de la comuna de San José de Maipo, de Puente Alto, superficie aproximada de siete hectáreas aproximadamente.

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Fecha	Operación	Vendedor	Comprador	Precio
25-Ene-79	Compra	Jorge ALYAYAY JARA y otros	Augusto PINOCHET	\$240.000
07-May-99	Adjudic.	Liquidación sociedad conyugal	Augusto PINOCHET	

- Retazo de la Propiedad que corresponde al Lote que las partes han convenido denominar Lote B, dicho retazo o porción tiene una superficie aproximada de 4,2 hectáreas, sector El Melocotón

Fecha	Operación	Vendedor	Comprador	Precio
15-Jun-81	Compra	Adelaida MAUREIRA M.	Augusto PINOCHET	\$3.154.945,80
07-May-99	Adjudic.	Liquidación sociedad conyugal	Augusto PINOCHET	

- Retazo de terreno que era parte de una propiedad de mayor extensión, ubicado en El Sector El Melocotón, de la Comuna de San José de Maipo, de la Región Metropolitana, superficie de 6.300 metros cuadrados.

Fecha	Operación	Vendedor	Comprador	Precio
24-Ago-81	Compra	José BARROS BARROS	Augusto PINOCHET	\$1.600.000
07-May-99	Adjudic.	Liquidación sociedad conyugal	Augusto PINOCHET	
04-Dic-02	Dación pago	Augusto PINOCHET	Hernán GARCIA PINOCHET	\$33.000.000

9º.- Que de las diligencias dispuestas en el curso del sumario se ha podido determinar que Augusto Pinochet Ugarte, mediante las sociedades con acciones al portador Ashburton Limited y Althorp Investment Limited, posteriormente G.L.P. Limited y Tasker Investment Limited encargó a Oscar Aitken invertir en un fondo, por el que recibía diferentes sumas de dinero que repartió de la siguiente forma:

BENEFICIARIO	CANTIDAD
Augusto Pinochet Ugarte	US \$ 265.000
Lucia Hiriart Rodriguez	US \$ 265.000
Augusto Pinochet Hiriart	US \$ 75.000
Lucia Pinochet Hiriart	US \$ 75.000
Inés Pinochet Hiriart	US \$ 75.000
Marco Antonio Pinochet Ugarte	US \$ 75.000
Jacqueline Pinochet Ugarte	US \$ 75.000
Augusto Pinochet Ugarte (Retiro Extraordinario)	US \$ 232.141

TOTAL US\$ 1.157.141

No existe constancia que tales sumas se encuentren consignadas en las declaraciones tributarias respectivas de las personas favorecidas.

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10°.- Que los hechos sucintamente expuestos constituyen a lo menos, por ahora, sospechas fundadas de participación de Augusto Pinochet Ugarte en hechos que revisten caracteres de delito, como son malversación de caudales públicos, negociaciones incompatibles e infracción al artículo 97, N° 4, inciso primero del Código Tributario.

11°.- Que, aparte de todo lo anterior existen diligencias en curso para establecer otros sucesos que pueden revestir caracteres de delito.

12°.- Que, no obstante todo lo expuesto debe dejarse dicho que el Servicio de Impuestos Internos ante este juez de fuero, sólo dedujo querrela por los posibles ilícitos de carácter tributario, por las omisiones en las declaraciones tributarias de Augusto Pinochet Ugarte y no de otras personas, circunstancia que restringe el estudio de esta clase de delito a la situación de esta persona y sólo por el período que media entre los años 1998 y 2004, conforme al libelo interpuesto en autos.

De conformidad a lo expuesto y normas legales citadas, por mantenerse las circunstancias que motivaron su dictación, se rechaza la solicitud de la defensa de Augusto Pinochet Ugarte y Lucía Hiriart Rodríguez y no se hace lugar a alzar las medidas cautelares y embargos dispuestos en autos.

Notifíquese.

Rol N° 1649- 2004

Dictada por don Sergio Muñoz Gajardo, Ministro de Fuero de la Corte de Apelaciones de Santiago.

**Santiago, December tenth, two thousand four**

**Whereas, and bearing in mind:**

1. The defense attorneys of Augusto Pinochet Ugarte and Lucia Hiriart Rodríguez have requested that the attachments, provisional remedies, and/or interim equitable relief ordered with respect to their clients' assets and money be set aside inasmuch as the statutory presumptions for declaring them do not exist.
2. Answering the notification of pleading, the Consejo de Defensa del Estado [Council for the Defense of the State] and the Internal Revenue Service ask that the petition be denied, since - they assert - the case meets the legal requirements for them to be ordered.
3. These proceedings were initiated on July 21, 2004, by means of a complaint brought by Carmen Hertz Cádiz and Alfonso Insunza Bascuñán against Augusto Pinochet Ugarte and other individuals who may be responsible for the crimes of fraud, extortion, misappropriation of public funds and corruption, offenses because of which an action was brought on October 1, 2004. For its part, the Consejo de Defensa del Estado filed a complaint with respect to actions that may be criminal in nature against Augusto Pinochet Ugarte and his spouse, Lucia Hiriart Rodríguez, and the Internal Revenue Service, last September 30, filed a complaint for violation of Article 97, No. 4, subsection one of the Tax Code, only with respect to Augusto Pinochet Ugarte, Oscar Aitken Lavancy, and those who may be answerable for the conduct attributed to Augusto Pinochet Ugarte.
4. The essential facts that form the basis of this proceeding, in the various case records, are related to the investigation into the source of the money which currently constitutes the assets of Augusto Pinochet Ugarte and his spouse, Lucia Hiriart Rodríguez, to determine whether any criminal offense was committed in their acquisition, and whether others, being aware of said source, benefited from such assets. Similarly, we hope to determine whether such conduct includes Augusto Pinochet Ugarte's maliciously failing to declare all his income for tax purposes, resulting in lower tax revenues.
5. On the basis of the preliminary record, with the Court having knowledge that the accused Augusto Pinochet Ugarte had investments abroad, for which he established the companies with



bearer shares, Ashburton Limited and Althorp Investment Limited, which were subsequently joined by G.L.P. Limited and Tasker Investment Limited; in addition to the previous companies, these same types of companies were established to avoid showing the identity of the owner of the assets acquired in Chile, companies such as Abanda Limited, Belview Internacional Inc., Belview S.A., Eastview Finance S.A., the representative of which was Oscar Aitken Lavancy, and since they may be the result of an offense, the interim equitable relief of prohibition on disposing of or transferring, in any way, money from the trust funds taken at the Bank of Chile New York, and their earnings and interest, was ordered on August 5 of this year. This order was carried out, and it was also ordered that the sums of 5,508,733.33; 1,351,077.52; and 7,997.98 in US dollars be deposited, in the name of the Court, in the Bank of Chile, Santiago.

On August 9, the interim equitable relief of prohibition on encumbering and disposing of the real estate belonging to Belview Sociedad Anónima Chile was ordered.

6. In view of the request by the Internal Revenue Service dated November 12, the attachment of assets belonging to the defendant Augusto Pinochet Ugarte in the amount of \$2,476,531,174 was ordered, bearing in mind the provision of the second subsection of Article 76, Code of Criminal Procedure, which orders, as one of the objectives of the investigation stage of a criminal proceeding, ensuring the pecuniary responsibility of those who are allegedly culpable.

In so ruling, it was borne in mind, moreover, that Augusto Pinochet Ugarte and Lucia Hiriart Rodríguez established companies abroad with bearer shares for the precise purpose of managing their assets and preventing those investments from becoming known in Chile or abroad. Also, they had safe-deposit boxes at the Bank of Chile, Apoquindo Office, which were closed after the facts being investigated in the case came to light.

Moreover, last November 23, Augusto Pinochet Ugarte sent sight drafts for exchange for the amounts of \$118,406,936, \$10,000,000, and \$10,000,000 at Bank Boston, with respect to which the freezing of any transaction for payment, liquidation, or transfer of money relative to time deposits or sight drafts of Augusto Pinochet Ugarte at that bank was ordered last November 24. Thus, when he appeared in person on November 24 to make the withdrawal, he could not complete it. All the foregoing makes it clear that this is the situation provided for in Article 381, Code of Criminal Procedure, which authorizes the Court, when there is a fear that the accused is hiding or divesting himself of his assets,

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\* *Translator:* currencies are often unclear. Sometimes there is no indication as to what the currency is. "\$" seems to refer to Chilean pesos; "E" seems to refer to Chilean Escudos; "US\$" seems to refer to US dollars. The document also refers to development units.

to order the attachment of assets ex officio, as soon as there are well-founded suspicions of his participation in a criminal action.

7. With respect to well-founded suspicions of responsibility, the following should be borne in mind:

A.- Augusto Pinochet Ugarte and others assumed power and the Supreme Mandate of the Nation of Chile on September 11, 1973, which entailed giving a sworn declaration of assets before a notary on September 21, 1973, as follows:

TYPE	AMOUNT
One property in the town of Las Condes	E° 3,000,000
One Volkswgen [sic] car	
One Fiat car	
Two Peugeot cars	
Savings account	E° 150,000
Land in San Francisco de Limache	US\$ 8,000
Personal jewelry of the married couple and family	E° 500,000
Savings by allotment in Ecuador	US\$ 117,887.65
Foreign currency	US\$ 3,865
Private library	E° 750,000
Furniture and antiques	E° 5,000,000

Because he was leaving office on March 11, 1990, he gave a new sworn declaration of assets before a notary on October 19, 1989, as follows:

TYPE	AMOUNT
One jeep	
Savings account	\$6,210,000
Leisure lot in El Melocotón	\$23,670,347
Personal jewelry of the married couple and family	\$18,000,000
Savings by allotment in Ecuador	US\$ 457,672
Foreign currency	US\$ 11,327
Private library	\$10,000,000
Furniture and antiques	\$50,000,000
Apartment	\$19,892,000

B. The regular income of Augusto Pinochet Ugarte from 1973 to 2004 is broken down as follows:

POSITION	AMOUNT
Commander in Chief	\$ 91,559,668
Senator for life	\$ 339,509,927
Former President of the Republic	\$96,574,388
Army pensioner	\$134,088,978
Total	\$ 661,732,921

C. The tax returns of Augusto Pinochet Ugarte from 1990 to this year are broken down as follows:

YEAR	AMOUNT
1990	\$11,141,146
1991	\$15,127,330
1992	\$28,418,326
1993	\$17,611,473
1994	\$33,012,864
1995	\$36,464,458
1996	\$30,745,485
1997	\$33,994,299
1998	\$40,881,422
1999	\$58,129,768
2000	\$41,229,885
2001	\$41,259,419
2002	\$42,819,210
2003	\$46,689,343
2004	\$77,528,021

D. In the dissolution of the marriage of Augusto Pinochet Ugarte and Lucia Hiriart Rodríguez by Notarial Instrument dated May 7, 1999, the husband and wife were awarded portions that came to \$426,763,007, equivalent to 28,804.16 development units, for a total of \$853,526,014, equivalent to 57,608.32 development units; these portions consist of the following assets:

PORTION	LUCIA HIRIART	RODRIGUEZ
ASSET		APPRAISED VALUE
	Apartment, storage area, two parking spaces, and jointly-owned assets located at Jardín del Mar, Viña del Mar	\$74,717,188
	Property of Los Flamencos, Las Condes	\$60,341,945
	Property of Los Flamencos, Las Condes	\$74,124,548
	Rights to the El Convento parcel located in Santo Domingo, San Antonio	\$27,350,372
	Vacant lot, La Dehesa sector	\$37,454,898
	Vacant lot, La Dehesa sector	\$42,818,297
	Personal property	\$111,120,150

PORTION	AUGUSTO PINOCHET	UGARTE
ASSET		APPRAISED VALUE
	Parcel located in Quintero	\$1,970,531
	Piece of land located in El Melocotón	\$48,892,866
	Apartment, storage area, three parking spaces located in Reñaca	\$244,419,880
	Apartment, 2 storage areas, and parking space located in Valparaíso	\$48,492,866
	Apartment in Iquique	\$65,170,855
	Partial lot El Melocotón, Casas del Depósito	\$39,603,221
	Partial lot El Melocotón	\$5,689,352
	Vehicle	Make
	Station Wagon	Land Robert [sic]
	Automobile	Toyota Tercell [sic]
	Jeep	Sangyong [sic]
	Jeep	Mitsubishi
	Van	Toyota
	Jeep	Grand Cherokee
	Credit balance "por alcance"	\$1,174,391
	Takes responsibility for company's liabilities	
	Loan	Corp Banca
	Loan	Banco Santiago

E.- The foregoing notwithstanding, the tally of the various deposits known to date having been made, with capital and interest, of Pinochet Ugarte and Hiriart Rodríguez abroad, totals US\$ 15,993,047.75, which comes from the sum of accounts at the Riggs Bank

\* *Translator:* unclear. Possibly credit due from the military.

of London, Riggs Washington, Riggs Miami, Espirito Santo of Miami, Bank of Chile New York, Bank of Chile Miami, and Coutts Bank of Miami, to which are added transfers of funds from Atlantic Bank of New York, Atlantic Bank of Gibraltar, Atlantic Bank of Zurich, Citibank USA, Bank of Bahamas, Sun Bank USA, Swiss Corp., Bank of America, American Express USA, Lehman Brother[s] USA, and Barclays [sic] Bank USA.

F. Based on the records collected to date, Augusto Pinochet Ugarte and Lucia Hiriart Rodríguez failed to declare income for tax purposes that amounted to lost taxes of \$2,476,531,174.

G. From the funds kept at Riggs Bank, 38 checks for US\$ 50,000 each, one for US\$ 1,379.46, and another for US\$ 1,162.16 were sent to Chile, made out to Augusto Pinochet and/or María Hiriart, between 2000 and 2003, for a total of US\$ 1,902,541.62. These were cashed at the Bank of Chile and Bank Boston by a third party, despite the fact that they were nominative. Then various amounts of the cash in dollars were changed to cash in Chilean pesos on the informal market so that said transaction would not be reported to the Central Bank. In any event, these funds are not included on their tax returns.

H. It has been established, moreover, that Augusto Pinochet Ugarte used, for his own benefit, funds of the Chilean Army, which he did by sending his private secretaries to open accounts at Riggs Bank in Miami, and their trips were financed with institutional funds, and then those people draw [sic] checks for various amounts and deliver them to Pinochet Ugarte, who assigned the beneficiary. These included J. Ugarte, J.P. Ugarte, G. Ugarte, A.J.P. Ugarte, D. López, Mónica Ananías, Inés Hiriart, Inés L. Hiriart, and M. Hiriart R., among other individuals and companies. Also, Army officials who traveled abroad as military attaches acquired, with funds deposited by the Army in their current accounts, various assets for Augusto Pinochet Ugarte, such as antiques, books, jewelry, furniture, and objects for personal use. For her part, Mónica Ananías Kunkar, Pinochet's personal secretary, has declared that such documents, and others that were drawn in her name or that she has cashed on the direct orders of Augusto Pinochet, she has cashed them and given such money to him personally.

8. From the study of Pinochet Ugarte's financial situation, it has been determined that he acquired what currently constitutes his property located in El Melocotón by combining various separate lots, using procedures established in Chilean public law when the acquisitions are aimed at the public benefit, and not [the] special [interest] of its officials:

- Rural property or parcel called "Casas del Depósito" located in the place called "Melocotón Alto" in the town of San José de Maipo, Province of Santiago, more or less eight hectares, Lot A.

- Property located in El Melocotón Alto, town of San José de Maipo, Metropolitan Region, with an area of 1,760 square meters, List 107-9.

- Part of the strips of land occupied by the former railroad from Puente Alto to El Volcán, located in the town of San José de Maipo, Province of Cordillera, Metropolitan Region, with an area of approximately 6,516 square meters, known as Lot A.

- Sale of the three aforementioned properties by Ramón CASTRO IVANOVIC to Augusto PINOCHET UGARTE.

- Donation by Augusto PINOCHET UGARTE of the three aforementioned properties to the Treasury of Chile.

Date	Transaction	Seller	Buyer	Price
29 Jan 82	Purchase	Luis ROMERO VASQUEZ	The Treasury	\$2,700,000
15 Jul 82	Sale One	The Treasury	Ramón CASTRO IVANOVIC	\$240,000
09 Aug 82	Purchase	Elena GONZALEZ GONZALEZ	The Treasury	\$1,100,000
04 Mar 83	Sale Two	The Treasury	Ramón CASTRO IVANOVIC	\$85,000
04 May 83	re-registration	Emilia MENA and others	The Treasury	\$484
05 June 83	Sale Three	The Treasury	Ramón CASTRO IVANOVIC	\$260,640
22 Dec 83	Total purchase	Ramón CASTRO IVANOVIC	Augusto PINOCHET	\$1,500,000
24 Apr 84	Donation	Augusto PINOCHET	The Treasury	no value

- Rural Property or parcel "Casas del Depósito," Lot B, of the Subdivision Plan for that property, located in El Melocotón Alto, town of San José de Maipo, in Puente Alto, approximate area seven hectares.

Date	Transaction	Seller	Buyer	Price
25 Jan 79	Purchase	Jorge ALVAYA Y JARA and others	Augusto PINOCHET	\$240,000
07 May 99	Award	Dissolution of marriage	Augusto PINOCHET	

- Piece of the property that corresponds to the Lot which the parties have agreed to call Lot B. Said piece or portion has an area of approximately 4.2 hectares, El Melocotón sector.

Date	Transaction	Seller	Buyer	Price
15 Jun 81	Purchase	Adelaida MAUREIRA M.	Augusto PINOCHET	\$3,154,945.80
07 May 99	Award	Dissolution of marriage	Augusto PINOCHET	

- Piece of land that was part of a larger property, located in the El Melocotón Sector, Town of San José de Maipo, Metropolitan Region, area 6300 square meters.

Date	Transaction	Seller	Buyer	Price
24 Aug 81	Purchase	José BARROS BARROS	Augusto PINOCHET	\$1,600,000
07 May 99	Award	Dissolution of marriage	Augusto PINOCHET	
04 Dec 02	Accord and satisfaction	Augusto INOCHET [sic]	Hernán GARCIA PINOCHET	\$33,000,000

9.- The actions ordered in the course of the investigation stage of the criminal proceeding have shown that Augusto Pinochet Ugarte, through the companies with bearer shares, Ashburton Limited and Althorp Investment Limited, later G.L.P. Limited and Tasker Investment Limited, ordered Oscar Aitken to invest in a fund, through which he received different sums of money, which he distributed as follows:

BENEFICIARY	AMOUNT
Augusto Pinochet Ugarte	US\$ 265,000
Lucia Hiriart Rodríguez	US\$ 265,000
Augusto Pinochet Hiriart	US\$ 75,000
Lucia Pinochet Hiriart	US\$ 75,000
Inés Pinochet Hiriart	US\$ 75,000
Marco Antonio Pinochet Ugarte	US\$ 75,000
Jacqueline Pinochet Ugarte	US\$ 75,000
Augusto Pinochet Ugarte (special withdrawal)	US\$ 232,141

[handwritten: total US\$ 1,157,141]

There is no evidence that these sums are set forth in the recipients' respective tax returns.

10.- The facts, stated succinctly, constitute, at least for now, well-founded suspicions of participation by Augusto Pinochet Ugarte in criminal activities, such as misappropriation of public funds, conflicts of interest, and violation of Article 97, No. 4, subsection one of the Tax Code.

11.- Apart from all the above, there are proceedings in progress to establish other occurrences that may be criminal in nature.

12.- All the foregoing notwithstanding, it must be stated that the Internal Revenue Service only filed a complaint before this jurisdictional judge because of the possible offenses related to taxes, as a result of the omissions in the tax returns of Augusto Pinochet Ugarte, and not of other persons, a circumstance which restricts the examination of this class of crime to the situation of this person and only for the period between 1998 and 2004, in accordance with the complaint in the case.

In accordance with that which has been set forth and [the] cited legal precepts, because the circumstances that precipitated them have not changed, the request of the defense attorneys of Augusto Pinochet Ugarte and Lucía Hiriart Rodríguez is rejected, and there is no justification for lifting the interim equitable relief and attachments ordered in the case.

Let notification be made.  
Case No. 1649-2004

Handed down by Sergio Muñoz Gajardo, Jurisdictional Judge of the Court of Appeals of Santiago.



**MERITOR INVESTMENTS LTD.**  
**UNAUDITED**  
**SCHEDULE OF LOAN PAYABLE TO TRUSTEE**  
**FOR THE PERIOD July 20, 1994 TO June 30, 1995**

(Expressed in United States Dollars)

<u>DATE</u>		<u>AMOUNT</u>
Jul 20/94	Opening Balance	\$ 0.00
Aug 03/94		3,099.55
Aug 03/94		459,978.45
Aug 09/94		402,698.79
Aug 09/94		199,612.00
Aug 10/94		1,500,000.00
Aug 10/94		1,500,000.00
Sep 23/94		792,778.07
Mar 06/95		422.65
Mar 08/95		427,482.00
Mar 20/95		274,309.80
Apr 11/95		202,532.77
Apr 12/95		249,592.17
Apr 13/95		74,171.40
Apr 19/95		87,928.00
Jun 02/95		407,109.38
Jun 20/95		200,000.00
	Loan repayments	(3,269,751.42)
	Share capital	(2.00)
Jun 30/95	Closing Balance	<u>\$ 3,511,961.61</u>

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 87**

A - 001576

C 002273  
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CLIENT = 110776 – 983077 / Marxx Hirlaxx – Meritbx  
BANKER = Maureen Ruggiero

C&C Comments:

"Need detailed PIC profile. It refers back to CBL for detailed info or client SOW. What is PACT checked on page 8 of the profile?"

My Response:

I spoke to the banker about this acct and she said PACT is a fiduciary product we used to sell to clients which is a structure in which a Trust owns a PIC. It's a common set-up, and it allows various tax benefits and administration benefits to the client, such as client can have one PIC (is named Meritbx) name which serves for several PICs they might own in several banks, and then one of those banks, or another bank entirely, would have the trust that owns all those PICs (ie CBL in this case) and then in the case of the client's death the trust administers all the assets in all the PICs. Since the PICs own all the assets there would be no taxes on what is inherited by the beneficiaries. It keeps it all off-shore. There is a detailed PIC profile for Meritbx, by the way, and I'll get a copy to you.

C 001713  
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Permanent Subcommittee on Investigations

APPENDIX #4 – FN 87

[REDACTED]

TO: SARAMINTA PEREZ  
 FROM: EILIE O'NEIL  
 DATE: MAY 12, 1992

PLEASE CONFIRM (BY RETURNING THIS FAX) THAT YOU HAVE OPENED CASH RESERVE ACCOUNT WITH \$974,791 FOR HOLDER DDA 01/2032544. OLGA SHOULD HAVE LEFT FOLLOW-UP FOR VALUE 5/11. ALSO SWEEP \$56,000 MORE ON 5/15.

*Request*  
*Eilie*

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

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C 000277

Permanent Subcommittee on Investigations  
 APPENDIX #4 - FN 93

15:51 [TX/RX NO 9940] 037

JOSE RAMON JGARTE

1080 1792

Santiago, 23 de Noviembre 1981.

RECEIVED  
ST. Aurelio Nieto R.,  
A.O. Citibank N.A.  
International Services Division UCU 7 1981

Estimado Señor:

NOTA: METRO, SA.

Tengo el agrado de adjuntarle los siguientes documentos, por los cuales quedan completos los antecedentes solicitados, para Bona Fide Cuenta Corriente ( cheques ) en ese Banco.

- 1.-Casta del Banco de Telos
- 2.-Casta del Banco de Créditos e Inversiones
- 3.-Certificación de firmas.

Le solicito en consecuencia me sea enviado Comprobante de Depósito por: US \$ 30,000 ( Treinta mil dólares ) que fueron depositados a mi nombre en ese Banco, como así mismo talonarios de cheque.

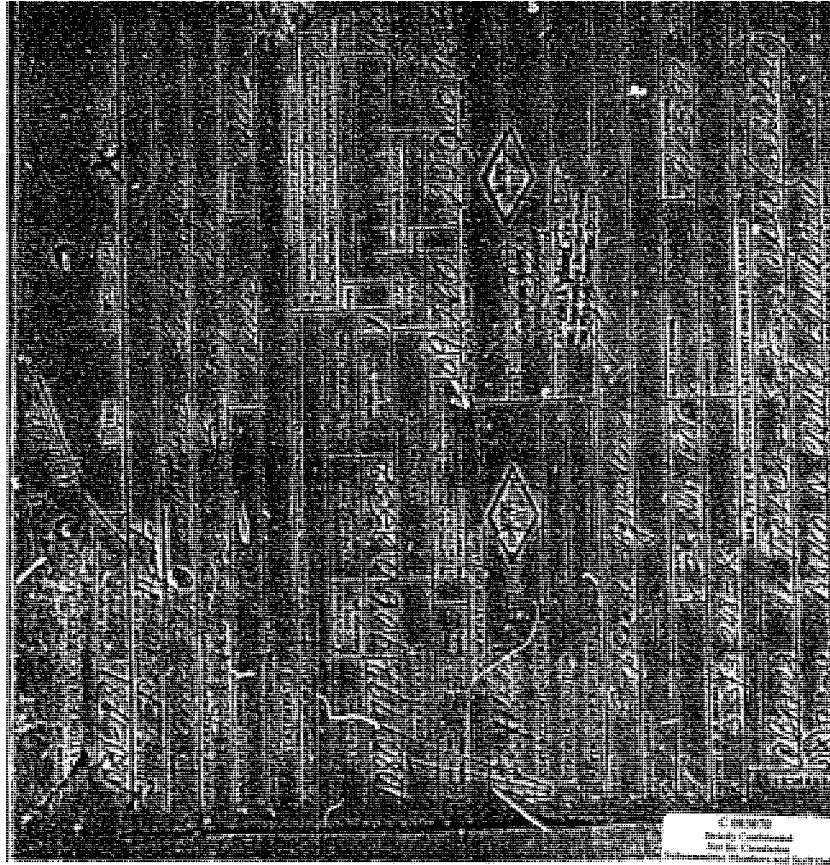
Le saluda afectuosamente

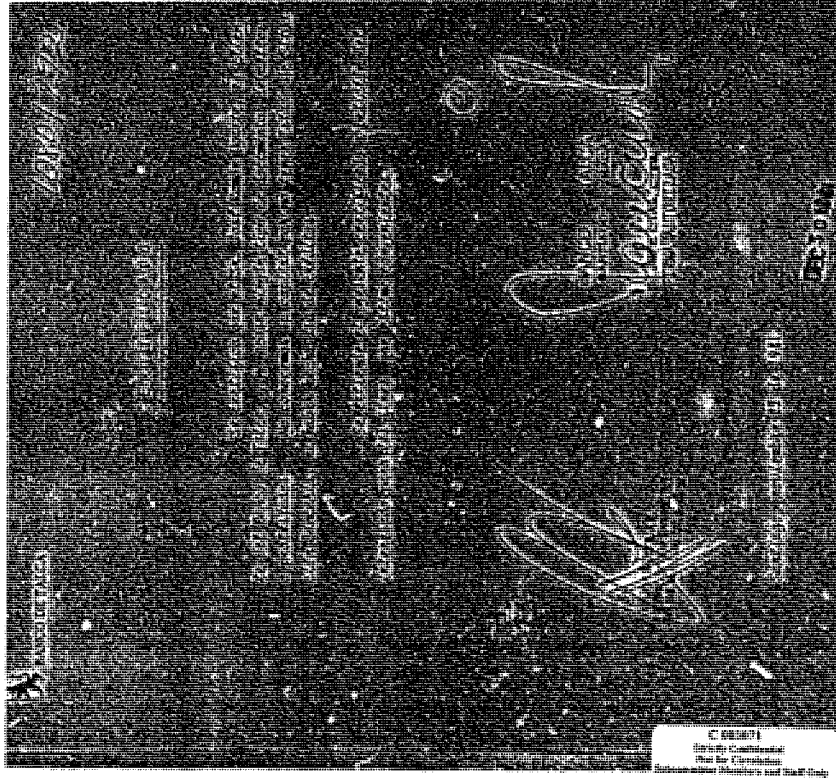
J. Ramon Jgarte

Huben 10 Cheques  
11/20/81

RM

DEC 30 1981







C-2/150:45

Mr. J. Ramon Ugarte  
November 17, 1961

*Spending bill*

2 YRS. (WITH INTEREST)  
 PERMANENT (20 YRS.)  
 THIRSD  GENERAL  
 I. BANK

Mr. J. Ramon Ugarte  
Correc 21, Casilla 2403  
Santiago, Chile

Dear Mr. Ugarte:

I am pleased to confirm the establishment of your new Checking Account in the International Services Division as follows:

Account title: J. Ramon Ugarte

Account Number: 10801792

Domicile: Chile

Initial deposit: \$30,000.00

Deposit slips printed with your account number are enclosed. Your checkbooks will be mailed to you after we receive your bank references.

Your account will receive the best possible service if you will help us by ensuring that the country of domicile, the full title of the account and the account number are included in all correspondence from you or third parties. All correspondence regarding your account, as well as any questions you may have, should be sent directly to us at:

Citibank, N.A.  
International Services Division  
Box 2130  
New York, New York, 10043 U.S.A.

Third parties making remittances to your account should be instructed to address them to our Division at the above Box number.

Thank you for opening this account. For your easy reference, I am enclosing our brochure, which also describes our other international financial services. I look forward to a long and pleasant association.

Sincerely,




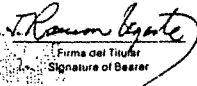
*[Signature]*  
Official Assistant  
Int./International Services Division

DEC 30 1961

A 002644

C 003073  
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REPUBLICA DE CHILE DATOS PERSONALES PERSONAL DESCRIPTION		REPUBLICA DE CHILE NOMBRE DEL TITULAR NAME OF BEARER	
Cédula Nacional de Identidad National Identity Card			
Nacionalidad Nationality	CHILENA		
Fecha de Nacimiento Date of Birth	07-NOVIEMBRE-1944		
Estado Civil Marital Status	CASADO		
Profesión Profession	EMPLEADO FISCAL		
Domicilio Address	CAMINO SN. PEDRO MELIPILLA	Huella Dactilar Thumb Print	
Observaciones Notes	AUTORIZACION DE VIAJE CONFORME		
		 Firma del Titular Signature of Bearer	

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C 000057

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 94

IMPORTANT TERMS AND CONDITIONS PRINTED ON FORM CA-45 GOVERNING THIS ACCOUNT SHOULD BE ATTACHED TO THIS FORM.

APPLICATION FOR NEW CITIBANK INTERNATIONAL CHECKING ACCOUNT

DATE 25 Feb. 85		ACCOUNT NO. 01-2032544	
NAME (TITLE OF ACCOUNT - UNDERLINE FIRST NAME) * <u>JOSÉ PINOCHET</u>		CITIZEN OF Chile	
MAIL ADDRESS * 70 HAM - Miami		RESIDENCE (IF DIFFERENT FROM ABOVE) *	
BUSINESS * Empleado - Subilado		HOME TELEPHONE *	
BUSINESS ADDRESS * Casilla 14557 Stgo - Chile		POSITION *	
PARENT ACCOUNT AND/OR RELATIONSHIP (% OF OWNERSHIP, IF "NONE", SO STATE)		BUSINESS TELEPHONE *	
CABLE ADDRESS		CABLE ADDRESS	

INTRODUCED BY (IF INDIVIDUAL, INDICATE RELATIONSHIP TO SUBJECT)

LUCIA R. HIRIART, NIECE	
BANK, TYPE OF ACCOUNTS, ACCOUNT NUMBERS	BRANCH AND ADDRESS
Citibank International *	2 references waived
REFERENCES	REFERENCE REQUIREMENTS WAIVED BY: (OFFICER)
	NAMES & TITLE INITIAL

CREDIT DEPT.  OBTAIN CHECKINGS ON THIS ACCOUNT AND RETURN TO ACCOUNT OFFICER  OTHER

INITIAL DEPOSIT: FULL DESCRIPTION (USE REVERSE SIDE IF NECESSARY)  
 TOTAL AMOUNT: \$5,700 - ① DEBIT SUNDRIES (DEPOSIT OF \$3,000 - 5/11/84) AND ② 2,700 IN TRAVELLERS CHEQUES = \$5,700  
 REMARKS (SPECIAL INSTRUCTIONS, ETC.)

DOMICILE CHILE	DOMICILE CODE 31014	S.I.C. CODE	APPROVED BY (FOR SPECIAL INSTRUCTIONS ONLY AND/OR WAIVE S.C.)
CLASS CODE	CR. OFFICER	WAIVE S.C.	INDUSTRY CODE
1 - P.F.C. 2 - PERSONAL 3 - PERSONAL	4 - WORLD CORP. 5 - NON WORLD CORP. 6 - OTHER 7 - OPERATIONS	<input type="checkbox"/> MIN. BAL. <input type="checkbox"/> N. A. M.	00 - BANKS/PERS. 01 - WORLD CORP. 02 - DOMEST. IMPORT 03 - DOMEST. EXPORT 04 - DOMESTIC REC. 05 - FOREIGN CORP. 06 - P.F.C.
DOCUMENTATION OBTAINED		CHECK BOOKS	
<input checked="" type="checkbox"/> SPECIMEN SIGNATURES <input type="checkbox"/> JOINT ACCOUNT AGREEMENT <input type="checkbox"/> GENERAL RESOLUTION <input checked="" type="checkbox"/> NON RESIDENCY FORM		<input checked="" type="checkbox"/> PERSONAL <input type="checkbox"/> COMMERCIAL <input type="checkbox"/> KIT ONLY <input type="checkbox"/> BK <input type="checkbox"/> CK <input type="checkbox"/> AIR MAIL <input type="checkbox"/> REGULAR MAIL <input type="checkbox"/> OTHER (SPECIFY) DATE SENT: <u>DEL. TO LUCIA HIRIART</u>	

DATE, SIGN AND STAMP EACH AREA BELOW

PREPARED BY: 	REFERENCE INQUIRIES SENT BY:	REFERENCE REPLIES VERIFIED BY:	ACCOUNT ACCEPTED BY: (OFFICER)
------------------	------------------------------	--------------------------------	--------------------------------

A - 004062

Permanent Subcommittee on Investigations  
 APPENDIX #4 - FN 95

C 004523  
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11/08/2004 16:01 FAX

MIAMI MI FL CN11

CITIBANK

CAPITAL MARKETS GROUP

DECLARATION OF NON-RESIDENT ALIEN

This declaration in connection with the Tax Equity and Fiscal Responsibility Act of 1982 applies to the account listed below and is made under the penalties of perjury by the undersigned on 6/30/85. The information requested must be completed for all account holders and all account holders must sign below.

Full Title of Account

Account Number

JOSE PINOCHET

NRA FILED

Check one and complete declaration which applies to you:

- Individual I (we) are non-resident aliens of the United States. My (our) primary residence is in:
  - 1. (City) SALMAGO (Country) CHILE
  - 2. (City) (Country)
  - 3. (City) (Country)
- Trust Trust is not a U.S. Trust and the Trustee(s) are non-resident aliens of the U.S. The principal office of the trustee is in (City) (Country)
- Corporation is not incorporated under U.S. laws and is not now and does not expect during this and the succeeding two calendar years to be engaged in trade or business in the U.S. The principal office of the corporation is in (City) (Country)
- Partnership/Association is not a U.S. entity, is not now, nor is expected to be during this or the two succeeding calendar years engaged in trade or business in the U.S. All partners or associates are now and expected to be non-residents aliens of the U.S. during the two succeeding calendar years. The principal office of the partnership/association is in (City) (Country)

Should my (our) declared status change from that reflected in this declaration, I (we) shall notify you in writing within 30 days.

JOSE PINOCHET U.S. Tax ID. No. (if any) Signature

Print Name and Title

Print Name and Title U.S. Tax ID. No. (if any) Signature

Print Name and Title U.S. Tax ID. No. (if any) Signature

Español de dorso

= Redacted by the Permanent Subcommittee on Investigations

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C 000271

45:51 [TL/RI NO 8940] @009

Permanent Subcommittee on Investigations APPENDIX #4 - FN 95



380 (19) bytes (8/10)  
SUBJECT: PINOCHET/UGARTE  
----- Message Contents -----

Redacted By  
Permanent Subcommittee  
on Investigations

THE CHILIAN ACCOUNT WAS ORIGINALLY OPENED I/N/O JOSE PINOCHET, THE TITLE WAS CHANGED ON 5/5/89. THE FILE LABEL WAS NOT CHANGED, THE CAMS ALPHA NAME WAS NOT CHANGED, THE HAD WAS NOT CHANGED AND IDS HAD A TYPO 'JOSE R. UGARTE'.

Redacted By  
Permanent Subcommittee  
on Investigations

CRIS

A - 004071

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 96

C 004532  
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MEMORANDUM TO: Josephine Piazza  
Documentation Control Unit

<b>RE: DOCUMENTATION WAIVER REQUEST</b>	
ST GROUP NO. <u>11077602</u>	
Account No. <u>10801792</u>	Expense Code. <u>7989</u>
<u>J. RAYON UGARTE</u>	

DOCUMENT	REASON FOR WAIVER
<input type="checkbox"/> Estate Waiver Form	_____
<input type="checkbox"/> Shareholders Consent	_____
<input type="checkbox"/> BAA	_____
<input type="checkbox"/> Signature Cards (cannot be waived for DDA)	_____
<input type="checkbox"/> Articles of Inc.	_____
<input checked="" type="checkbox"/> Bank References	<u>-excellent client since 1982</u>
<input checked="" type="checkbox"/> Existing Client	_____
<input checked="" type="checkbox"/> AVP-Higher	_____
<input type="checkbox"/> New Relationship	_____
<input type="checkbox"/> Business Manager	_____
<input type="checkbox"/> Other	_____

*Dist Accepted  
3/10/94  
CM*

APPROVAL <u><i>[Signature]</i></u>	MANUEL L. RUGGIERO, VP. CFC-WH	DATE <u>2-15-1994</u>
(AVP-Higher)		

Permanent Subcommittee on Investigations	- 001518
<b>APPENDIX #4 - FN 97</b>	

C 002215  
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**Banking Account Application**

CAPITAL MARKETS GROUP

Please print.

Personal information

Title of account Marco P. Hiriart

Telra on Fax

Mailing address Redacted by the Permanent Subcommittee on Investigations Redacted by the Permanent Subcommittee on Investigations

Hold at mail (see General Terms and Conditions)

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_ Primary residence (if different from mailing address) \_\_\_\_\_

Place of issue Santiago Date of birth 8/26/57

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_

Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_ Country of residence Redacted by the Permanent Subcommittee on Investigations

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_ Other residence \_\_\_\_\_

Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_

Name of business Embassy of Chile Type of business diplomat

Business address 1725 Mass Ave. Wash. DC Position/Title \_\_\_\_\_

Phone/cable/telex Redacted by the Permanent Subcommittee on Investigations

Who introduced you to International Private Banking? \_\_\_\_\_

Special instructions/Other information \_\_\_\_\_

Bank references

Name of bank Kings Nat'l Bank Name of bank American Express

Full address 1913 Mass Ave. NW Full address \_\_\_\_\_

Dupont Circle, Wash DC

Type of account DDA Account number 0917276139 Type of account \_\_\_\_\_

Person to contact \_\_\_\_\_ Person to contact Redacted by the Permanent Subcommittee on Investigations

Types of account(s) you want to open

- Checking
- Time deposits/
- Other deposits
- Savings
- Overdraft (additional form required)
- Bill paying (additional form required)
- Credit cards (additional form required)
- Other (describe): \_\_\_\_\_

Additional services we offer: Please check below if you want information about any of our other services:

- Portfolio Management (investment advisory services)
- Real Estate Investment Advisory Service (commercial real estate investments)
- Custody Accounts for securities and precious metals
- Fine Arts Management (including the purchase, storage and delivery of an art collection)
- Private Investment Company Management/Trust Administration
- Loans

Form of ownership

- Individual
- Joint tenants with right of survivorship
- Tenants in common (attach details of ownership)
- Corporate (complete Corporate Resolution)
- Nonprofit organization (complete other required documents)
- Other (describe): \_\_\_\_\_
- In trust for (give beneficiary information below):

Name \_\_\_\_\_

Home address \_\_\_\_\_

Relationship to account holder \_\_\_\_\_ Citizenship \_\_\_\_\_

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 98

Date of birth 00444

C 002111  
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**saving** Complete this section if you are opening a checking account.  
 Amount of deposit \$ 2000.00 Would you like checks?  Yes  No  
 Do you want the title of account to appear on checks?  Yes  No

---

**time deposits/other deposits** Complete this section if you are opening a time deposit or other deposit account. We offer the following types:

<input type="checkbox"/> New York	<input type="checkbox"/> IBF	<input type="checkbox"/> Cash Reserve	<input type="checkbox"/> Other
<input type="checkbox"/> Nassau Eurodollar	<input type="checkbox"/> London	<input type="checkbox"/> Monthly Cash Reserve	

Type of deposit	Amount	Type of deposit	Amount
Currency	Rate	Currency	Rate
Opening date	Term/Maturity	Opening date	Term/Maturity

At maturity:

<input type="checkbox"/> Renew principal with interest	<input type="checkbox"/> Renew principal with interest
<input type="checkbox"/> Renew principal, and credit interest to Citibank account number: _____	<input type="checkbox"/> Renew principal, and credit interest to Citibank account number: _____
<input type="checkbox"/> Renew principal, and credit interest by check to: _____	<input type="checkbox"/> Renew principal, and credit interest by check to: _____
<input type="checkbox"/> Other (describe): _____	<input type="checkbox"/> Other (describe): _____

---

**savings** Complete this section if you are opening a savings account.  
 What type of savings account(s) do you want to open?  
 Regular Savings. Amount \$ \_\_\_\_\_  Golden Savings. Amount \$ \_\_\_\_\_  
 Other (describe): \_\_\_\_\_  
 Should we hold your passbook in safekeeping?  No  Yes (see General Terms and Conditions)

---

**source of funds** Total amount of funds deposited to open these accounts:  
 Source of these funds: R 1995 CR 1075

---

**signature** All applicants must sign below. By signing below, you:  
 • agree to the General Terms and Conditions of this application for the accounts or services that you requested above or that you may subsequently apply for.  
 • agree to the conditions in the Customer Handbook provided with this application.  
 • agree to inform us of any changes in the personal information provided.  
 • declare that you are a nonresident alien of the United States.  
 X [Signature] X  
 X \_\_\_\_\_ X  
 Date 6/6/85

---

**bank use**

AD # <u>MLK</u>	Date <u>6/7/85</u>	CAMS number <u>4587779</u>	Country code <u>3040</u>	Expense code <u>552</u>	Tier code <u>4</u>
Checking account number <u>100410233</u>	Type of checks <input type="checkbox"/> EW-50	<input type="checkbox"/> Send to mailing address			
<input type="checkbox"/> Other (describe): _____		<input type="checkbox"/> Hold			
TD/CRA number(s) <u>17</u>	TD/CRA language code <u>5p</u>	Situation code <u>5r</u>			

Savings account number \_\_\_\_\_ Record  No  Yes, letter number: \_\_\_\_\_  
 Description of deposit (attach photocopy) \_\_\_\_\_  
 Documentation obtained?  Yes  No (describe missing documentation): Ref + sig cards att. Fee C/W \_\_\_\_\_  
 Special instructions \_\_\_\_\_  
 Reference responsibility  Standard  Special  Waived (reason): \_\_\_\_\_  
 Prepared by and date [Signature] 6/7/85 Approved by and date [Signature] 6/7/85 Accepted by and date \_\_\_\_\_


VERIFY  
 SYSTEM  
 CAMS  
 SOPCO  
 DATASLAB

19 OK  
 [Signature]



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 A-001415





2	ADW4509	3
REPUBLICA DE CHILE		REPUBLICA DE CHILE
DATOS PERSONALES PERSONAL DESCRIPTION		NOMBRE DEL TITULAR NAME OF BEARER
Cédula Nacional de Identidad National Identity Card	[REDACTED]	GO AUMONTO
Nacionalidad Nationality	CHIENA	HIPART
Fecha de Nacimiento Date of Birth	26 AGOSTO 1957	
Estado Civil Marital Status	CASADO	
Profesión Profession	COMERCIANTE	
Domicilio Address	[REDACTED]	
Observaciones Notes	SE PUEDE VIAJAR POR TODO EL MUNDO	
		Firma del Titular Signature of Bearer

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

A - 001416

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11077603/2723

2	4029408	3
REPUBLICA DE CHILE		REPUBLICA DE CHILE
DATOS PERSONALES PERSONAL DESCRIPTION		NOMBRE DEL TITULAR NAME OF BEARER
Cédula Nacional de Identificación National Identity Card		[REDACTED]
Nacionalidad Nationality	CHILENA	[REDACTED]
Fecha de Nacimiento Date of Birth	26 AGOSTO 1957	[REDACTED]
Estado Civil Marital Status	CASADO	[REDACTED]
Profesión Profession	COMED CRANTE	[REDACTED]
Domicilio Address	[REDACTED]	[REDACTED]
Observaciones Notes	está viajando POR FUGO EL MENDOZA	[REDACTED]
	 Firma del Titular Signature of Bearer	 Dactilar Fingerprint

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

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*Mario Hirant*

Client File [110778 UGARTE 2] Client Profile Form

Summary

Name: UGARTE - J. RAMON Expense Code: 02723 COID: 5000  
 J. RAMON UGARTE Client Domicile: CHILE  
 Prospect Segment: B: Trgt AUM>\$1MM CHR>\$10M; Lo-Mod Gr Pot Client Number: 110778  
 Acquisition Code: To Be Determined

Bankers

Name:	<u>MAUREEN L RUGGIERO</u>	Banker ID:	<u>RML1</u>
Title:	<u>Private Banker</u> Type: <u>Primary Banker</u>	Team ID:	<u>CPB01</u>
Division:	<u>PBG - WH</u>	Required:	<u>Yes</u>
Phone:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Start Display:	<u>None</u>
Fax:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Source:	<u>Client / Account</u>
Name:	<u>CHRISTIAN CAHE</u>	Banker ID:	<u>CC02</u>
Title:	<u>Private Banker</u> Type: <u>Backup Banker</u>	Team ID:	<u>CPB01</u>
Division:	<u>PBG - WH</u>	Required:	<u>No</u>
Phone:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Start Display:	<u>None</u>
Fax:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Source:	<u>Client / Account</u>
Name:	<u>MARIA GARCIA CROCKER</u>	Banker ID:	<u>CMG</u>
Title:	<u>Private Banker</u> Type: <u>Primary SO</u>	Team ID:	<u>CPB01</u>
Division:	<u>PBG - WH</u>	Required:	<u>No</u>
Phone:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Start Display:	<u>None</u>
Fax:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Source:	<u>Client / Account</u>
Name:	<u>MAIDA LASALLE</u>	Banker ID:	<u>LM02</u>
Title:	<u>Service Officer</u> Type: <u>Backup SO</u>	Team ID:	<u>CPB01</u>
Division:	<u>PBG - WH</u>	Required:	<u>No</u>
Phone:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Start Display:	<u>None</u>
Fax:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Source:	<u>Client / Account</u>
Name:	<u>MICHELLE DEMERITTE</u>	Banker ID:	<u>DM</u>
Title:	<u>Team Leader</u> Type: <u>Trust Officer</u>	Team ID:	<u>CPB01</u>
Division:	<u>PBG - WH</u>	Required:	<u>No</u>
Phone:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Start Display:	<u>None</u>
Fax:	<u>Redacted by the Permanent Subcommittee on Investigations</u>	Source:	<u>Client / Account</u>

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 99

A - 000991

Client File [110776 UGARTE 2] Client Profile Form

**Bankers (continued)**

Name:	<u>PATRICIO BAEZA</u>	Banker ID:	<u>BPO2</u>
Title:	<u>Private Banker</u>	Type:	<u>Client Team</u>
Division:	<u>PBG - WM</u>	Team ID:	<u>CPB01</u>
Phone:	Redacted by the Permanent Subcommittee on Investigations	Required:	<u>No</u>
Fax:		Stnt Display:	<u>None</u>
		Source:	<u>Client / Account</u>

**Client Telephones**

1	Redacted by the Permanent Subcommittee on Investigations	Type:	<u>Business Telephone</u>
		<u>MARCO HIRIART, DR 242 1967</u>	
1	Redacted by the Permanent Subcommittee on Investigations	Type:	<u>Business Telephone</u>
1	Redacted by the Permanent Subcommittee on Investigations	Type:	<u>Car Telephone</u>
		<u>CELLULAR</u>	
1	Redacted by the Permanent Subcommittee on Investigations	Type:	<u>Primary residence</u>

**Related Addresses**

<u>VITACURA 7081</u>	Tel:	<u>1</u>	COID:	<u>5000</u>
City: <u>SANTIAGO</u>	Effective:	<u>11/26/1996</u>	Expires:	<u>es:</u>
State: _____ Zip: _____	Type:	<u>Business Address</u>		
Country: <u>Chile</u>				
<u>LOS MONSEÑORES 3788 LO BARNECHEA</u>	Tel:	<u>1</u>	COID:	<u>5000</u>
City: <u>SANTIAGO</u>	Effective:	<u>11/26/1996</u>	Expires:	<u>es:</u>
State: _____ Zip: _____	Type:	<u>Primary Residence</u>		
Country: <u>Chile</u>				

A - 000992

Client File [110778 UGARTE 2] Client Profile Form

<b>Banker Contact</b>	
Contact By:	<input type="checkbox"/> Mail <input checked="" type="checkbox"/> Phone <input type="checkbox"/> Fax <input type="checkbox"/> Visit Home <input checked="" type="checkbox"/> Visit Office
Restrictions of Contact:	
<b>Personalizing Letter</b>	
Salutation:	SEÑOR
Title/Honoric:	
Name:	MARCO HIRIART
SignOff:	ATENTAMENTE
Your Name:	MAUREEN L. RUGGIERO
Title:	VICE PRESIDENTE
<b>Referral</b>	
(None)	
<b>Personal Data</b>	
Corporate Client Since:	PBG Client Since: 01/01/1983 Date of Birth: 08/26/1957
Native Language:	SPANISH / FLUENT IN ENGLISH Age: 41
<input checked="" type="checkbox"/> Speaks English	<input type="checkbox"/> Prefers English Nationality: Chile
Number of Children:	3
Age of Children:	<input checked="" type="checkbox"/> < 5 <input type="checkbox"/> 5 - 12 <input type="checkbox"/> 13 - 19 <input type="checkbox"/> 20 - 29 <input type="checkbox"/> 30 +
Client at School in U.S.	<input type="radio"/> Yes <input checked="" type="radio"/> No
Children at School in U.S.	<input type="radio"/> Yes <input checked="" type="radio"/> No
Owns U.S. Real Estate	<input type="radio"/> Yes <input checked="" type="radio"/> No
Owns Other Real Estate	<input checked="" type="radio"/> Yes <input type="radio"/> No Where: CHILE
<b>Significant Personal Relationships</b>	
(None)	

Client File [110776 UGARTE 2] Client Profile Form

**Education, Interests, Affiliations**

Undergraduate Degree: Unspecified

Graduate Degree: Unspecified

**Other Degrees:**

STUDIED ECONOMICS IN WASHINGTON D.C.

**Professional Certifications:**

**Community Involvement:**

**Advisory/Board:**

**Affiliations:**

MEMBER OF CLUB OLYMPUS / GYM AT THE HYATT

**Political Activities/Affiliations:**

SON OF AUGUSTO PINOCHET, FORMER PRESIDENT OF CHILE AND CURRENT GENERAL OF THE ARMY.

**Major Interests:**

**Recreational Activities:**

FLYING HE IS A PILOT, SKIING

**Personal/Lifestyle:**

Client File [110776 UGARTE 2] Client Profile Form

**Business Data**

Company Name: SEE AMMERDMENT  Own Business  
 Date Started: \_\_\_\_\_

Nature Of Business: \_\_\_\_\_

Any Useful Details/Changes Anticipated: \_\_\_\_\_

Source of Wealth / Business Background: Self-Made

REF. - ATTACHED APPENDIX

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Partners**

(None)

**Contacts**

Name: \_\_\_\_\_ 1 (\_\_\_\_) \_\_\_\_\_ Ext. \_\_\_\_\_  
 Information: \_\_\_\_\_ Function: Unspecified

WIFE- SOLEDAD OLAVE- HER FAMILY IS A PROSPECT- OWNS A VINEYARD, HOWEVER HE HAS BEEN RELUCTANT TO INTRODUCE US.

Name: \_\_\_\_\_ 1 (\_\_\_\_) \_\_\_\_\_ Ext. \_\_\_\_\_  
 Information: \_\_\_\_\_ Function: Unspecified

IN FEB. 1993, HIS FIRST CHILD WAS BORN, A DAUGHTER, JOSEPHINA

A - 000995

Client File [110776 UGARTE 2] Client Profile Form

**Contacts (continued)**

Name: \_\_\_\_\_ 1 (\_\_\_\_) \_\_\_\_\_ Ext. \_\_\_\_\_  
 Information: \_\_\_\_\_ Function: Unspecified

**Clients Financial Summary**

On-Shore:	<u>Chile</u>	<u>Chilean Peso</u>	As of:	<u>11/26/1996</u>
Off-Shore:	<u>United States</u>	<u>US Dollar</u>		
Estimated -	On-Shore	Off-Shore	Total	CR-Adjusted
Current Income:	\$ 1,200,000	\$ 400,000	\$ 1,800,000	\$ 0
Current Assets:	\$ 10,000,000	\$ 5,000,000	\$ 15,000,000	\$ 0
Current Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0
Net Worth:	\$ 10,000,000	\$ 5,000,000	\$ 15,000,000	\$ 0
US Maximum PBG Potential:	AUMS: \$ 5,000,000	CNR: \$ 75,000		
Liquidity Requirements:				

**Other Major Providers and Products Owned**

Provider: \_\_\_\_\_ Est. AUMs: \_\_\_\_\_ \$ 0  
 Location: \_\_\_\_\_  
 Products / Services: Other  
 Comment: WORKS WITH A CANADIAN BANK, AND TWO OTHER FINANCIAL INSTITUTIONS

Provider: \_\_\_\_\_ Est. AUMs: \_\_\_\_\_ \$ 0  
 Location: \_\_\_\_\_  
 Products / Services: Other  
 Comment: CLOSED RELATIONSHIP WITH CHASE SANTIAGO BECAUSE HE WAS NOTSATISFIED WITH SERVICE

A - 000996



Client File [110776 UGARTE 2] Client Profile Form

**Summary of Citicorp Relationship**

Total Citicorp Credit Assets Under Management: \$ 0

Total Credit Customer Net Revenue: \$ 0

Total Citicorp Investment Assets Under Management: \$ 0

Total Investment Customer Net Revenue: \$ 0

Overall Satisfaction with Citicorp (if current client)

Excellent     Good     Fair     Poor     No History

Potential Referral Source

How: \_\_\_\_\_

Characterize Client / Explain Any Issues:

\_\_\_\_\_

\_\_\_\_\_

Total Assets Under Management Elsewhere in Citicorp:	
Location	Estimated AUM
(None)	

**Special Considerations**

Business/Professional:

\_\_\_\_\_

\_\_\_\_\_

(liquidity needs, new business, future credit needs, standing instructions)

Personal:

\_\_\_\_\_

RUT:7.032.117-3

(retirement, educational needs, special care, taxes, standing instructions)

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**Citicorp Major Business Opportunities**

Immediate Needs:

DOES NOT WANT CONTACT FROM CHILEAN CITIBANK EMPLOYEES

Long Term Needs:

Strategy:

ANALYZE TOTAL PORTFOLIO INCLUDING OTHER BANKS  
TO ENSURE WELL DIVERSIFIED.

**Products at PBG and Elsewhere**

	Uses at PBG	Past User at PBG	Uses at Other Inst	Interested in Prod.	Averse to Prod.	Estimated AUM
<b>BANKING</b>						
Checking	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
USD Money Market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
FX Money Market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
<b>FIDUCIARY</b>						
Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
PIC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
PACT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Estate Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
<b>INVESTMENT</b>						
Managed Equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0

Client File [110776 UGARTE 2] Client Profile Form

Products at PBG and Elsewhere (continued)

Managed Combo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Intl. Equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Intl. Fixed Inc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Intl. Combo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 0
Performance Portfolio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Custody	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Precious Metal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Mutual Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
USD Time Deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
FX Time Deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
<b>INVESTMENT ADVISORY</b>						
M and A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Debt/Equity Swap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Asset Trading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Capital Markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Private Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Structured Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
FX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0

Client File [110778 UGARTE 2] Client Profile Form

Products at PBG and Elsewhere (continued)

Commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0 _____
Derivatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0 _____
CREDIT						
Letter of Credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0 _____
Tailored Credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0 _____
Mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0 _____
Credit Cards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0 _____
OTHER						
Art Advisory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
IRA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bill Payment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Hold All Mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Client's Credit Cards

(None)

A - 001000

Client File [110776 UGARTE 2] Client Profile Form

**Investment Objective/Risk Analysis**

<b>Time Horizon</b>			
<input type="radio"/> Very Short	<input type="radio"/> Short	<input type="radio"/> Medium	<input checked="" type="radio"/> Long Term
<b>Investment Objective</b>			
<input type="radio"/> Capital Preservation	<input type="radio"/> Income	<input checked="" type="radio"/> Growth and Income	<input type="radio"/> Growth
<b>Risk Tolerance/Return Expectation</b>			
<input type="radio"/> Very Low	<input type="radio"/> Low	<input type="radio"/> Moderate	<input checked="" type="radio"/> High
<b>Client Involvement in Investment Management</b>			
<input type="radio"/> Manage All by Self	<input checked="" type="radio"/> Manage Some by Self	<input type="radio"/> Wants All Managed	
<b>Special Investment Qualifications</b>			
<input type="checkbox"/> Qualified for Commodities	<input checked="" type="checkbox"/> Qualified for Derivatives		

**Transaction Activity**

<b>Monthly Expected Transaction Activity In</b>			
<input checked="" type="radio"/> Low (1-15)	<input type="radio"/> Medium (16-25)	<input type="radio"/> High (26-50)	<input type="radio"/> Govt/Non-Profit (51-100)
<b>Monthly Expected Transaction Activity Out</b>			
<input checked="" type="radio"/> Low (1-15)	<input type="radio"/> Medium (16-25)	<input type="radio"/> High (26-50)	<input type="radio"/> Govt/Non-Profit (51-100)
<b>Expected Transaction Balance In</b>			
<input type="radio"/> \$0 - 50,000	<input type="radio"/> >\$50,000 - 100,000	<input type="radio"/> >\$100,000 - 250,000	
<input type="radio"/> >\$250,000 - 500,000	<input checked="" type="radio"/> >\$500,000 - 1,000,000	<input type="radio"/> >\$1,000,000	
<b>Expected Transaction Balance Out</b>			
<input type="radio"/> \$0 - 50,000	<input type="radio"/> >\$50,000 - 100,000	<input type="radio"/> >\$100,000 - 250,000	
<input type="radio"/> >\$250,000 - 500,000	<input checked="" type="radio"/> >\$500,000 - 1,000,000	<input type="radio"/> >\$1,000,000	

A - 001001

Client File [110776 UGARTE 2] Client Profile Form

**Call Log**

Call Date: 08/18/1993 Location: \_\_\_\_\_  
 Officers Present: \_\_\_\_\_  
 Discussed: \_\_\_\_\_  
**BOUGHT 200M IN PERUVIAN STOCKS WITH CITICORP BROKERAGE IN LIMA  
 HE DID NOT WISH TO SPEAK TO THEM DIRECTLY.**  
 Follow Up: \_\_\_\_\_

Call Date: 04/10/1993 Location: \_\_\_\_\_  
 Officers Present: \_\_\_\_\_  
 Discussed: \_\_\_\_\_  
**SANTIAGO- HE EXPRESSED INTEREST IN PERUVIAN STOCK MARKET AND  
 PERUVIAN DEBT. DISCUSSED F&P AND GLOBAL BOND PORTFOLIOS, HOWEVER**  
 Follow Up: \_\_\_\_\_  
**HE IS CURRENTLY NEGATIVE ON EUROPE**

**Operational Considerations/Cautions**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Last Updated By**

GAIL JOHNSTON PBB - WH  
 Ops Support Staff JG01 Latin American Marketing  
 Ext. \_\_\_\_\_ Last Revised: 09/24/1998

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A - 001002

File

**FINANCIAL QUESTIONNAIRE**

Client Name: Marce P. Hiriart / Soledad Olave Oufkanez  
 C.B. Identification Number (CAMS#): 155997  
 Please have all values converted to U.S. Dollars.

**PROPRIETARY AND CONFIDENTIAL INFORMATION**

PERSONAL

File Name: Marce P. HIRIART

Documentation  Call Memos

Credit  Fees  Offshore

I. **ASSETS**

Cash or cash equivalents (C.B.)	\$	\$ 1,000,000	
Cash or cash equivalents (Other Institutions)	\$	\$ 2,500,000	Swiss Bank
Real Estate	\$	\$ 1,200,000	US
Marketable Securities (C.B.)	\$	\$ 350,000	US
Marketable Securities (Other Institutions)	\$	\$ 1,000,000	cyfa
Retirement Account	\$	\$	
Other (Specify)	\$	\$	
<u>Bus. Interest</u>	\$	\$ 300,000	
	\$	\$	
	\$	\$	
<b>TOTAL ASSETS</b>	\$	\$ 1,500,000	\$ 7,850,000

II. **LIABILITIES**

Bank Loans (C.B.)	\$	\$	\$ 250,000
Bank Loans (Other Institutions)	\$	\$	-
Personal Loans	\$	\$	
Mortgages	\$	\$	
Other (Specify)	\$	\$	
	\$	\$	
	\$	\$	
<b>TOTAL LIABILITIES</b>	\$	\$ -	\$ -

**NET WORTH:** (Total Assets Minus Total Liabilities) \$ 1,500,000 \$ 7,600,000

III. **PERSONAL INCOME**

<b>Earned Income</b>		<b>Unearned Income</b>	
Sources:		Sources:	
<u>Base Salary</u>	\$ 36,000	<u>Interest</u>	\$ 200,000+
	\$		\$
	\$		\$
	\$		\$
<b>TOTAL INCOME (All Sources):</b>	\$ 336,000		

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**APPENDIX #4 - FN 99**

**BUSINESS**

**I. ASSETS**

	Onshore	Offshore
Cash or cash equivalents (C.B.)	\$	\$
Cash or cash equivalents (Other Institutions)	\$	\$
Real Estate	\$	\$
Receivables	\$	\$
Business Equity	\$	\$
Other (Specify)		
<i>Corp. Contributions</i>	\$ 300,000	\$
<i>from the USA.</i>	\$	\$
	\$	\$

TOTAL ASSETS \$ 300,000 \$

**II. LIABILITIES**

Bank Loans (C.B.)	\$	\$
Bank Loans (Other Institutions)	\$	\$
Mortgages	\$	\$
Notes/Accounts	\$	\$
Payables	\$	\$
Other (Specify)		
	\$	\$
	\$	\$
	\$	\$

TOTAL LIABILITIES \$ \$

NET WORTH: \$ 300,000 \$  
(Total Assets Minus Total Liabilities)

**III. BUSINESS EQUITY**

Company	Location	Market Value
<i>see above</i>	<i>Saudi Arabia</i>	<i>300K</i>



~Foby, Please keep a copy for  
our files and send to  
Carolyn Haultle. Thanks.

247

*ME*

*sent  
1/16/93*

A - 001701

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Information On **Pinochet Hiriart, Marco** Relationship Name **Pinochet Hiriart, Marco**

Member Name **Pinochet Hiriart, Marco** Account Holding Relationship

Name	Role
Toy Maria	
Werth Viviana	Banker (Backup)
Urrutia Washington	Specialist (Banking)
Ruggiero Maureen	Lead Banker
Lathrop Jose Luis	Specialist (Credit)
Bunout Michele	Specialist (Investment)
Baeza Patricio	Banker Supervisor
Cahe Christian	Banker (Backup)
Diaz Herman	Banker (Backup)
Johnston Gail	Service Officer
Llaca Maria	Service Officer
Khan Isabel	Service Officer
Farias Gladys	Service Officer
Cedeno Sobera	Service Officer
del Judith	Service Officer Supervisor

Address: **Santiago Chile** Private Banker: **Maureen Ruggiero**

Banker Location:

Phone: **[Redacted]** Nationality: **Chile**

Fax Number: **[Redacted]** Domicile: **Chile**

Relationship to Rel. Head (Bus/Pers):

Detail:

Account Holding Relationship:

Powers Held In Relationship: = Redacted by the Permanent Subcommittee on Investigations

Power Held Detail

Initial SDN Check: Name Not Found

Special Status: No Special Status  Public Figure

Money Manager  Special Name

PBG Employee  Non Target Market

If Yes, Acceptance Rationale:

Information On Pinochet Hiriart, Marco Relationship Name Pinochet Hiriart, Marco

We intend to retain this relationship. Marco P. Hiriart is the son of Augusto Pinochet Ugarte, former President of Chile, General of the Army and current Senator. Augusto Pinochet is currently in England under house arrest for charges relating to human rights violations in Chile.

Marco himself is not involved in politics and is not a Public Figure. Although there is negative information related to the father, Marco's source of wealth is independent from his father's political activity, and should not be under public scrutiny. Client's wealth comes from diverse business interests, including real estate investments, a chain of clothing stores, motorcycle import and distribution, and an aeronautical equipment advisory business.

Business Owner  PBG Employee  Inherited Wealth   
 Investor  Professional  Public Figure   
 Top Executive  Other

Detail: The client is a Private Bank client since 1981. His source of wealth comes from his local company, which has diversified activities. Marco was able to get involved in these business activities by obtaining credit and using returns on his investments. The greatest income is derived from the real estate investments (his house and various properties), which are currently valued at \$2.055mm (refer to the breakdown in the "Other Assets" section). The annual income from these investments is variable between \$50m and \$500m a year depending on whether or not properties are sold. His business activities include:

1. A company which owns real estate projects called Sociedad De Inversiones Ferman and which he owns 100%. He received funds from the sale of two properties, one located in Santiago down town (Mercedes) and the other in Av Augusto Leguia, close to El Bosque (new financial area). He still owns one office located at El Bosque Norte 0440, which I have visited several times and he is currently renting. He also owns property in Huechuraba where he rents out storage facilities. 4 years ago, he purchased 10,000 square meters in Huechuraba at the price of 0.5 of per m<sup>2</sup> (Unidades de Fomento - an inflation adjustment price unit). This property was sold in 1998 for almost 4 times the price, 2 of per m<sup>2</sup>, and he received approximately us \$500m. However, these type of transactions do not necessarily repeat each year. They receive rental income on the properties of \$30m. He also has a small percentage (his investment was us \$500M) in a development project in Santiago with an important real estate group. In addition, he purchased office space in a new building constructed in Vitacura. He currently works out of this office, where we have met on numerous occasions.
2. A second business line is a chain of clothing stores called Don Algodon, with annual sales of us \$500m and net income of 25%. This business is owned 50% by his wife and 50% by the client, and managed in great part, by his wife. I have visited one of the stores located in the Parque Arauco mall in Santiago. Due to the slowdown in economic growth in Chile in 1998, the sales for 1998 and 1999 were lower than previous years.
3. He also imports small boats and motorcycles from a company in Miami for distribution in Santiago. Although the normal margin for this company is 22-25%, 1998 was not a good year, with net income of approximately of \$50m. For this reason, in 1997, they associated with a larger company called Primex in which they participate 50%/50%. In 1997 and 1998, this continued to contribute very little income and therefore he will not be putting a lot of time or energy into this business.
4. In 1999 he plans to concentrate on building a small, economical hotel (price of rooms approximately us \$60 per night). The total investment of this hotel will be approximately us\$4.5mm, 50% by the client and 50% by a partner. His initial investment will be us\$1mm, the proceeds of the sale of the Huechuraba property mentioned previously and another property in Huechuraba which he plans to sell, and the remaining will be a loan.

The global annual income varies each year, but the average is estimated at \$500m.

Or Sources of Wealth not required because:

Name	Title/Position	% Owned	Since
Sociedad De Inversiones Ferman	Owner	100	
Don Algodon	Owner	50	

Occupation  
 Cash intensive business (e restaurants; retail stores; parking garage; stadiums; movie theatres etc.)  
 Import/export companies  
 state business/occupation: Real estate investor and retail clothing stores

02/11/2000

Page 2 of 3

A - 002071

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Information On Pinochet Hiriart, Marco Relationship Name Pinochet Hiriart, Marco

Type	Country	State/Province	ID Number
National ID Card	Chile	Chile	[REDACTED]

Comment:

[REDACTED]

References on File

References Comments:

Existing Client prior to 1997

[REDACTED]

Existing client prior to 1997

[REDACTED]

Existing client prior to 1997

[REDACTED]

As an investment account

[REDACTED]

Various client meetings and interviews

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Account Type	CHGroup Business	Contact Name	Location	Phone	Comments
None.					

Total Assets:	5,332
Total Liabilities:	
Net Worth (Indiv)/Capital (Entity):	5,332
Income/Revenue:	500

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

110776

Client File 1983077 MERITOR 1] Client Profile Form

Bankers (continued)

Name:	PATRICIO BAEZA	Banker ID:	BPO2
Title:	Private Banker	Type:	Client Team
Division:	PBG - WH	Team ID:	CPB01
Phone:		Required:	No
Fax:		Short Display:	None
	Redacted by the Permanent Subcommittee on Investigations	Source:	Client / Account

Client Telep

1 ( ) - Ext.	Type: Primary residence
1 ( ) - Ext.	Type: Primary residence

Related Addresses

THOMSON BLVD. OAKES FIED. (CITITRUST)	Tel: 1	COID: 5000
City: NASSAU	Effective: 11/28/1998	Expires: es:
State: Zip:	Type: Primary Residence	
Country: Bahamas		

Banker Contact

Contact By:  Mail  Phone  Fax  Visit Home  Visit Office

Restrictions of Contact:

PERSONAL INFO IN CBL FILES. TRUST OFFICER MICHELLE DEMERITTE

Personalizing Letter

Salutation:	NOT REQUIRED FOR CBL
Title/Honorific:	
Name:	
SignOff:	
Your Name:	
Title:	

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Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 101

Client File [983077 MERITOR 1] Client Profile Form

<b>Referral</b>	
(None)	
<b>Personal Data</b>	
Corporate Client Since: _____	PBG Client Since: _____ Date of Birth: _____
Native Language: <u>SPANISH</u>	Age Range: <u>31 - 40</u>
<input type="checkbox"/> Speaks English	<input type="checkbox"/> Prefers English Nationality: <u>Other</u>
Number of Children: <u>0</u>	
Age of Children:	<input type="checkbox"/> < 5 <input type="checkbox"/> 5 - 12 <input type="checkbox"/> 13 - 19 <input type="checkbox"/> 20 - 29 <input type="checkbox"/> 30 +
Client at School in U.S.	<input type="radio"/> Yes <input checked="" type="radio"/> No
Children at School in U.S.	<input type="radio"/> Yes <input checked="" type="radio"/> No
Owns U.S. Real Estate	<input type="radio"/> Yes <input checked="" type="radio"/> No
Owns Other Real Estate	<input checked="" type="radio"/> Yes <input type="radio"/> No Where: _____
<b>Significant Personal Relationships</b>	
SEE CBL BENEFICIAL OWNER ADDENDUM ATTAC	
Marketing Domicile: <u>To Be Determined</u>	Born: _____ Age: <u>Not Identified</u>
	Relationship: <u>Spouse</u>

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Client File [983077 MERITOR 1] Client Profile Form

**Education, Interests, Affiliations**

Undergraduate Degree: Unspecified

Graduate Degree: Unspecified

**Other Degrees:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Professional Certifications:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Community Involvement:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Advisory/Board:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Affiliations:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Political Activities/Affiliations:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Major Interests:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Recreational Activities:**

**MAINTAINED AS APPROPRIATE BY CBL**

**Personal/Lifestyle:**

**MAINTAINED AS APPROPRIATE BY CBL**

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Client File 983077 MERITOR 1] Client Profile Form

<b>Business Data</b>	
Company Name: SEE AMENDMENT	<input type="checkbox"/> Own Business
Nature Of Business:	Date Started:
Any Useful Details/Changes Anticipated:	
Source of Wealth / Business Background: Self-Made	
Refer To ADDENDUM E & F LT 983077	
Partners	
MAINTAINED AS APPROPRIATE BY CBL	Born: Age: Not Identified
Domicile: To Be Determined	Relationship: Partner
Contacts	
(None)	

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Client File 983077 MERITOR 1] Client Profile Form

**Clients Financial Summary**

On-Shore: Chile Chilean Peso As of: 11/26/1998  
 Off-Shore: United States US Dollar

Estimated -	On-Shore	Off-Shore	Total	Clt-Adjusted
Current Income:	\$ 1,200,000	\$ 400,000	\$ 1,600,000	\$ 0
Current Assets:	\$ 10,000,000	\$ 5,000,000	\$ 15,000,000	\$ 0
Current Liabilities:	\$ 0	\$ 0	\$ 0	\$ 0
Net Worth:	\$ 10,000,000	\$ 5,000,000	\$ 15,000,000	\$ 0

US Maximum PBG Potential: AUMS: \$ 5,000,000 CNR: \$ 75,000  
 Liquidity Requirements:

**Other Major Providers and Products Owned**

Provider: \_\_\_\_\_ Est. AUMs: \$ 0  
 Location: \_\_\_\_\_  
 Products / Services: Other  
 Comment: SWISS BANK CORP.

**Summary of Citicorp Relationship**

Total Citicorp Credit Assets Under Management: \$ 0  
 Total Credit Customer Net Revenue: \$ 0  
 Total Citicorp Investment Assets Under Management: \$ 291,925  
 Total Investment Customer Net Revenue: \$ 0

Overall Satisfaction with Citicorp (if current client)  
 Excellent  Good  Fair  Poor  No History

Potential Referral Source

How: \_\_\_\_\_  
 Characterize Client / Explain Any Issues:  
VERY CONCERNED ABOUT CONFIDENTIALITY

Total Assets Under Management Elsewhere in Citicorp: \_\_\_\_\_ Est \_\_\_\_\_  
 Location: \_\_\_\_\_ (None) A - 000971

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Client File [983077 MERITOR 1] Client Profile Form

**Special Considerations**

**Business/Professional:**

\_\_\_\_\_

\_\_\_\_\_

(liquidity needs, new business, future credit needs, standing instructions)

**Personal:**

\_\_\_\_\_

\_\_\_\_\_

(retirement, educational needs, special care, taxes, standing instructions)

**Citibank Major Business Opportunities**

**Immediate Needs:**

\_\_\_\_\_

\_\_\_\_\_

**Long Term Needs:**

\_\_\_\_\_

\_\_\_\_\_

**Strategy:**

\_\_\_\_\_

\_\_\_\_\_

**Products at PBG and Elsewhere**

	Uses at PBG	Past User at PBG	Uses at Other Inst	Interested in Prod.	Averse to Prod.	Estimated AUM
<b>BANKING</b>						
Checking	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
USD Money Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
FX Money Market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
<b>FIDUCIARY</b>						

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Client File [983077 MERITOR 1] Client Profile Form

Products at PBG and Elsewhere (continued)

Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
PIC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
PACT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Estate Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
<b>INVESTMENT</b>						
Managed Equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Combo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Intl. Equity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Intl. Fixed Inc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Managed Intl. Combo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Performance Portfolio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Custody	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Precious Metal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Mutual Funds	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
USD Time Deposits	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
FX Time Deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
<b>INVESTMENT ADVISORY</b>						
M and A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Debt/Equity Swap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0

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Client File [983077 MERITOR 1] Client Profile Form

Products at PBG and Elsewhere (continued)

Asset Trading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Capital Markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Private Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Equities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Fixed Income	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Structured Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
FX	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Commodities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Derivatives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
CREDIT						
Letter of Credit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Tailored Credit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
Credit Cards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 0
OTHER						
Art Advisory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
IRA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bill Payment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Hold All Mail	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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Client's Credit Cards

(None)

A - 000974

Client File [983077 MERITOR 1] Client Profile Form

**Investment Objective/Risk Analysis**

<b>Time Horizon</b>			
<input type="radio"/> Very Short	<input type="radio"/> Short	<input type="radio"/> Medium	<input checked="" type="radio"/> Long Term
<b>Investment Objective</b>			
<input type="radio"/> Capital Preservation	<input type="radio"/> Income	<input checked="" type="radio"/> Growth and Income	<input type="radio"/> Growth
<b>Risk Tolerance/Return Expectation</b>			
<input type="radio"/> Very Low	<input type="radio"/> Low	<input type="radio"/> Moderate	<input checked="" type="radio"/> High
<b>Client Involvement in Investment Management</b>			
<input type="radio"/> Manage All by Self	<input checked="" type="radio"/> Manage Some by Self	<input type="radio"/> Wants All Managed	
<b>Special Investment Qualifications</b>			
<input type="checkbox"/> Qualified for Commodities	<input checked="" type="checkbox"/> Qualified for Derivatives		

**Transaction Activity**

<b>Monthly Expected Transaction Activity In</b>			
<input checked="" type="radio"/> Low (1-15)	<input type="radio"/> Medium (16-25)	<input type="radio"/> High (26-50)	<input type="radio"/> Govt/Non-Profit (51-100)
<b>Monthly Expected Transaction Activity Out</b>			
<input checked="" type="radio"/> Low (1-15)	<input type="radio"/> Medium (16-25)	<input type="radio"/> High (26-50)	<input type="radio"/> Govt/Non-Profit (51-100)
<b>Expected Transaction Balance In</b>			
<input type="radio"/> \$0 - 50,000	<input type="radio"/> >\$50,000 - 100,000	<input type="radio"/> >\$100,000 - 250,000	
<input type="radio"/> >\$250,000 - 500,000	<input checked="" type="radio"/> >\$500,000 - 1,000,000	<input type="radio"/> >\$1,000,000	
<b>Expected Transaction Balance Out</b>			
<input type="radio"/> \$0 - 50,000	<input type="radio"/> >\$50,000 - 100,000	<input type="radio"/> >\$100,000 - 250,000	
<input type="radio"/> >\$250,000 - 500,000	<input checked="" type="radio"/> >\$500,000 - 1,000,000	<input type="radio"/> >\$1,000,000	

**Call Log**

(None)

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A - 000975

Client File 983077 MERITOR 1] Client Profile Form

**Operational Considerations/Cautions**


**Last Updated By**

<b>EVELYN DUEHO</b>	<b>PBG - WH</b>
Service Officer	OE Latin American Marketing
( [REDACTED] ) Ext.	Last Revised: 06/02/1997

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

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A - 000976

Memorandum to: PMS/IIS / Banking Products Documentation Unit

re: Business Risk Assignment

date: 1-26-93

Client Name: Mered P. Hirst CAMS # 11077603

Account Type: Custody Account # 10040217

The following documents are not on file for the above client account:

- Individual Joint Letter of Instructions
- repass
- Assignment to Letter of Instructions
- Statement of Purpose for an extension of credit
- Signature Cards

The client has been notified and the documents are expected to be received.

In the interim, the client will continue to actively use their account and therefore PB-WH Business Unit, Expense Code 1000 will assume any risk associated with this account and will be responsible for any audit exception arising from the documentation deficiency.

This memorandum will be in effect until 3/31/93.

The client does not want any contact with the onshore office so I will get it as soon as I go to Chile

Private Banker [Signature]

Business Manager [Signature]

OK  
HENRY C. HELLER, V.P.  
CCC/17th FL/In. 2

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Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 101

A - 001719

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KYC Individual Report

Information On Pinochet Hiriart, Marco Relationship Name Pinochet Hiriart, Marco

Exception Request Status:

Alerts:

Lead Banker Information

Lead Banker: Maureen Ruggiero Banker Location: Chile

Member Setup

Name	Role	Relationship Member Type
Pinochet Hiriart, Marco	Rel. Head	Primary Client - Individual

Relationship to Primary Client ( Relationship Head): Self

Detail:

Relationship Member or Account Since: 01/01/1981

Client Meeting

Call Report on file.

Sanctions Check

This member is not on the SDN list. Date: 02/28/2001

Sensitivity

Is this member engaged in any businesses on the High Risk Business List? Cash-intensive businesses, such as convenience stores, restaurants, retail stores, and parking garages

If No, state business:

If on list and deemed Not Sensitive, due diligence performed

Due Diligence Summary/Results:

Is this Member:

- |   |                                       |
|---|---------------------------------------|
| <input checked="" type="checkbox"/> Public Figure | <input type="checkbox"/> Docs on file |
| <input type="checkbox"/> Money Manager            | <input type="checkbox"/> Docs on file |
| <input type="checkbox"/> PBG Employee             | <input type="checkbox"/> Docs on file |
| <input type="checkbox"/> Special Name Account     | <input type="checkbox"/> Docs on file |

If Public Figure, Acceptance Rationale:

WE PLAN TO TERMINATE THIS RELATIONSHIP BECAUSE THE CLIENT IS NOT TARGET MARKET. MARCO PINOCHET HIRIART IS THE SON OF AUGUSTO PINOCHET UGARTE, FORMER PRESIDENT OF CHILE, GENERAL OF THE ARMY AND CURRENT SENATOR.

MARCO HIMSELF IS NOT INVOLVED IN POLITICS AND IS NOT A PUBLIC FIGURE. ALTHOUGH THERE IS NEGATIVE INFORMATION RELATED TO THE FATHER, MARCO'S SOURCE OF WEALTH IS INDEPENDENT FROM HIS FATHER'S POLITICAL ACTIVITY, AND SHOULD NOT BE UNDER PUBLIC SCRUTINY. MARCO HAS A GOOD REPUTATION AND HAS NOT BEEN ACCUSED OF HUMAN RIGHTS ABUSE.

CLIENT'S WEALTH COMES FROM DIVERSE BUSINESS INTERESTS, INCLUDING REAL ESTATE INVESTMENTS, A CHAIN OF CLOTHING STORES, MOTORCYCLE IMPORT AND DISTRIBUTION, AND AN AERONAUTICAL EQUIPMENT ADVISORY BUSINESS.



Information On Pinochet Hiriart, Marco Relationship Name Pinochet Hiriart, Marco

Classify this member as Sensitive per business decision

Details:

Sensitivity Status: This member is Sensitive, and enhanced transaction monitoring will be performed.

**Contact Information**

Primary (Residence) Address: [Redacted]  
Santiago  
Chile

Primary (Residence) Phone: [Redacted] Fax Number: [Redacted]

Nationality: Chile Legal Domicile: Chile

**Identification**

Type	Country	State/Province	ID Number	PKC ID
National ID Card	Chile	Santiago	[Redacted]	M

Comments

Date of Birth: 08/26/1957 Estimated Age: [Redacted]

**Company Ownership/Employment**

Company Name	Title/Position	%	Since
Don Algodon	Owner	50	
Sociedad De Inversiones Femar	Owner	100	

**Source of Wealth**

- Business Owner
- Inheritance/Gift
- Investor
- Top Executive/Employee
- Professional Occ/Entertainer/Athlete
- Other

**Business Owner**

Describe nature of business/operations. Include major products/services and, if known, primary business locations, significant clients and patents/inventions.

See Converted Data

Describe Ownership structure. Include when established, publicly traded or private/closely held, percent ownership, and, if known, names/percent of other owners.

See Converted Data

Dimension business. Include any known details, such as annual sales, revenue, income, number of employees/locations, and/or market share.

See Converted Data

Describe how the Business was established (e.g. from savings) and, if applicable, how/when it grew to its present worth.

See Converted Data

[Redacted] = Redacted by the Permanent Subcommittee on Investigations

**Investor**

Describe nature of relationship member's investment activities. Include what he/she invests in (eg: real estate or failing companies) and his/her role in transaction (e.g: buys/improves/sells, buys/breaks up/sells or buys/holds/sells).

Information On Pinochet Hiriart, Marco Relationship Name Pinochet Hiriart, Marco

See Converted Data

Describe relationship member's investment history. Include when he/she began investing, where initial money came from (e.g. savings), how much/how often he/she invests, and, if known, any notable public transactions.

See Converted Data

Dimension investor's activities. Explain significant changes in investment behavior by describing how initial investment(s) grew to its present worth.

See Converted Data

**Converted Source of Wealth Data:**

THE CLIENT IS A PRIVATE BANK CLIENT SINCE 1981. HIS SOURCE OF WEALTH COMES FROM HIS OWNERSHIP OF SOCIEDAD DE INVERSIONES FERMAR AND DON ALGODON DISCUSSED IN DETAIL BELOW, WHICH HAS DIVERSIFIED ACTIVITIES. MARCO WAS ABLE TO GET INVOLVED INITIALLY IN THESE BUSINESS ACTIVITIES BY OBTAINING FUNDS BY CREDIT (LOCAL BANKS) USING THE CASH FLOWS OF THE COMPANY AND SHOWING THE RETURNS ON THE INVESTMENTS. THE GREATEST INCOME IS DERIVED FROM THE REAL ESTATE INVESTMENTS (HIS HOUSE AND VARIOUS PROPERTIES), WHICH ARE CURRENTLY VALUED AT USD \$2.055MM. THE ANNUAL INCOME FROM THESE INVESTMENTS IS VARIABLE BETWEEN \$50M AND \$500M A YEAR DEPENDING ON WHETHER OR NOT PROPERTIES ARE SOLD. HIS BUSINESS ACTIVITIES INCLUDE:

1. A COMPANY WHICH OWNS REAL ESTATE PROJECTS CALLED SOCIEDAD DE INVERSIONES FERMAR AND WHICH HE OWNS 100%. HE RECEIVED FUNDS FROM THE SALE OF TWO PROPERTIES, ONE LOCATED IN DOWNTOWN SANTIAGO (HUERFANOS) AND THE OTHER IN AV AGUSTO LEGUIA, CLOSE TO EL BOSQUE (NEW FINANCIAL AREA). HE STILLS OWNS AND IS CURRENTLY RENTING ONE OFFICE BUILDING LOCATED AT EL BOSQUE NORTE 0440, WHICH I HAVE VISITED SEVERAL TIMES. HE ALSO OWNS PROPERTY IN HUECHURABA WHERE HE RENTS OUT STORAGE FACILITIES. FOUR YEARS AGO, HE PURCHASED 10,000 SQUARE METERS IN HECHURABA AT THE PRICE OF 0.5 UF (UNIDADES DE FOMENTO- AN INFLATION ADJUSTMENT PRICE UNIT), PER SQUARE METER. THIS PROPERTY WAS SOLD IN 1996 FOR ALMOST 4 TIMES THE PRICE, 2 UF PER CUBIC METER, AND HE RECEIVED APPROXIMATELY US \$500M. HOWEVER, THESE TYPE OF TRANSACTIONS DO NOT NECESSARILY REPEAT EACH YEAR. THEY RECEIVE RENTAL INCOME ON THE PROPERTIES OF \$30M. HE ALSO HAS A SMALL PERCENTAGE (HIS INVESTMENT WAS US \$500M) IN A DEVELOPMENT PROJECT IN SANTIAGO WITH AN IMPORTANT REAL ESTATE GROUP. IN ADDITION, HE PURCHASED OFFICE SPACE IN A NEW BUILDING CONSTRUCTED IN VITACURA. HE CURRENTLY WORKS OUT OF THIS OFFICE, WHERE WE HAVE MET ON NUMEROUS OCCASIONS.

2. A SECOND BUSINESS LINE IS A CHAIN OF CLOTHING STORES CALLED DON ALGODON, WITH ANNUAL SALES OF USD \$500M AND NET INCOME OF 25%. THIS BUSINESS IS OWNED 50% BY HIS WIFE AND 50% BY THE CLIENT, AND MANAGED IN GREAT PART BY HIS WIFE. I HAVE VISITED ONE OF THE STORES LOCATED IN THE PARQUE ARAUCO MALL IN SANTIAGO. DUE TO THE SLOWDOWN IN ECONOMIC GROWTH IN CHILE IN 1996, THE SALES FOR 1996 AND 1999 WERE LOWER THAN PREVIOUS YEARS.

3. HE ALSO IMPORTS SMALL BOATS AND MOTORCYCLES FROM A COMPANY IN MIAMI FOR DISTRIBUTION IN SANTIAGO. ALTHOUGH THE NORMAL MARGIN FOR THIS COMPANY IS 22-25%, 1996 WAS NOT A GOOD YEAR, WITH NET INCOME OF APPROXIMATELY OF \$50M. FOR THIS REASON, IN 1997, THEY ASSOCIATED WITH A LARGER COMPANY CALLED PRIMEX IN WHICH THEY PARTICIPATE 50%/50%. IN 1997 AND 1998, THIS CONTINUED TO CONTRIBUTE VERY LITTLE INCOME AND THEREFORE HE WILL NOT BE PUTTING A LOT OF TIME OR ENERGY INTO THIS BUSINESS.

4. IN 1999 HE PLANS TO CONCENTRATE ON BUILDING A SMALL, ECONOMICAL HOTEL (PRICE OF ROOMS APPROXIMATELY US \$60 PER NIGHT). THE TOTAL INVESTMENT OF THIS HOTEL WILL BE APPROXIMATELY USD \$4.5MM, 50% BY THE CLIENT AND 50% BY A PARTNER. HIS INITIAL INVESTMENT WILL BE USD \$1MM, THE PROCEEDS OF THE SALE OF THE HECHURABA PROPERTY MENTIONED PREVIOUSLY AND ANOTHER PROPERTY IN HECHRABA WHICH HE PLANS TO SELL, AND THE REMAINING WILL BE A LOAN.

THE GLOBAL ANNUAL INCOME AMOUNT OF \$1.125MM VARIES EACH YEAR, BUT THE AVERAGE IS ESTIMATED AT \$500M.

**Financial Summary**

[All data in US\$ 000s]

	On-Shore	Off-Shore	Total
Assets:	3,055	2,277	5,332
Liabilities:	0	0	0
Net Worth:			5,332

Information On **Pinochet Hinart, Marco** Relationship Name **Pinochet Hinart, Marco**

Income/Revenue: 500 0 500

**Referral Source Information**

How was the member sourced?  
 Existing client prior to 1997

**Information Source**

How was information on the member obtained?  
 Various client meetings and interviews

**Source of Initial Funds**

Estimated Funding Amount: N/A-Existing Client pre-Oct 97

How will the assets be received?

NA, Existing Client Prior to 1997

Describe the event from which funds will originate:

NA, Existing Client Prior to 1997

Are the funds originating from outside the member's domicile? No

If yes, which country?

Will the funds be received by order of a third party? No

If yes, provide name of the third party and relationship to member:

Will the funds be received from a non-bank money transmitter? No

If yes, name:

**Non-PBG Citigroup Relationships**

Does the member have Non-PBG Citigroup relationships? No

If yes, Detail:

**Relationship Team Members**

Name	Role
A., Patricio	Banker Supervisor
Bunout, Michele	Specialist (Investment)
Cabe, Cristian	Banker (Primary Backup)
Campos, Jacqueline	
Capel, Judith	Service Officer Supervisor
Cadeno, Sobekra	Service Officer
Errazuriz, Andres	
Farias, Gladys	Service Officer
Grossman, Valentina	

Information On Pinochet Hiriart, Marco Relationship Name Pinochet Hiriart, Marco

---

Khan, Isabel	Service Officer
Koke Bechat, Michele	
Lathrop, Jose	Specialist (Credit)
Lices, Maria M.	Service Officer
Oquendo-Pai, Marjorie	Service Officer Supervisor
Ruggiero, Maureen	Lead Banker
Toy, Marie	
Troys, Ulises	
Urrutia, Washington	Specialist (Banking)
Werth, Viviana	Banker (Backup)



# FAX COVER SHEET

Comptroller of the Currency  
Administrator of National Banks

Citibank - OCC National Bank Examiners  
880 Third Avenue, 5<sup>th</sup> Floor  
New York, New York 10022-4730

**CONFIDENTIAL**

Date: JUNE 26, 2002

To: JOHN BOKIMAN

Phone Number: [REDACTED]

Fax Number: [REDACTED]

From: OCC National Bank Examiners @Citibank

MARDY AGOSTINO

Phone Number: [REDACTED]

Fax Number: [REDACTED]

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Number of Pages: 2 Including this cover sheet

Message: JOHN - THE LIST OF NAMES/ACCOUNTS WE DISCUSSED IS ATTACHED.  
THANK-YOU!

- Return originals
- Will pick up originals
- Destroy originals

The documents accompanying this facsimile may contain nonpublic information, which is the property of the Office of the Comptroller Of The Currency. The information is intended only for the use of the individual(s) or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited and may be subject to penalties provided in section 641 of title 18, United States Code.

If you have received this facsimile in error, please immediately notify the sender by telephone at the number listed above to arrange for return of the documents to the sender. Thank you.

CC 6058-01 (6/94)

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 105**

C 010408  
Strictly Confidential  
Not for Circulation  
Subcommittee Members and Staff Only

ACCOUNTS/NAMES USED BY AUGUSTO PINOCHET AND/OR MRS. PINOCHET

A. Ugarte  
Augusto Pinochet Ugarte  
A. F. Ugarte  
Augusto P. Ugarte  
Augusto Pinochet  
Lucia Hiriart de Pinochet  
L. Hiriart  
Maria Lucia Hiriart  
M. L. Hiriart  
Lucia Hiriart Rodriguez  
Maria Hiriart

Redacted By  
Permanent Subcommittee  
on Investigations

-----Original Message-----

**From:** Cohen, Barry  
**Sent:** Thursday, June 27, 2002 3:54 PM  
**To:** Decker, Sharon  
**Cc:** Rushdoorny, Jonathan; Boss, Joseph; Lee, Ashley; Waterhouse, Scott; Dailey, Grace; Henderson, Lauri; Hejney, Patty  
**Subject:** RE: Request for Information on Pinochet

Sharon,

Citibank indicates that:

- 1) After a search of its' comprehensive data base, the Private Banking unit did not identify any accounts relating to any of the specified names.
- 2) On the possibility that an account may exist in Citibank but outside of the Private Banking unit, Rick Small indicated that a global search for Pinochet had been conducted when the adverse publicity first arose = no accounts found.
- 3) On the possibility that Pinochet is a customer of one of Citibank's correspondent banks, and that items related to him may clear through said accounts, Rick Small indicated more detailed information (i.e., an account number from the back of a cleared check, etc) would be needed before Citibank could further research. He stated Citibank would be happy to conduct additional follow-up if such detail was available.

Please advise if you wish us to proceed further.

Regards  
Barry

-----Original Message-----

**From:** Decker, Sharon  
**Sent:** Tuesday, June 25, 2002 9:19 AM  
**To:** Henderson, Lauri; Hejney, Patty; Cohen, Barry  
**Cc:** Rushdoorny, Jonathan; Boss, Joseph; Lee, Ashley  
**Subject:** FW: Request for Information on Pinochet

Lauri, Patty, and Barry: I have tried to reach each of you by phone, but was unsuccessful. I would like to talk to you about the information request below.

I would like if you could ask Fleet (formerly BankBoston), Bank of America, and Citi if there are any accounts with the following names:

A. Ugarte  
 Augusto Pinochet Ugarte  
 A. P. Ugarte  
 Augusto P. Ugarte  
 Augusto Pinochet  
 Lucia Hiriart de Pinochet  
 L. Hiriart  
 Maña Lucia Hiriart  
 M. L. Hiriart  
 Lucia Hiriart Rodriguez

Permanent Subcommittee on Investigations  
APPENDIX #4 – FN 106

000000045716

Maria Hiriart

The above names have all been used by Augusto Pinochet, a former Chilean public official. The other name is Mrs. Pinochet. We would like to know if your bank has any accounts with the Pinochets, and if so, we would like a copy of at least the last two months of activity on those accounts.

I am on AL this week. However, this information is time sensitive. If you need to reach, please feel free to call me. Sharon.

**Redacted  
by  
Permanent Subcommittee  
on Investigations**



(4)

15-30001  
340

TOTAL ITEMS   
PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.

\$ 2000000

DATE: 29/09/97

CURRENCY	COIN	DOLLARS	CENTS
		2000000	

RIGGS BANK NA  
WEST END OFFICE (LONDON)

*London Clearing Account*

⑆5101⑈0600⑆ 09222056⑈

**Banco de Chile**

28 DE SEPTIEMBRE DE 1997  
REF. NUM. 173221730248

809118

USD200.000,00

FIGUREZ A LA ORDEN DE  
PAY TO THE ORDER OF M. HIRIART

LA CANTIDAD DE  
THE AMOUNT OF DOSCIENTOS MIL DOLAR USA

A  
TO BANCO DE CHILE SUCURSAL NEW YORK  
NEW YORK  
ESTADOS UNIDOS

000505

⑆809118⑈ ⑆026005652⑆ 00 000505 00⑈

AUTORIZADAS  
AUTHORIZED SIGNATURES

**Banco de Chile**  
APOQUINCO  
MARCELO TORCHE F.  
SUBGERENTE

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 112**

RNB032282



SOCIEDAD DE INVERSIONES BELVIEW INT 12/31/02  
 S.A.  
 VESPUCCIO SUR 406 DEPTO. 71 310/011001328  
 LAS CONDES  
 SANTIAGO DDA/USD

BTH/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
12/31/01	BALANCE FROM LAST STATEMENT..:			.00
7/17/02	I/T-ALTHORP INVESTMENT CO L		956,788.76	956,788.76
7/17/02	I/T-L HIRIART		23,666.73	980,455.49
7/17/02	I/T-ASHBURTON COMPANY LIMIT		5047,619.30	6028,074.79
7/24/02	TRF FUNDS TO BELVIEW INTERNATI	5900,000.00		128,074.79
8/09/02	REF: TRF TO OSCAR AITKEN L.	23,666.73		104,408.06
8/29/02	W/T-BELVIW INTERNATIONAL IN	15.00		104,393.06
8/29/02	W/T-BELVIW INTERNATIONAL IN	100,000.00		4,393.06
11/07/02	TRF FUNDS TO SOC DE INVERSIONE	4,393.06		.00
11/08/02	ACCOUNT CLOSED INST L011001328	.00		.00
TOTAL DR'S:	6 CR'S:	3	6028,074.79	6028,074.79
				.00

Santiago, Chile. August 10<sup>th</sup>, 2004

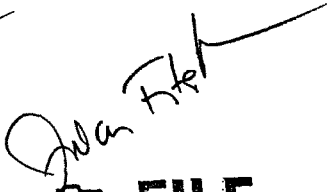

Messrs.  
Pershing  
One Pershing Plaza  
Jersey City, NJ 07399  
United States

Attn.: Fed Fund Department

Dear Sirs,

Please transfer from the mentioned account to the following instructions:

From the account: OAJ-002418  
Amount US\$: 5,508,187.91.-  
Banco de Chile, New York  
ABA # 026 005 652  
Account Number: 011004478  
Account Name: G.L.P. Limited

*Dwan Fitch*  
  
 **FILE**

Best regards,

  
G.L.P. Limited

Permanent Subcommittee on Investigations  
**APPENDIX #4 – FN 117**

PSI 01008

Santiago, Chile. August 10, 2004

General Manager  
Banco de Chile  
Miami  
United States

Dear General Manager:

I would appreciate you making a transfer to Banco de Chile Santiago, head office, attention of the General Manager, Mr. Pablo Granifo Lavín, of the sum of US\$ 1,351,077.52 from a company I represent, Tasker Investment Limited, checking account No. 021005635, for the purpose of placing a time deposit in Santiago for 90 days, automatically renewable, in dollars with corresponding interest at the market rate, in the name of Mr. Sergio Muñoz Gajardo.

Sincerely,

\_\_\_\_\_  
Tasker Investment Limited  
Oscar Aitken Lavanchy

PSI 02423

**Hernan Donoso**

---

**From:** Eduardo Omegna  
**Sent:** Thursday, 12 de August de 2004 10:46 AM  
**To:** Hernan Donoso  
**Subject:** FVV: orden de transferencia  
**Importance:** High



Borrador para  
Miami.doc (19 KB...)

Redacted by the  
Permanent Subcommittee  
on Investigations

-----Original Message-----

**From:** Oscar Aitken Lavañchy  
**Sent:** Thursday, August 12, 2004 10:32 AM  
**To:** Eduardo Omegna  
**Subject:** orden de transferencia  
**Importance:** High

Estimado Eduardo:

Conforme a nuestra conversación telefónica, le envió mi proposición de orden de transferencia. El beneficiario podrá ser yo mismo, en primera instancia, para luego en Santiago disponer que el beneficiario final sea Sergio Muñoz G.. ¿Le complica a usted el que directamente pusiera como beneficiario a Sergio Muñoz G.? Si no fuera inconveniente esta última fórmula sería la mejor para efectos de futuras declaraciones de impuesto a la renta.

El texto que le propongo se lo adjunto.

Espero su siempre amistosa recomendación.

Le saluda muy cordialmente,

Oscar Aitken L.

**Hernan Donoso**

---

**From:** Eduardo Omegna  
**Sent:** Thursday, August 2004 10:46 AM  
**To:** Hernan Donoso  
**Subject:** FW Transfer Order

**Importance:** High

[MS Word icon]  
Draft for  
Miami.doc (19 KB...

--- Original Message ---

---

**From:** Oscar Ailken Lavanchy  
**Sent:** Thursday, August 12, 2004 10:32 AM  
**To:** Eduardo Omegna  
**Subject:** Transfer Order

**Importance:** High

Dear Eduardo:

In accordance with our telephone conversation, I am sending you my proposal on the transfer order. The beneficiary must be me personally in the first instance and then provide that the final beneficiary in Santiago will be Sergio Muñoz G. Does it complicate it for you if Sergio Muñoz is the beneficiary? If it is not inconvenient, this latter formula would be better for purposes of future income tax declarations.

The text that I propose is attached.

I await your friendly recommendation.

Sincerely,

Oscar Ailken L.

**Peter McWilliam**

**From:** Peter McWilliam  
**Sent:** Monday, 20 de September de 2004 11:53 AM  
**To:** David.Sahr [REDACTED]  
**Subject:** FV: Confirmation

-----Original Message-----

**From:** Cecilia Tapia  
**Sent:** September 20, 2004 11:22 AM  
**To:** Peter McWilliam  
**Cc:** Oscar Sosa; Ricardo Jimenez  
**Subject:** Confirmation

Dear Peter:

Per our phone conversation of today, I hereby confirm to you that on 8/12/04 we received a payment order for USD 1,351,077.52 via fax by order of Tasker Investment Limited account 021005635. Mr. Eduardo Omega, was looking for this payment order for USD 1,351,077.52 to pay Banco de Chile Santiago Chile account [REDACTED] with New York Branch – Ref. Instrucciones de Tasker Investments Limited para tomar deposito a plazo renovable en dolares / Sergio Munoz G. I advised the Receptionist, and she stated that the payment was already received, that she has advised Mr. Eduardo Omega of the same. She wrote on the payment order "called back Eduardo O".

The payment order #23 was sent to the attention of Mr. Hernan Donoso, due to the account was placed under **Controlled status** by Alex Figueredo (Batch 321), the account was not listed on our EDD/Watch List, and we did not know the reason for the controlled status on the account.

The Compliance Officer Mr. Peter Mc William was not available on 8/12/04, as he was on his way to Miami from New York.

Cecilia Tapia  
 V.P. Customer Services  
 BANCO DE CHILE - MIAMI BRANCH  
 200 South Biscayne Boulevard - Suite 2700  
 Miami Florida 33131  
 Telefono [REDACTED]  
 Faxes [REDACTED]

[REDACTED] = Redacted by the Permanent  
 Subcommittee on Investigations



US Dollar	Miami Agency	11/10/1997
Reference :	Open Ended Transaction	
	total debit	500,000.00 total credit 500,000.00
1-050002 220 01 002 D	500,000.00 BANCO DE CHILE NEW YORK BRANCH	11/10/97
2-000150 318 01 002 C	500,000.00 BANCO DE CHILE MIAMI AGENCY OFFC	11/10/97

Account no	D/C	Amount	Description	Value
3- 000150 318 01	C		CK 999 COUTTS & COMPANY USA INTL	11 10 97

F3=Back F4=Prompt F5=Modify F7=PgDn F8=PgUp F9=Names F10=Descr F11=DupDec  
 BANCO DE CHILE MIAMI AGENCY OFFCKS

No 2  
10 Nov 1997 - 1-565/260

Coutts & Co (USA) INTERNATIONAL \$ 500,000

Quien recibe mil

**Banco de Chile**  
NEW YORK BRANCH  
124 EAST 50TH STREET  
NEW YORK, N.Y. 10022

*[Signature]*

⑆026005652⑆ 00 442506 00⑆ 0002

(20) 705 4482

Go. H. Dowdson

F. M. H.

*[Signature]*

Dr. 050002-220-001-002

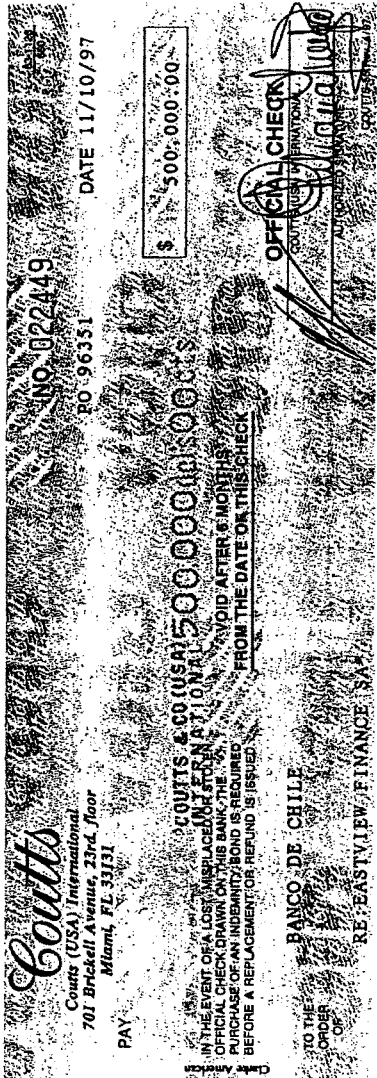
Cr. 000150-318-001-002

Ref. - CK #2 Cont 442506

CK # 999 F/O Coutts & Company.

\$ 500,000.-





**Coutts**  
Coutts (USA) International  
701 Brickell Avenue, 23rd. floor  
Miami, FL 33131

NO 02249  
RO 96351

DATE 11/10/97

\$ 500,000.00

COUTTS & CO (USA) 500,000.00

PAY

IN THE EVENT OF LOSS, REPLACEMENT OF THIS OFFICIAL CHECK DRAWN ON THIS BANK, THE PURCHASE OF AN INDEMNITY BOND IS REQUIRED BEFORE A REPLACEMENT OR REFUND IS ISSUED.  
VOID AFTER 6 MONTHS FROM THE DATE OF THIS CHECK

BANCO DE CHILE

RE: EASTVIEW FINANCE S.A.

OFFICIAL CHECK  
COUTTS (USA) INTERNATIONAL  
⑆022449⑆

⑆022449⑆ ⑆0555011265⑆

**Agüero, Aitken, Frías & Henríquez  
Attorneys**

Oscar Agüero Wood  
Oscar Aitken Lavanchy  
Daniel Frías Fernández  
Patricio Henríquez Japke  
Santiago Schuster Vergara

Moneda No. 940 Office 503  
Telephones 6723942 - 9715888 - 5962710  
Fax (56-2) 8959105  
Santiago - Chile

Your Ref.: Time Deposit of Eastview Finance S.A.

Our Ref.:

**TELECOPIER (FAX) COVER LETTER**

Please deliver to: Mr. Ricardo Jiménez - Bco. Chile Miami

From: Oscar Aitken L., Fax No.: [REDACTED]

Total number of pages (incl. cover page): 1

Dated: November 8, 1998 Time: 12:40 hours

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

**MESSAGE:**

Dear Mr. Jiménez:

With respect to the maturities on November 9, 1998 of the four time deposits in the amount of US\$ 125,000.00 each in the name of Eastview Finance S.A., I am instructing you that the two deposits of principal for US\$ 250,000.000 plus the total interest (US\$ 13,902.76) should be transferred as detailed below:

- 1. Amount: US\$ 20,000.00  
Bank: Banco de Chile New York  
Account: 442506  
Beneficiary: L. Hiriart
- 2. Amount: US\$ 243,902.76  
Bank: Banco de Chile New York  
Account: 503326  
Beneficiary: Eastview Finance S.A.

With respect to the other two deposits of US\$ 125,000.00 of principal, these should be held in accordance with the Security Agreement that remains in effect.

Sincerely,

Eastview Finance S.A.  
[signature]  
Name: Oscar Aitken Lavanchy  
Title: Legal Representative

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 120**

FAX COVER - [REDACTED]

DEC 10 1999

To: I. Singh  
CC: D. Ashley  
From: Linda U. DeBayle  
Date: 12/10/99  
Re: Santa Lucia Trust



As per the attached instructions, please liquidate and transfer assets under the holdings of Santa Lucia. Original letter dated November 29, 1999 signed by the Settlor will follow separately. Santa Lucia current holdings are:

BESIL- Account number 510-850 in the amount of \$2,388,281.13

DDA account #116-152-530 with a balance of \$12,746.81.

*cancellation fee 1%*

Please advise of fees or withdrawals that we need to send you, I can be reached at [REDACTED] Thank you in advance for your prompt attention on this matter.

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

# ALEXIOU, KNOWLES & CO.

Counsel and Attorneys-at-Law  
Nassau, Bahamas

Our Ref: 5/U/105529/EAK/mmi

4th March 2005

**Partners**

Emanuel M. Alexiou, B.A.  
Emerick A. Knowles, B Comm.  
E. Terry North, LL.B.  
Robert F. Van Wyosen, B.A. LL.B.  
Luther H. McDonald, B.A. LL.B.

**Associates**

James F. Kaswies, LL.B.  
Vanria M. Lighthourn, LL.B.  
Donovan L. Gibson, LL.B.

**Nassau**

St. Andrew's Court  
Frederick Street Steps  
P.O. Box N-4805  
Nassau, N.P., Bahamas  
Telephone  
(242) 323-1126  
(242) 323-5600  
Facsimile  
(242) 328-8395  
(242) 325-0768

**Abaco**

Straton Drive  
Marsh Harbour  
P.O. Box AB-20115  
Great Abaco, Bahamas  
Telephone  
(242) 367-2010  
(242) 367-2024  
Facsimile  
(242) 367-2394

**Email**

info@bahamaslaw.com

**Web Address**

www.bahamaslaw.com



Solo Bahamas Member

a | k | c

BahamasLaw.com

**BY EMAIL:**  
**BY FAX:**

Redacted by the  
Permanent Subcommittee  
on Investigations

Mr. Robert L. Roach  
Counsel to the Democratic Staff  
Permanent Subcommittee on Investigations  
United States Senate  
Washington, DC 20510-6250  
USA

Dear Mr. Roach:

**RE: Trilateral International Trading Ltd.**

We are the Bahamian attorneys for Arlene Thronebury and United Management Services Limited and have been instructed to reply to your request made by email on the 1<sup>st</sup> March 2005 and letter of the 1<sup>st</sup> March 2005 to be provided with information concerning a company called Trilateral International Trading Ltd.

Mrs. Thronebury and United Management are in a position to answer the following questions set out in your letter.

- (1) Trilateral International was incorporated in The Bahamas on the 11<sup>th</sup> day of January, 1991.
- (2) Trilateral International was incorporated by United Management.
- (3) United Management began providing services to Trilateral International after its incorporation on January 14, 1991.
- (4) Services provided to Trilateral by United Management were Registered Office and Agent, Officers and Directors as well as administering its bank accounts.

Cont'd.

Permanent Subcommittee on Investigations

APPENDIX #4 - FN 127

Mr. Robert L. Roach

4<sup>th</sup> March 2005

- (5 &  
6) United Management does not provide services to Trilateral International today. Trilateral International has been dormant since 1999 and struck from the Register of Companies on January 1, 2001.
- (7) Trilateral International did open an account at Espirito Santo Bank in October 1991 and \$1.1 million was deposited into that account. United Management has no information as to the source of those funds. You may wish to make enquiries of Espirito Santo Bank.

This letter is being emailed to you and sent to you by fax.

We hope this is sufficient for your purposes.

Yours sincerely,  
**ALEXIOU, KNOWLES & CO.**



Emerick A. Knowles

c.c. Arlene Thronebury



**ESPIRITO SANTO BANK**  
Member FDIC

Date Opened: 10-17-91 SVC. Charge:      A = Analyze C = Charge X = Analyze & Charge Other Accounts In BES       
 Branch: 001 Officer Code: 006 Initial Deposit \$1,171.09/07  
 Account Number: 01-16-15-025-3 Tax ID # (Primary Owner) NRA Affiliate Account Number:       
 Type: Business X Personal      MMDA X Super NOW      Savings      Time Deposit       
 Last Name of Primary Account Owner      Mat. Code: X = 1. Primary Address (2. Hold Mail)  
 Account Title: TRILATERAL INTERNATIONAL TRADING LTD Business Name:       
 (List Primary Owner First) Business Address:       
 Street Address: Cumberland House, Cumberland Street Business Phone No.: (809) 323-7585  
P. O. Box N-529 FAX # (809) 323-7284  
 City & State: Nassau, Bahamas Zip Code:      Referred By: Edgar W. Tatman  
 Country Code: BF Home Phone: ( ) Bank References: Riggs  
 ID Information & Remarks:      Signature Requirements: One  
 Comments: Send copy of statement to: United Management Services  
UHO: R. hoodles  
P.O. Box N-529 Nassau, Bahamas

**Documentation Checklist**

Document	Rec'd	To Come	Date Received
Signature Card	<input checked="" type="checkbox"/>		10-7-91
Resolution M-8 or M-9	<input checked="" type="checkbox"/>		10-7-91
Regulation CC Brochure to Customer:	Yes: <u>    </u>	No: <u>    </u>	
PCR Card Completed & Checks Drilled:	Yes: <u>    </u>	No: <u>    </u>	
Bank References Checked:	Yes: <u>    </u>	No: <u>    </u>	
Endorsement Stamp Ordered:	Yes: <u>    </u>	No: <u>    </u>	

Customer(s) Signature:       
 Approved By: Edgar W. Tatman Approved By:       
 Date Entry By: Ana Ortega Date: 10-7-91  
 Data Entry Verified By:      Date: 10/17/91  
 Combined Statement Requested: Yes:      No:       
 Combine With Account #:

SUSAN

ESPIRITO SAVINGS BANK

Date Opened: 10-7-91 SVC Charge: A = Analyze C = Charge X = Analyze & Charge Other Accounts in BES  
 10,673

Branch: 001 Officer Code: 0006 Initial Deposit \$: AFFILIATE ACCOUNT NUMBER:

Account Number: 0115-39-149-4 Tax ID # (Primary Owner) 10/27 Time Deposit

Type: Business Personal MMDA Super NOW Savings

Mail Code: 2 = 1. Primary Address / 2. Hold Mail

Last Name of Primary Account Owner USARIZ Business Name:

Account Title: A.P. USARIZ OR Business Address:

Owner First M. LOPEZ HERRERA Business Phone No.: ( )

Street Address: HOLD MAIL Primary Owner Date of Birth

City & State: HI Zip Code: Referred By: Edgar W. Tatum

Country: Home Phone: ( ) Bank References: Piggis

ID Information & Remarks: Signature Requirements: 026

Comments: 10/1/91

---

Documentation Checklist

Document	Rec'd	To Come	Date Received
Signature Card	✓		10-7-91
Resolution W-8 or W-9	✓		10-3-91

Customer(s) Signature: \_\_\_\_\_

Approved By: \_\_\_\_\_ Date: 10-7-91

Data Entry By: \_\_\_\_\_ Date: 10/1/91

Data Entry Verified By: \_\_\_\_\_ Date: 10/1/91

Combined Statement Requested: Yes: \_\_\_\_\_ No: \_\_\_\_\_

Combine With Account # \_\_\_\_\_

Regulation CC Brochure to Customer: Yes: \_\_\_\_\_ No: \_\_\_\_\_

PCR Card Completed & Checks Ordered: Yes: \_\_\_\_\_ No: \_\_\_\_\_

Bank References Checked: Yes: \_\_\_\_\_ No: \_\_\_\_\_

September 9, 1998

Bank Espirito Santo (Int'l) Ltd.  
Georgetown, Grand Cayman  
As trustee of The Santa Lucia Trust

Dear Gentlemen,

Attached please find the english translation of Mr Pinochet's letter.

This is to inform you to please to debit my investments accounts in the name of Trilateral International Trading Ltd. Acc. no. 116150253 and Santa Lucia Trust Acc. no. 1161525230 and make a cashier's check payable to myself in the name of Augusto Pinochet U. in the amount of us\$400,000.00.

As soon as you have the check ready, please send by courier to:

Attn: Mr. Mortimer Jofre  
[Redacted]  
Las Condes  
Santiago, Chile

Sincerely yours,

Augusto Pinochet U.

Also we are confirming that the signature of Mr. Augusto Pinochet U. is correct.

Regards,

Merari Quiroga

[Redacted] = Redacted by the Permanent  
Subcommittee on Investigations

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 128

BBI-MIAMI-

Santiago, Septiembre 4, 1998

Señores  
Espirito Santo Bank of Florida  
999 Brickell Ave.  
Miami, Florida, U.S.A. 33131

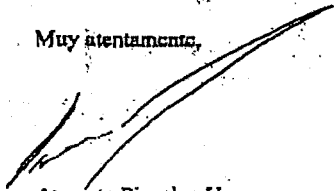
De mi consideración:

Por medio de la presente les informo que con debito a las inversiones a nombre de Trilateral International Trading Ltd. (Cta. Cto. # 116-150-253) y Santa Lucia Trust (Cta. Cto. # 116-152-530) que mantengo con uds., se giro un cheque de gerencia a mi nombre Augusto Pinochet U. por la suma de US\$400.000.00.

Rogaría que una vez efectuada la operación, el documento sea enviado por courier a la siguiente dirección.

Atención: Sr. Mortimer Jofre  
[Redacted]  
Las Condes, Santiago de Chile  
Teléfono: 206-7455

Muy atentamente,

  
Augusto Pinochet U.

[Redacted] = Redacted by the Permanent  
Subcommittee on Investigations

P.O. Box 500  
Grand Cayman  
British West Indies  
Telephone 345 949 8655  
Facsimile 345 945 2751

**Telefax**

**From:** Indy Singh **Ref #** L1275/BC007

**To:** ESPIRITO SANTO BANK OF FLORIDA  
MIAMI, U.S.A.

**Attn:** LINDA U. DEBAYLE

**Fax:** [REDACTED]

**Date:** 13 December 1999

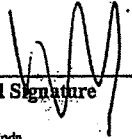
[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

**No. of Pages (including this one):** 5

**Re:** SANTA LUCIA TRUST.

As requested please find attached the various signatures we have on file for Mr. Pinochet. We now await your confirmation of his signature as per his letter dated 29<sup>th</sup> November in order that we can give the instructions for the transfer of funds.

Regards,

  
\_\_\_\_\_  
Authorised Signature

o:\clients\1275\linda

IF YOU HAVE NOT RECEIVED THE TOTAL NUMBER OF PAGES OR IF YOU NEED ASSISTANCE PLEASE CALL (809) 949-8655

**CONFIDENTIALITY NOTICE**

This facsimile message and/or the documents accompanying it may be privileged and confidential and exempt from disclosure under applicable law. If the reader is not the intended recipient or the employee or agent responsible for delivering it to the intended recipient, any unauthorized use or dissemination is strictly prohibited. If you have received this message in error, please notify us immediately by telephone or facsimile and any copies to us as soon as possible. I

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 130**

o:\clients\1275\debayle

ESPIRITO SANTO BANK  
of Florida

EDGAR TATMAN  
VICE PRESIDENT

April 13, 1995

Mr. Bryan Bothwell, Managing Director  
Cayman Int'l Trust Co. Ltd.  
Ansbacher House  
Jennet Street  
Georgetown, Grand Cayman  
Cayman Islands

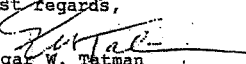
Re: Santa Lucia Trust

Dear Bryan:

Confirming our conversation of this morning I am enclosing an amendment signed by Mr. Augusto Pinochet Ugarte changing the Beneficiaries of his trust.

The amendment, dated March 14th 1995, now names his wife Mrs. Lucia Hiriart Rodriguez as his sole beneficiary. We guarantee that the signature on the document to be that of Mr. Augusto Pinochet Ugarte, and since the amendment is written in Spanish, I've attached a translation for your use and records.

Best regards,

  
Edgar W. Tatman  
Vice President

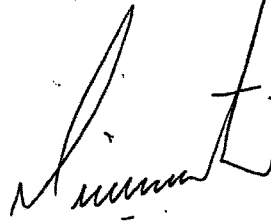
EWT/mf

19/4/95  
This courier  
package & the  
envelope inside  
containing them  
will be mailed  
through U.S.  
Customs. 3 days  
C.T. 19/4/95

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 131

PRODUCIDO EL DECESO Y EFECTUADA LA LIQUIDACION, SE DEBE  
CONSIDERAR EL TOTAL PARA LA SRA. LUCIA HIRIART  
RODRIGUEZ, LEGITIMA ESPOSA.

PARA CONSTANCIA FIRMO.

A handwritten signature in black ink, appearing to read 'Lucia Hiriart Rodriguez', written in a cursive style.

14 MARZO . 1995

TRANSLATION

Upon the occurrence of my death and once liquidation has taken place, the total assets of the trust are to go to Mrs. Lucia Hiriart Rodriguez, my legitimate wife.

Signed: Augusto Pinochet U.  
(Santa Lucia Trust)



Money to Deloitte

MIAMI, FLORIDA

WE CHARGE YOUR ACCOUNT AS FOLLOWS:

DATE 01-07-91	1,150,000.00
	15.00
<b>TOTAL</b>	<b>1,150,015.00</b>

OUTGOING TRANSFER TO CHASE MANHATTAN BK NYC  
BNT: BK OF BAHAMAS FOR FURTHER CR TO DELOITTE & TOUCHE  
TRANSFER FEES

RIGGS INTERNATIONAL BANKING CORPORATION

AUGUSTO P. UGARTE

822  
70754-7

DEBIT

PMT. AUTH.

RNB034299

RIGGS CHECKING ACCOUNT DEPOSIT

NAME Augusto P. Ugarte

DATE 7 ENERO 91

LIST CHECKS SINGLY OR ATTACH LIST

CASH CHECKS

MONEY ORDER

CHECKS

OTHER

150

13.27

907.54

1141.52

TOTAL

FO4

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 133

TRILATERAL INTERNATIONAL TRADING LTD 07/31/93  
 HOLD MAIL

0116150253

PG 7 1 HOLD CYCLE-001

\*\*\* CHECKING \*\*\* BUSINESS MMDA  
 ACCOUNT NUMBER 0116150253 BEGINNING RATE 2.15000  
 PREVIOUS STATEMENT BALANCE AS OF 06/30/93 TAX ID NUMBER \*\*\*NONE\*\*\*  
 PLUS 9 DEPOSITS AND OTHER CREDITS 256,226.18  
 LESS 4 CHECKS AND OTHER DEBITS 2,602,540.50  
 CURRENT STATEMENT BALANCE AS OF 07/31/93 2,605,110.00  
 253,656.68

\*\*\* CHECKING ACCOUNT TRANSACTIONS \*\*\*

DATE	DESCRIPTION	DEBITS	CREDITS
07/09	INTEREST PAYMENT	1,026.54	
07/09	FROM TD-000000000511101		1,144.09
07/09	INTEREST PAYMENT	2,800.42	
07/09	FROM TD-000000000492902		3,696.19
07/09	INTEREST PAYMENT		352,500.00
07/14	FROM TD-000000000005445		392,100.00
07/14	CLOSE T DEPOSIT # 5445		437,000.00
07/14	CLOSE T DEPOSIT # 511101		1,411,806.02
07/14	CLOSE T DEPOSIT # 492902		
07/14	CREDIT MEMO		
07/14	OPEN T. DEPOSIT #5522	750,000.00	
07/14	OPEN T. DEPOSIT # 5521	1,855,000.00	
07/19	CC 15286 UNITED MANAGEMENT	100.00	
07/19	CC 15286 FEE	10.00	
07/31	INTEREST PAYMENT		467.24

\*\*\* BALANCE BY DATE \*\*\*

DATE	BALANCE
06/30	256,226.18
07/09	264,893.42
07/14	253,299.44
07/19	253,189.44
07/31	253,656.68

PAYER FEDERAL ID NUMBER 59-1479450  
 INTEREST PAID YEAR TO DATE 3,264.42

**ESPIRITO SANTO BANK**  
of Florida  
1395 Brickell Avenue  
Miami, Florida 33131

9/09/98 2080-10-00

PAY **FOUR HUNDRED THOUSAND DOLLARS AND 00 CENTS**

TO THE ORDER OF  
**AUGUSTO PINOCHET UGARTE**

**OFFICIAL CHECK**

93-902  
660 CHECK NO. **052150**

10922666

9/09/98 2080-10-00

\*\*\*\*\*400,000.00

48092328

2105

98

0000000000

052150 066009029 0020801000 0040000000

ENDORSEMENT  
NOT VALID  
AS DRAWN

DOMINICAN REPUBLIC

TRILATERAL INT'L TRADING, LTD.

**ESPIRITO SANTO BANK**  
of Florida  
1395 Brickell Avenue  
Miami, Florida 33131

9/09/98 2080-10-00

TO THE ORDER OF  
**AUGUSTO PINOCHET UGARTE**

**OFFICIAL CHECK - BANK COPY**

93-902  
660 CHECK NO. **052150**

TRILATERAL INT'L TRADING, LTD.

\*\*\*\*\*400,000.00 \*\*

**NON-NEGOTIABLE**  
SRC 001 (REV 10/84)

**COPY COPY COPY COPY COPY COPY COPY**

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 135**



TRILATERAL INTERNATIONAL TRADING LT  
 C/O UNITED MANAGEMENT SERVICES LTD.  
 CUMBERLAND STREET- P.O. BOX N-529  
 NASSAU, BAHAMAS

12/31/98  
 028/116150253  
 MMK/USD

BTH/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
12/31/97	BALANCE FROM LAST STATEMENT...			31,009.25
1/20/98	INTEREST FROM TDS 000008269		453.26	31,462.51
1/28/98	INTEREST FROM TDS 000008466 TRANSACTION VAL/DATE: 1/27/98		772.60	32,235.11
1/30/98	INTEREST M M K ACCOUNTS		55.25	32,290.36
2/19/98	INTEREST FROM TDS 000008269 TRANSACTION VAL/DATE: 2/18/98		424.94	32,715.30
2/27/98	INTEREST FROM TDS 000008466 TRANSACTION VAL/DATE: 2/26/98		772.61	33,487.91
2/27/98	INTEREST M M K ACCOUNTS		53.52	33,541.43
3/10/98	CC. UNITED MANAGEMENT SERV.	1,610.00		31,931.43
3/10/98	CC. UNITED MANAGEMENT SERV. LTD	114.40		31,817.03
3/23/98	INTEREST FROM TDS 000008269 TRANSACTION VAL/DATE: 3/22/98		453.26	32,270.29
3/30/98	INTEREST FROM TDS 000008466		798.35	33,068.64
3/31/98	INTEREST M M K ACCOUNTS		61.37	33,130.01
4/16/98	CC. UNITED MANAGEMENT SERV. LTD	479.72		32,650.29
4/16/98	CC. UNITED MANAGEMENT SERV. LTD	1,132.91		31,517.38
4/16/98	CC. UNITED MANAGEMENT SERV. LT	1,151.79		30,365.59
4/22/98	INTEREST FROM TDS 000008269		424.93	29,940.66
4/29/98	INTEREST FROM TDS 000008466 TRANSACTION VAL/DATE: 4/28/98		739.73	29,200.93
4/30/98	INTEREST M M K ACCOUNTS		55.80	30,586.86
5/22/98	INTEREST FROM TDS 000008269		406.85	31,093.71
5/27/98	CC. UNITED MANAGEMENT SERV. LT	441.75		30,651.96
5/29/98	INTEREST FROM TDS 000008466 TRANSACTION VAL/DATE: 5/21/98		739.72	31,391.68
5/29/98	INTEREST M M K ACCOUNTS		52.65	31,444.33
6/22/98	INTEREST FROM TDS 000008269 TRANSACTION VAL/DATE: 6/21/98		420.41	31,864.74
6/29/98	INTEREST FROM TDS 000008466		764.39	32,629.13
6/30/98	INTEREST M M K ACCOUNTS		59.50	32,688.63
	CARRY OVER....			32,688.63

CC  
 CC  
 CC

12/31/98  
 028/116150253  
 MMK/USD

TRILATERAL INTERNATIONAL TRADING LT  
 C/O UNITED MANAGEMENT SERVICES LTD.  
 CUMBERLAND STREET- P.O. BOX N-529  
 NASSAU, BAHAMAS

2

BTM/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
BROUGHT FORWARD...				
7/22/98	INTEREST FROM TDS 000008269		406.85	32,688.63
	TRANSACTION VAL/DATE: 7/21/98			33,095.48
7/23/98	INTEREST FROM TDS 000008269		13.56	33,109.04
7/29/98	INTEREST FROM TDS 000008466		739.72	33,848.76
	TRANSACTION VAL/DATE: 7/28/98			33,908.91
7/31/98	INTEREST M M K ACCOUNTS		60.15	34,342.88
8/24/98	INTEREST FROM TDS 000008269		433.97	34,342.88
	TRANSACTION VAL/DATE: 8/23/98			35,082.61
8/28/98	INTEREST FROM TDS 000008466		739.73	35,082.61
	TRANSACTION VAL/DATE: 8/27/98			35,144.97
8/31/98	INTEREST M M K ACCOUNTS		62.36	364,865.030D
9/09/98	CC. AUGUSTO PINOCHET UGARTE	400,010.00		294,865.030D
9/11/98	TRF 39059 BK ESPIRITO STO		70,000.00	94,865.030D
9/14/98	CANCEL CD #8466		200,000.00	94,445.850D
9/14/98	CANCEL CD #8466		110,000.00	15,554.15
9/14/98	CLOSE CD #8269		110,284.80	15,838.95
9/14/98	COURIER CHARGES	32.87		15,806.08
9/18/98	INTEREST M M K ACCOUNTS		33.51	15,839.59
9/30/98	OD/UNCOLLECTED INT CHARGE	672.64		15,166.95
9/30/98	BELOW MINIMUM BALANCE CHARGES	20.00		15,146.95
10/27/98	CC. UNITED MANAGEMENT SERV. LT	440.43		14,706.52
10/30/98	INTEREST M M K ACCOUNTS		26.44	14,732.96
11/30/98	INTEREST M M K ACCOUNTS		25.11	14,758.07
12/18/98	CC. UNITED MANAGEMENT SERVICES	473.77		14,284.30
12/31/98	INTEREST M M K ACCOUNTS		22.32	14,306.62
TOTAL DR'S:	13	407,479.47	390,776.84	14,306.62
	CR'S:	34		

BANK ESPIRITO SANTO INTERNATIONAL L  
 ATTN: RANDY FISHER  
 BOX 500 GEORGETOWN  
 GRAND CAYMAN, CAYMAN ISLANDS, B.W.I

12/31/98  
 040/116152530  
 MMK/USD

1

BTH/DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
12/31/97	BALANCE FROM LAST STATEMENT...			79,185.83
1/30/98	TRF-35047 SANTA LUCIA TRUST	10.00		79,175.83
1/30/98	TRF-35047 SANTA LUCIA TRUST	2,760.00		76,415.83
1/30/98	INTEREST M M K ACCOUNTS		153.00	76,568.83
2/27/98	INTEREST M M K ACCOUNTS		138.04	76,706.87
3/31/98	INTEREST M M K ACCOUNTS		158.08	76,864.95
4/30/98	INTEREST M M K ACCOUNTS		148.50	77,013.45
5/13/98	TRF-36797-BESIL	10.00		77,003.45
5/13/98	TRF-36797-BESIL	2,800.00		74,203.45
5/29/98	INTEREST M M K ACCOUNTS		140.96	74,344.41
6/30/98	INTEREST M M K ACCOUNTS		153.28	74,497.69
7/31/98	INTEREST M M K ACCOUNTS		148.80	74,646.49
8/26/98	TRF-38755-B.E.S.I.L.	10.00		74,636.49
8/26/98	TRF-38755-B.E.S.I.L.	2,839.00		71,797.49
8/31/98	INTEREST M M K ACCOUNTS		148.16	71,945.65
9/11/98	TRF 39059 TRILATERAL INTL	10.00		71,935.65
9/11/98	TRF 39059 TRILATERAL INTL	70,000.00		1,935.65
9/30/98	INTEREST M M K ACCOUNTS		50.93	1,986.58
10/30/98	BELOW MINIMUM BALANCE CHARGES	20.00		1,966.58
11/30/98	BELOW MINIMUM BALANCE CHARGES	20.00		1,946.58
12/31/98	BELOW MINIMUM BALANCE CHARGES	20.00		1,926.58
TOTAL DR'S:	11 CR'S:	78,499.00	1,239.75	1,926.58

PASAPORTE

2

FILIACION - DESCRIPTION

Redacted by the  
Permanent Subcommittee  
on Investigations

*Céd. de Identidad N° de - Identity Card N° of - Carte d'identité N° a*

*Profesión - Profession - Profession*  
*Valparaíso - Chile*

*Lugar de nacimiento - Place of birth - Lieu de naissance*  
*25 - noviembre - 1915*

*Fecha de nacimiento - Date of birth - Date de naissance*  
*1.80 m.*


*Estatura m. - Height m. - Taille m.*  
*canos*

*Cabellos - Colour of hair - Couleur des cheveux*  
*osculos*

*Ojos - Colour of eyes - Couleur des yeux*  
*Santiago - Chile*

*Domicilio en - Residence - Résidence*

NOMBRE DEL TITULAR  
NAME OF BEARER  
NOM DU TITULAIRE  
*Augusto Pinochet Ugarte*



*[Signature]*

*Firma del Titular - Signature of Bearer - Signature de Titulaire*

PASAPORTE DIPLOMATICO N° *D. 2569/91*  
Diplomatic Passport N°  
du Passaport Diplomatique







RNB033779

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 149**



2 REPUBLICA DE CHILE DATOS PERSONALES PERSONAL DESCRIPTION	3 REPUBLICA DE CHILE NOMBRE DEL TITULAR NAME OF BEARER
Cédula Nacional de Identidad National Identity Card	Redacted by the Permanent Subcommittee on Investigations
Nacionalidad Nationality	JOSÉ RAMÓN UGARTE
Fecha de Nacimiento Date of Birth	
Estado Civil Marital Status	
Profesión Profession	
Domicilio Address	
Observaciones Notes	Huella Dactilar Thumb Print
AUTORIZACION DE VIAJE CONFORME	<i>J. Ramón Ugarte</i> Firma del Titular Signature of Bearer

Strictly Confidential  
Not for Circulation  
Subcommittee Members and Staff Only

C 000071

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 150



## STATEMENT

ZIP +4 0

 AUGUSTO PINOCHET UGARTE  
 LUCIA HIRIART DE PINOCHET  
 IPBD - HOLD MAIL  
 MAIL CODE G-4002

76-835-282

PAGE 1

STATEMENT PERIOD 06-22-2000 THROUGH 07-24-2000

## MONEY MARKET SUMMARY

OPENING BALANCE	82,447.49	ACCOUNT #	76-835-282
+DEPOSITS	487,111.00	# OF ENCLOSURES	0
+INTEREST	416.33	AVERAGE BALANCE	97,208.13
-CHECKS AND DEBITS	10.00	INTEREST PAID YTD	2,022.80
=NEW BALANCE	569,964.82		

## MONEY MARKET ACTIVITY

DEPOSITS	DATE	AMOUNT	DEPOSITS	DATE	AMOUNT
REF 01	07-24	487,111.00	REF 02	07-24	416.33
CHECKS	DATE	AMOUNT	CHECKS	DATE	AMOUNT
REF 03	07-24	10.00			

## REFERENCE DESCRIPTION

REF 01 MT-INC FEDWIRE REF # 000724000462 SENDER-SEQ:000174 0007211109260  
 BANCO ATLANTICO ORG=M.L. HIRIART  
 REF 02 INTEREST CREDIT  
 REF 03 SERVICE CHARGE MT-INC FEDWIRE

## MONEY MARKET BALANCES

06-21	82,447.49	07-24	569,964.82
-------	-----------	-------	------------

## MONEY MARKET INTEREST

ANNUAL PERCENTAGE YIELD EARNED 4.84%

For General Banking and Account Information, call (301) 887-6000 or (800) 368-5800 toll-free within the Continental U.S., or visit our website at www.riggsbank.com. For inquiries on Electronic Banking transactions, ATM, c

Permanent Subcommittee on Investigations

APPENDIX #4 - FN 151

RNB033008



## STATEMENT

ZIP +4 0

AUGUSTO PINOCHET UGARTE  
LUCIA HIRIART DE PINOCHET  
IPBD - HOLD MAIL  
MAIL CODE G-4002

76-835-282

PAGE 1

STATEMENT PERIOD 07-25-2000 THROUGH 08-21-2000

## MONEY MARKET SUMMARY

OPENING BALANCE	569,964.82	ACCOUNT #	76-835-282
+DEPOSITS	.00	# OF ENCLOSURES	0
+INTEREST	1,863.50	AVERAGE BALANCE	512,813.96
-CHECKS AND DEBITS	400,056.00	INTEREST PAID YTD	3,886.30
=NEW BALANCE	171,772.32		

## MONEY MARKET ACTIVITY

DEPOSITS	DATE	AMOUNT	DEPOSITS	DATE	AMOUNT
REF 01	08-21	1,863.50			
CHECKS	DATE	AMOUNT	CHECKS	DATE	AMOUNT
REF 02	08-18	400,056.00			

## REFERENCE DESCRIPTION

REF 01 INTEREST CREDIT  
REF 02 DEBIT MEMO

## MONEY MARKET BALANCES

07-24	569,964.82	08-18	169,908.82	08-21	171,772.32
-------	------------	-------	------------	-------	------------

## MONEY MARKET INTEREST

ANNUAL PERCENTAGE YIELD EARNED 4.84%

For General Banking and Account Information, call (301) 887-6000 or (800) 368-5800 toll-free within the Continental U.S., or visit our website at [www.riggsbank.com](http://www.riggsbank.com). For inquiries on Electronic Banking transactions, ATM, or C

Permanent Subcommittee on Investigations

APPENDIX #4 - FN 153

RNB033009

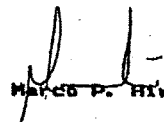
Santiago, Chile. Abril 22 de 1996

Señora  
M. Carol Thompson  
The Riggs National Bank  
Washington D.C. 20036  
U.S.A.

Estimada Sra. Carol:

Por la presente solicito a usted, me envíe datos para enviar transferencia de dinero, a la cta. Nº 76-750-393, Necesito el número de ABA, de su banco Riggs National Bank en Washington D.C. 1913 Massachusetts Avenue N. W. Zip Code 20036 U.S.A. y confirmar cuenta corriente a nombre de María L. Hiriart.

Atento a su respuesta le saluda cordialmente,

  
Marco P. Hiriart

FONO/FAX:

Redacted by the  
Permanent Subcommittee  
on Investigations

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 157

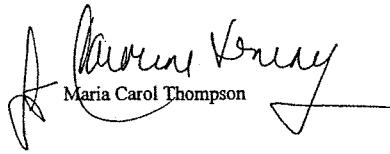
\*\*\*END\*\*\*

RNB 029549

23 de Abril de 1996

La presente es para confirmarle el numero ABA # 054000030 y el numero de cuenta que nos indica es correcto.

Atentamente,

  
Maria Carol Thompson

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 158

RNB 029547



## ELECTRONIC PAYMENT ADVICE

The Riggs National Bank of Washington, D.C.  
Money Transfer Department

AUGUSTO PINOCHET UGARTE &/OR  
LUCIA HIRIART DE PINOCHET  
C/O RIGGS BANK IPBD  
ATTN: RAY LUND  
B 9001

04/25/96  
PAGE 1

ACCOUNT NUMBER  
000000076750293

DEBIT	CREDIT	DESCRIPTION
	403,000.00	REF. NO. 06979 RIGGS BANK NA INC FED CITIBANK NYC/ORG-10599508CITITRUST (BAHAMAS) LTD. NASSAU BAHAMAS RIGGS WASH/BNF-MARIA L. HIRIART/AC 76750293/WRE BBI-REF. LC/FC-6993 MLSQWH

PLEASE NOTE: All incoming wire transfers which have a valid beneficiary name and account number are credited to the beneficiary's account for the amount received. All related charges are then debited from the account.

FM-01015 (Rev. 1/95)

Permanent Subcommittee on Investigations

APPENDIX #4 - FN 159

RNB 029114

SENT BY: RIGGS

: 4-25-96 : 3:08PM :

MONEY TRANSFER- [REDACTED]

:# 1

RIGGS

Wire Transfer  
Action Request  
The Riggs National Bank

Transmittal Date	To: / Attn: LOUAY HABBAL/ I.P.B.D.	From: Money Transfer Department Investigations Section
4/25/96	Tel No. [REDACTED]	Tel No. [REDACTED]
	Fax No. [REDACTED]	Fax No. [REDACTED]

\*\*\* NOTE \*\*\* If Money Transfer does not receive a signed copy of this form by \_\_\_\_\_ the payment will be automatically returned.

WIRE TRANSFER INFORMATION	
Inv. Ref. No.	04960425-342
Amount:	403,000.00
Beneficiary's Name:	MARIA L. HIRIART
Comments:	Please refer to the attached copy of the Original Incoming Payment Instructions.

In accordance with established bank procedures regarding Incoming Payments with incomplete payment information, Money Transfer Department is hereby authorize to:

Accept the payment and credit Account No. 76 750 393

Opening New Account Account No. \_\_\_\_\_

Return the payment to the remitting bank.  
State Reason for return: \_\_\_\_\_

Please obtain authorized signature and fax to Money Transfer Department, Fax No. 202 835-4229

Authorized Signature: [Signature]  
LOUAY HABBAL  
Print Name

Money Transfer Department Use Only	
Debit Account No.:	_____
Reference/Comments:	_____
	SEQ NO. [REDACTED]
	Authorized Signature _____

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

Invauth

RNB 029115



SENT BY:RIGGS

; 4-25-96 ; 3:08PM ;

MONEY TRANSFER- [REDACTED]

:# 2

*6893*

MTCRD010: ENTER VALUE IN THE ACTION INDICATOR TO PROCESS TRANSACTION  
 BANK: 001 MONEY TRANSFER SYSTEM /FOR: 999  
 CREDIT APPROVAL  
 DATE: 04 25 96 TIME: 15:59:20  
 AMOUNT: 403,000.00 WIRE SERVICE: FW WIRE NO.: 4877  
 FROM INFO: BANK NAME: CITIBANK NYC ABA: 021000089  
 DESCRIPTION:  
 CITIBANK NYD /DRB-10999508CITITRUST (BAHAMAS) LTD . . NASSAU BAHAMAS  
 RIGGS WASH /CTR/BNF=MARIA L. HIRIART/AC-76750393/WRE88I=/REF. LC/FC-5993/  
 MLS (WH)

CREDIT INFO: CHARGE CODE: 01 NAME: MONETRCLA000  
 ACCOUNT NO.: 08223917  
 CALLBACK: DETAIL:  
 ACTION IND: A (A=APPROVE BLANK=NO ACTION)

*Don't name comes up  
 Offered  
 Credit not checked  
 IPB Acct.*

RECEIVED  
 96 APR 25 3:58  
 E.F.P. DEPARTMENT

*ref: 04960425-342*

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations



Per	Dr	Cr	Balance	Debit	Credit	Balance
Per 01			1,800.00			1,800.00
Per 02						
Per 03						
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C 008266  
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REC-19 96 15:52 FROM:R  
EC-19 96 15:05 FROM:RESEARCH

PAGE:09  
PAGE:04



STATEMENT

AUGUSTO PINOCHET UGARTE E/OR EXP +4 0  
LUCIA MIRIART DE PINOCHET  
C/O RIGGS BANK IPBD  
ATTN: WAX LUND  
B 9001

76-750-393 PAGE 1

STATEMENT PERIOD 04-01-96 THROUGH 04-30-96

MONEY MARKET SUMMARY

OPERING BALANCE	374,701.97	ACCOUNT #	76-750-393
+DEPOSITS	403,010.00	# OF ENCLOSEURES	0
+INTEREST	1,698.06	AVERAGE BALANCE	458,303.46
-CHECKS AND DRSPTS	.00	INTEREST PAID YTD	9,284.37
-NEW BALANCE	779,410.03		

MONEY MARKET ACTIVITY

DEPOSITS	DATE	AMOUNT	DEPOSIT	DATE	AMOUNT
REF 01	04-25	403,000.00	REF 03	04-30	1,698.06
REF 02	04-26	10.00			

REFERENCE DESCRIPTION

REF 01 MT-CREDIT ADJUSTMENT SEQ NO 06979 CITIBANK NYC/ORG=1  
09950RCITITRUST ( BAHAMAS) LTD., BANK  
REF 02 CREDIT MEMO  
REF 03 INTEREST CREDIT

MONEY MARKET BALANCES

02-21	374,701.97	04-26	777,711.97
04-26	777,701.97	04-30	779,410.03

MONEY MARKET INTEREST

FROM	THROUGH	NO DAYS	RATE	AVG COLLECTED BALANCE
04-01-96	04-07-96	7	4.100000	374,701.97
04-08-96	04-14-96	7	4.200000	374,701.97
04-15-96	04-21-96	7	4.000000	374,701.97
04-22-96	04-30-96	9	3.900000	663,374.19

ANNUAL PERCENTAGE YIELD EARNED 4.63

FOR PERSONAL ACCOUNT INQUIRIES, CALL (202) 835-6000. OUTSIDE METROPOLITAN WASHINGTON, DC, CALL 1(800) 368-8800. FOR CORPORATE ACCOUNT INQUIRIES, CALL (202) 835-6530. FOR INQUIRIES ON ELECTRONIC TRANSACTIONS, CALL (202) 835-CARD.

Redacted by the Permanent Subcommittee on Investigations

Permanent Subcommittee on Investigations  
APPENDIX #4 - FN 160

RNB032144



STATEMENT

ZIP +4 \_\_\_\_\_ 0

\_\_\_\_\_ AUGUSTO PINOCHET UGARTE &/OR \_\_\_\_\_ 0  
 LUCIA HIRIART DE PINOCHET  
 HOLD MAIL  
 C/O RNB-IPBD  
 MAIL CODE B-9002 \_\_\_\_\_

76-750-393 PAGE 1

STATEMENT PERIOD 05-01-96 THROUGH 05-31-96

MONEY MARKET SUMMARY

OPENING BALANCE	779,410.03	ACCOUNT #	76-750-393
+DEPOSITS	1,435,278.53	# OF ENCLOSURES	0
+INTEREST	3,370.84	AVERAGE BALANCE	868,445.26
-CHECKS AND DEBITS	2,100,010.00	INTEREST PAID YTD	12,735.01
=NEW BALANCE	118,049.40		

MONEY MARKET ACTIVITY

DEPOSITS	DATE	AMOUNT	DEPOSITS	DATE	AMOUNT
REF 01	05-13	7,934.53	REF 03	05-28	427,344.00
REF 02	05-13	1,000,000.00	REF 04	05-31	3,370.84
CHECKS	DATE	AMOUNT	CHECKS	DATE	AMOUNT
REF 05	05-15	1,000,000.00	REF 07	05-31	1,100,000.00
REF 06	05-28	10.00			

REFERENCE DESCRIPTION

REF 01 INT. TRANSFER CREDIT FROM CD NO. 00-288-421  
 REF 02 CREDIT MEMO CD RED #81151352 DEP#288421  
 REF 03 MT-INC FEDWIRE SEQ NO 03109 BCO ATLANTICO NYC/ ORG MARCO HIRIART  
 OGB BANCO ATLANTIC  
 REF 04 INTEREST CREDIT  
 REF 05 DEBIT MEMO  
 REF 06 SERVICE CHARGE MT-INC FEDWIRE  
 REF 07 MT INTERNAL DEBIT NC SEQ NO 08541 TRANSFER FROM HIRI ART TO IPBD  
 CLEARING AC

MONEY MARKET BALANCES

04-30	779,410.03	05-15	787,344.56	05-31	118,049.40
05-13	1,787,344.56	05-28	1,214,678.56		

FOR PERSONAL ACCOUNT INQUIRIES, CALL (202) 835-6000. OUTSIDE METROPOLITAN WASHINGTON, DC, CALL 1(800) 369-5800. FOR CORPORATE ACCOUNT INQUIRIES, CALL (202) 835-6530. FOR INQUIRIES ON ELECTRONIC TRANSACTIONS, CALL (202) 835-CARD.

Permanent Subcommittee on Investigations  
**APPENDIX #4 - FN 161**

RNB033148

FLOAT & DUE MGMT

Fax: [REDACTED]

Jul 29 2004 11:15 P.02



STATEMENT

ZIP +4 \_\_\_\_\_ 0

ASHBURTON COMPANY LIMITED  
P O BOX N-7120  
NASSAU BAHAMAS

76-715-547

PAGE 1

STATEMENT PERIOD 05-31-96 THROUGH 06-30-96

MONEY MARKET SUMMARY

OPENING BALANCE	.00	ACCOUNT #	76-715-547
+DEPOSITS	1,100,000.00	# OF ENCLOSURES	0
+INTEREST	275.27	AVERAGE BALANCE	100,000.00
-CHECKS	.00	INTEREST PAID YTD	275.27
-OTHER DEBITS	1,000,000.00		
=NEW BALANCE	100,275.27		

MONEY MARKET ACTIVITY

DEPOSITS	DATE	AMOUNT	DEPOSITS	DATE	AMOUNT
REF 01	05-31	1,100,000.00	REF 02	06-30	275.27
CHECKS	DATE	AMOUNT	CHECKS	DATE	AMOUNT
REF 03	05-31	1,000,000.00			

REFERENCE DESCRIPTION

REF 01 MT-INTERNAL CREDIT SEQ NO 09581 TRANSFER FROM IPBD CLEARING TO ASHBU REON  
REF 02 INTEREST CREDIT  
REF 03 DEBIT MEMO

MONEY MARKET BALANCES

05-31:	100,000.00	06-30	100,275.27
--------	------------	-------	------------

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

FOR PERSONAL ACCOUNT INQUIRIES, CALL (202) 835-6000. OUTSIDE METROPOLITAN WASHINGTON, DC, CALL 1(800) 368-5800. FOR CORPORATE ACCOUNT INQUIRIES, CALL (202) 835-6530. FOR INQUIRIES ON ELECTRONIC TRANSACTIONS, CALL (202) 835-CARD.

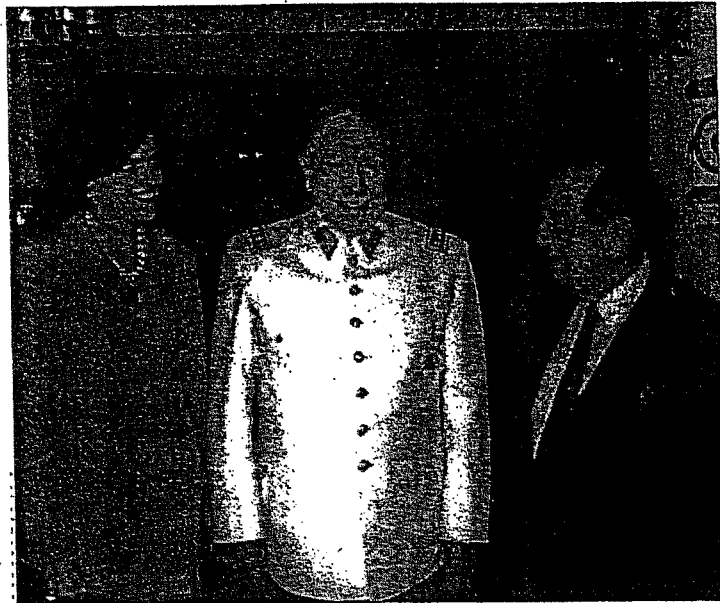
Permanent Subcommittee on Investigations

APPENDIX #4 - FN 164

RNB032148



Una de cuentas del Riggs y... el dueño del banco. Se embarcaron en 1994 y entonces se abrió la millonaria cuenta del



CAROL THOMPSON, PINOCHET Y JOSEPH ALBRITTON— El ex comandante en Jefe del Ejército con su ex general en el banco de Washington.

Permanent Subcommittee on Investigations

APPENDIX #5

GENERAL

## MEMORANDUM

**Date:** 18 October 1996  
**From:** R C Roane  
**To:** Linda Carpenter  
**Subject:** Conversion/Deposit

---

Per our telephone conversation, please execute the following transactions:

Convert \$20,000 traveller's cheques into sterling at a rate of 1.64 and deposit proceeds (£12,195.12) into account no. 25 005 393.

Debit RBNA Washington account no. 76 750 393 in the amount of \$228,500. Convert the proceeds to sterling at a rate of 1.64 and deposit the funds (£139,329.25) into account no. 25 005 393.

Please call me if you have any questions.

*R. C. Roane*



**RIGGS BANK**  
 RIGGS BANK  
 1000 BANKERS BUILDING  
 WASHINGTON, D.C. 20004  
 TEL: (202) 462-1000  
 FAX: (202) 462-1001  
 WWW.RIGGSBANK.COM

DATE: **10 OCT 2001**

ACCOUNT NUMBER: **8888888888888888**

TR CODE: **081**

AMOUNT: **129.27**

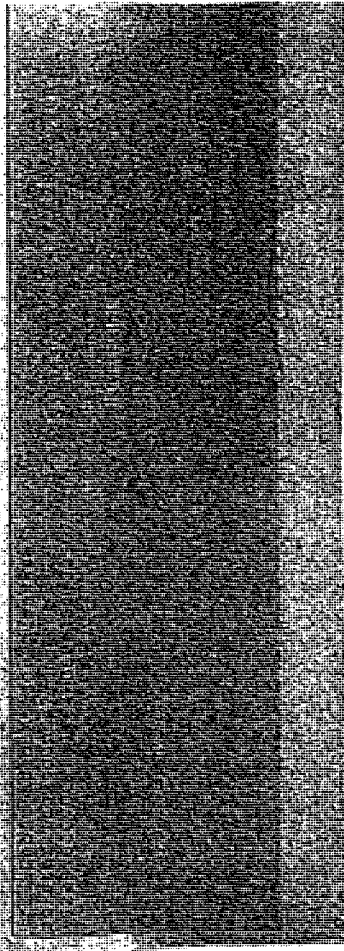
a/o **R.C. ROANE**

**CREDIT**

*R.C. Roane*

FILE COPY

DATE: **10 OCT 2001**



RNB031795

13 OCT 97 10:41 AM

MEMORANDUM

**TO:** Robert C Roane  
**FROM:** Susanna M Perez *SP*  
**DATE:** 13 October 1997  
**SUBJECT:** IPBD Client A/c No.74 041 013

---

Upon review of the above mentioned client's file, we note the only piece of documentation obtained upon opening the account in September 1996 is the passport.

In order for us to complete the opening of account documentation and not inconvenience the client, we would be most grateful if you could sign below as an exception to the procedure or advise us to proceed otherwise.

*OR*  
*Robert C. Roane*

*Client introduced by Carol Thompson  
of BSA Embassy Banking Division.*

RNB040143

List accounts associated with Client unless account structure has been provided as part of KYC profile.  
Client hold a Model Trust (#4964) account located at Citibank Geneva, Switzerland, managed by the primary relationship manager with a waiver.

**PATRICIO BAEZA - VP**  
Global Market Manager  
PBG WH - CHILE

\_\_\_\_\_  
Global Market Manager

*Patricio Baeza*  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

11/99

\_\_\_\_\_  
Market Region Head

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Group Executive's Approval of Market Region Head's Recommendation**

Approval Granted  Recommendation Denied

Decision Postponed  Additional Information Needed; Review by: \_\_\_\_\_

\_\_\_\_\_  
Group Executive

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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C 000264

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Permanent Subcommittee  
on Investigations

JUL-19-84 TUE 16:03

CITI TRUST  
**Banking Account Application**

FAX NO.

INTERNATIONAL PRIVATE BANKING

13

Please print.

**Personal information**

Title of account MERITOR INVESTMENTS LTD. - FCBAON

Mailing address: 930670002-301 / NEG MAIL BOX MAIL  
P.O. BOX N-1576 / 153 EAST 33<sup>RD</sup> ST  
NASSAU, BAHAMAS / NEW YORK, N.Y. 10013

Hold all mail (see General Terms and Conditions)

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_ Primary residence (if different from mailing address) \_\_\_\_\_  
Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_  
Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_  
Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_ Country of residence \_\_\_\_\_ Home telephone number \_\_\_\_\_  
Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_ Other residence \_\_\_\_\_  
Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_

Name of business \_\_\_\_\_ Type of business \_\_\_\_\_  
Business address \_\_\_\_\_ Position/title \_\_\_\_\_  
Phone/cable/telex \_\_\_\_\_

Who introduced you to International Private Banking?  
Special instructions/Other information

**Bank references**

Name of bank \_\_\_\_\_  Name of bank \_\_\_\_\_  
Full address \_\_\_\_\_ Full address \_\_\_\_\_  
Type of account \_\_\_\_\_ Account number \_\_\_\_\_ Type of account \_\_\_\_\_ Account number \_\_\_\_\_  
Person to contact \_\_\_\_\_ Person to contact \_\_\_\_\_

**Type of account(s) you want to open**

Checking  Overdraft (additional form required)  
 Time deposits/  Bill paying (additional form required)  
Other deposits  Credit cards (additional form required)  
 Savings  Other (describe): \_\_\_\_\_

Additional services we offer. Please check below if you want information about any of our other services:

Portfolio Management (investment advisory services)  Real Estate Investment Advisory Service (commercial real estate investments)  
 Custody Accounts for securities and precious metals  Fine Arts Management (including the purchase, storage and delivery of an art collection)  
 Private Investment Company Management/Trust Administration  Loans

**Form of ownership**

Individual  In trust for (give beneficiary information below):  
 Joint tenants with right of survivorship Name \_\_\_\_\_  
 Tenants in common (attach details of ownership) Home address \_\_\_\_\_  
 Corporate (complete Corporate Resolution) Relationship to account holder \_\_\_\_\_ Citizenship \_\_\_\_\_  
 Nonprofit organization (complete other required documents) Place of birth \_\_\_\_\_ Date of birth \_\_\_\_\_  
 Other (describe): \_\_\_\_\_

A - 000883

C 001579  
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reopening cover 1

Redacted by the Permanent Subcommittee on Investigations

JUL-19-94 TUE 16:04

CITI TRUST

FAX NO.

14

# ESTABLISH A NEW ACCOUNT

**Checking** Complete this section if you are opening a checking account.  
 Amount of deposit \$ \_\_\_\_\_ Would you like checks?  Yes  No  
 Do you want the title of account to appear on checks?  Yes  No

**Time deposits/ Other deposits** Complete this section if you are opening a time deposit or other deposit account. We offer the following types:  
 • New York • IBF • Cash Reserve • Other  
 • Nassau Eurodollar • London • Monthly Cash Reserve

Type of deposit	Amount	Type of deposit	Amount
Currency	Rate	Currency	Rate
Opening date	Term/Maturity	Opening date	Term/Maturity

At maturity:  
 Renew principal with interest  
 Renew principal, and credit interest to Citibank account number: \_\_\_\_\_  
 Renew principal, and credit interest by check to: \_\_\_\_\_  
 Other (describe): \_\_\_\_\_

**Savings** Complete this section if you are opening a savings account.  
 What type of savings account(s) do you want to open?  
 Regular Savings. Amount \$ \_\_\_\_\_  Golden Savings. Amount \$ \_\_\_\_\_  
 Other (describe): \_\_\_\_\_  
 Should we hold your passbook in safekeeping?  No  Yes (see General Terms and Conditions)

**Source of funds** Total amount of funds deposited to open these accounts: \_\_\_\_\_  
 Source of these funds: \_\_\_\_\_

**Signature** All applicants must sign below. By signing below, you:  
 • agree to the General Terms and Conditions of this application for the accounts or services that you requested above or that you may subsequently apply for.  
 • agree to the conditions in the Customer Handbook provided with this application.  
 • agree to inform us of any changes in the personal information provided.  
 • declare that you are a nonresident alien of the United States.

X S. J. Col - Collier X South Dumber  
 X ANTARES ASSOCIATES LIMITED X ASTAIRE ASSOCIATES LIMITED  
 DIRECTOR DIRECTOR  
 Date July 13, 1994 Date July 13, 1994

**For bank use**  
 AG official MLP Date 7/20/94 CAKS number 0830770 Country code 2030 Expense code 0466 Tier code \_\_\_\_\_  
 Checking account number # 103328149 Type of checks  EW-50  Other (describe): \_\_\_\_\_  Send to mailing address  Hold  
 TD/CRA number(s) \_\_\_\_\_ TD/CRA language code \_\_\_\_\_ Saturation costs \_\_\_\_\_  
 Savings account number \_\_\_\_\_ Telecard  No  Yes, letter number: \_\_\_\_\_  
 Description of deposit (attach photocopy) \_\_\_\_\_  
 Documentation obtained?  Yes  No (describe missing documentation): \_\_\_\_\_  
 Special instructions \_\_\_\_\_ Fee OTN

Reference responsibility  
 Standard  Special  Waived (reason): \_\_\_\_\_  
 Prepared by and date \_\_\_\_\_ Approved by and date \_\_\_\_\_ Accepted by and date \_\_\_\_\_  
 SOBORA REDON, A.M.P. 7/20/94 7/20/94 7/20/94  
 Citicorp Trust Group, Inc. 08882  
 Est. 8503

C 001578  
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Subcommittee Members and Staff Only

CITIBANK

**CITI FUNDS ACCOUNT APPLICATION**

1. Account Title MERITOR INVESTMENTS LTD. - FCL593N Account No. CF

If designated "In Trust For," specify Beneficiary's:

Birthplace \_\_\_\_\_ Relationship \_\_\_\_\_ Date of Birth \_\_\_\_\_

2. Mailing Address 930670002-301 P.B.G HOLD ALL MAIL  
P.O. Box N-1576 153 EAST 53<sup>RD</sup> ST  
NASSAU, BAHAMAS NEW YORK, NY 10043

Permanent Residence, if different \_\_\_\_\_ Home Tel. No. \_\_\_\_\_

Please Hold All Mail  I Would Like Custom Mail (See reverse side) Bus. Tel. No. \_\_\_\_\_

3. Passport Information

Passport No. \_\_\_\_\_ Country of Issuance \_\_\_\_\_

Passport No. \_\_\_\_\_ Country of Issuance \_\_\_\_\_

Passport No. \_\_\_\_\_ Country of Issuance \_\_\_\_\_

4. Residency Certification U.S. Social Security or Taxpayer Identification Number if Required: N/A

Under penalties of perjury, I/we certify that, to the best of my/our knowledge and belief, I am not/none of us are citizen(s) nor resident(s) of the United States (or else I am a foreign corporation, partnership, estate or trust) as explained on the back of this form.

Under penalties of perjury, I certify that: (1) the Social Security number (or employer identification number) shown is my correct number, and (2) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding because I failed to report all interest or dividends. (Cross out item (2) if you were notified by the IRS that you are subject to backup withholding.

5. CitiFunds Personal Identification Number (PIN) Please enter a four-digit number     e.g. 8 8 8 8

The CitiFunds Personal Identification Number is numerical and is used to permit CitiFunds Account Holders to transact by telephone. You should keep this number confidential

6. CitiAccess Account (Current Account) Please open a CitiAccess Current Account

With checks  Title on checks  Yes  No  Without checks  
 If you've requested checks, you must complete the enclosed signature card and supply references

7. Citi-Invest Option (See reverse side)

I would like to receive more information about Citi-Invest. If the Mailing Address in Section 2 above is "Hold All Mail" or is in the United States, you must supply your non-U.S. address in the Permanent Residence part of Section 2.

8. CitiCredit Option

I wish to be eligible for CitiCredit under the terms and conditions set out in the CitiFunds Account Rules

9. Preferred Visa Credit Card

Please send me information about the Preferred Visa Credit Card.

I confirm my request to open a CitiFunds Account in accordance with the particulars and hereby acknowledge that I have received and read the terms and conditions on the reverse side of this form and the Rules governing the Account and agree to comply with and be bound by all such Rules, terms and conditions and any amendments made thereto from time to time, to the same extent as if they were set forth in full herein. I further undertake to notify you in writing of any change(s) to the particulars given herein.

Signature: [Signature] ANTARES ASSOCIATES LIMITED Date: July 13, 1994

Signature: [Signature] DIRECTOR Date: \_\_\_\_\_

Signature: [Signature] ASTAIRE ASSOCIATES LIMITED Date: July 13, 1994

Signature: [Signature] DIRECTOR Date: \_\_\_\_\_

Verified by \_\_\_\_\_ C 001580 Date: A-000884

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 Subcommittee Members and Staff Only

ORIGINAL

**Banking Agreement  
General Resolution**

Corporation    Unincorporated association    Not-for-profit organization    Other

**Identification**  
 Exact name of organization: MERIT ORG INVESTMENTS LTD - FC5993N  
 Address of principal place of business: THOMPSON BLVD  
NASSAU, BAHAMAS

1	Name	Title	Signature or Facsimile signature (if applicable)
1	<u>ASTAIRE ASSOCIATES LIMITED</u>		<u>See list</u>
2	<u>ASTAIRE ASSOCIATES LIMITED</u>		<u>of AUTHORIZED</u>
3			<u>SIGNATURES</u>
4			<u>ATTACHED</u>

**Resolved:**

1. **Bank's authority.** The corporation, unincorporated association, not-for-profit or other organization named above ("organization") designates Citibank, N.A. ("Citibank") a depository of its funds. In this capacity, it authorizes Citibank to:

- honor properly executed checks, drafts, orders and withdrawals by debiting the organization's account(s);
- receive stop-payment instructions, including relative agreements, for these checks, drafts and other orders;
- receive checks, drafts, notes and other instruments the organization submits to it for deposit or collection, whether or not they are endorsed, on the understanding that every item submitted is endorsed without qualification; and
- receive account reconciliations signed by one or more of the people given authority by this resolution to sign checks.

(Check one)  
 This authority is not restricted to any particular branch(es) of Citibank.  
 (Optional) This authority is restricted to the following branch(es) of Citibank: \_\_\_\_\_

2. **Withdrawals.** This organization authorizes DIRECTOR  
(Designate directors/officers by title only; designate others by name)

singly    any two    jointly    (other) \_\_\_\_\_

- to sign checks, drafts and other orders on its behalf, for money held in its account or credited to it by Citibank, including checks, drafts or other orders in favor of any of the people designated above; and
- to withdraw this money by any other means authorized by Citibank, including, but not limited to, debit cards, credit cards, terminals and other devices or facilities providing access to this money.

3. **Other business.** This organization authorizes DIRECTOR  
(Designate directors/officers by title only; designate others by name)

singly    any two    jointly    (other) \_\_\_\_\_

to transact on its behalf any other business with Citibank, including, but not limited to, the authority to:

- discount or negotiate notes, drafts and other commercial paper;
- apply for letters of credit;
- borrow money, with or without security;
- assign, transfer or pledge any of the organization's property;
- buy, trade or sell stocks, bonds or other securities;
- execute and deliver automated customer services or other agreements related to computer services;
- apply funds from any of the organization's accounts to or for the purchase of any real estate interest; and
- make, enter into, execute and deliver to Citibank any negotiable or nonnegotiable instruments, indemnity agreements and other documents they consider advisable for the performance of any transaction authorized by this section.

• enter into and execute a Safe Deposit Lease Agreement, Permanent Safekeeping Agreement, Safe Deposit Deputy Authorization and/or any other agreement incidental to the operation of a Safe Deposit Box, and to operate such Safe Deposit Box on behalf of this organization.

A - 000904

C 001600  
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4. **Prior transactions.** The organization ratifies, confirms and approves all previous withdrawals of money and other transactions made on its behalf with Citibank.

5. **Revocation or modification.** Citibank and any interested third parties may rely on the authority conferred by this entire resolution:  
- unless the organization revokes it by a subsequent resolution;  
- except to the extent that the organization modifies it by a subsequent resolution; and  
- until Citibank receives a certified copy of any such subsequent resolution(s).

6. **Corporation only: Facsimile signatures.** The organization authorizes Citibank to honor, by debiting its account(s), any checks, drafts and other instruments for the payment of money that bear or purport to bear the facsimile signature(s) of

DIRECTORS

(Designate directors/officers by title only; designate others by name)

singly  by two  jointly  (other)

This authority extends to instruments in favor of the person(s) designated above. It does not matter who affixed the signature, or how. However, the signature must resemble the specimen facsimile signature(s) filed with Citibank.

**Certification**

The person(s) signing below certify that the above is a true copy of a resolution adopted by the  board of directors  board of trustees  membership of the organization, at a meeting held on July 18th, 1994, and not rescinded or modified since that date. These person(s) also certify that the offices this resolution designates (if any) are now held by the officers named above.

Unincorporated association, not-for-profit or other organization only:

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Corporation only: The person signing below also certifies that this corporation is duly organized and existing under the laws of BAHAMAS

that it has its principal place of business at the address shown above, and that the facsimile signature(s) shown above (if any) are specimens of the facsimile signature(s) this resolution refers to.

Signature [Signature] ANTARES ASSOCIATES LIMITED Date July 13, 1994  
Title DIRECTOR

Witness [Signature] ANTARES ASSOCIATES LIMITED Date \_\_\_\_\_  
Title DIRECTOR

Affix corporate seal here

Corporation does not have a seal



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A - 000905



361

JUL-19-94 TUE 15:56 CITI TRUST

FAX NO.

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Permanent Subcommittee  
on Investigations

P. 02

**CITIBank, N.A.**  
International Private Banking Division  
153 East 53rd Street  
New York, New York 10043

**Letter of Instructions**

Relative to

**Custodian Account**

For

*MERITOR INVESTMENTS LTD - FC5993N*  
Title of Account

C 001623  
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A - 00092 **CITIBANK** 

THE CITIBANK PRIVATE BANK

A - 000927

UL-19-94 TUE 15:56 CITI TRUST

FAX NO. [REDACTED] A-000928

P. 03

I, the undersigned, Secretary of MERITOR INVESTMENTS LTD  
a corporation duly organized and existing under the laws of THE BAHAMAS  
and having its principal place of business in NASSAU, BAHAMAS

hereby CERTIFY that the following is a true copy of a certain resolution duly adopted by the Board of Directors of the said Corporation in accordance with the Corporation's By-Laws, and recorded in the minutes of, a meeting of the said Board duly held on JUNE 13, 1994, and not subsequently rescinded or modified:

RESOLVED

1. That Citibank, N.A. (hereinafter called the "Bank") is hereby designated a Depository of securities, cash or other personal property now or hereafter owned or held by this Corporation, and\*

DIRECTORS

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

is/are hereby authorized, for and on behalf of this Corporation, to transact any and all such business with or through the Bank relative to securities, cash or other personal property as may be deemed by the said officer(s) and/or other person(s) transacting the same to be advisable, including (without limiting the generality of the foregoing) authority to: (a) deposit with the Bank for safekeeping or otherwise any securities, cash or other personal property purporting at any time(s) to be owned or held by this Corporation; (b) sign or give any orders or direction(s) in writing to the Bank at any time(s) for the purchase, whether from or through the Bank or otherwise, of any securities or other personal property, or for the sale, transfer, withdrawal, pledge or other disposal of any securities, cash or other personal property which may be held by the Bank at any time(s) for or on behalf of this Corporation, whether in safekeeping, as security or otherwise, and for the collection, deposit, withdrawal, investment or other disposition of all or any of the proceeds thereof and/or of any dividends, interest or other amounts which may be declared and/or paid relative thereto; (c) make, execute and deliver any and all transfers, assignments, proxies and/or other instruments, and (d) give any directions, sign any receipts or agreements, make any representations or perform any other acts incidental to or deemed by said officer(s) and/or other person(s) to be necessary or proper in exercising any power(s) hereby conferred, and that the Bank may act and rely thereon without inquiry or further authorization and notwithstanding that any action(s) taken hereunder may favor any officer(s) and/or other person(s) herein designated; and 2. That all transactions had prior hereto on behalf of this Corporation with the Bank by any of the officer(s) and/or other person(s) herein designated are hereby ratified, confirmed and approved, and that the Bank may rely upon the authority conferred by this entire resolution until the receipt by it of a certified copy of a resolution of this Board revoking or modifying the same.

I FURTHER CERTIFY that the following now occupy(ies) the (respective) office(s) designated in the above-quoted resolution and that the same is (are) duly qualified as such officer(s):

NAMES	TITLES OF OFFICES HELD
ANTARES ASSOCIATES LIMITED DIRECTOR	DIRECTOR
ASTAIRE ASSOCIATES LIMITED DIRECTOR	DIRECTOR

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Corporation this 18 day of July, 1994

(Corporate Seal)

C-001624  
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ANTARES ASSOCIATES LIMITED  
SECRETARY

\*If officer(s) designate office(s) only, for example: President, Treasurer, etc.; if person(s) other than officer(s) designate name(s). If two designated, indicate whether there are in alternation.

**Citibank, N.A.**  
International Private Banking Division  
153 East 53rd Street  
New York, New York 10043

[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations

It is hereby agreed that, on the terms and conditions set forth below, such securities as you may now or hereafter hold or have in a depository position for the custodian account of this Corporation are to be maintained and disposed of by you only pursuant to the instructions of this Corporation.

1. **INCOME** - All interest and dividends which you may receive shall be credited to a Custodian Income account maintained in the name of this Corporation. The balance accumulated in this account during each calendar month is to be remitted on the \_\_\_\_\_ day of the following month by:

Crediting the checking account of this Corporation No. \_\_\_\_\_

CHECK ONE

at \_\_\_\_\_  
OFFICE OR BRANCH OF BANK

Check to the order of \_\_\_\_\_

and mailed to \_\_\_\_\_

OR - All interest and dividends which you may receive shall be:

Credited to the checking account of this Corporation No. RE-INVEST

2. **PRINCIPAL** - Proceeds of sales of securities (and fractions thereof), maturing and redeemed securities, and charges for purchases of securities (and fractions thereof) and all other cash principal items are to be entered to a Custodian Principal account maintained in the name of this Corporation.

OR - Proceeds of sale of securities, maturing and redeemed securities and all other cash principal items are to be:

Credited to the checking account of this Corporation No. \_\_\_\_\_

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at \_\_\_\_\_  
OFFICE OR BRANCH OF BANK

3. **BALANCES** - If the balance of said Principal or Income account is insufficient to cover any charge or the purchase of securities, then such charges as may be necessary may be debited at your discretion to any other account this Corporation may have with you the title of which does not include a specific designation such as "payroll", "special", etc.

4. **SERVICING OF SECURITIES** - With respect to foreign internal securities, for which adequate financial information is not readily available to you, your responsibility is limited to safekeeping without any requirements on your part to value, detach coupons, present for conversion or redemption, or take similar action affecting such securities. This Corporation will be responsible for all instructions with respect to those securities, and you need take no action in the absence of such instruction.

5. **EXECUTION OF PROXIES** - All proxies are to be forwarded by mail to this Corporation executed in blank. The Corporation relieves you and your nominee of any responsibility for failure to comply with this instruction, as a result of any mistake or oversight, whether such failure relates to the voting of proxies or the failure to forward them to the undersigned.

6. **ORDERS TO PURCHASE OR SELL SECURITIES** - When handling orders to buy or sell securities, it is understood and agreed that: (a) each such order will be given on the initiative of and voluntarily by this Corporation; (b) you will act as agent of and not as principal, except that if the order be for the purchase or sale of obligations of the U.S. Government or its agencies, or state or municipal bonds, you may act as principal; (c) you may refer each such order to any broker or other sub-agent of your choice, unless otherwise specified; (d) you shall have no liability or responsibility whatsoever for any error, neglect, or default of any such broker or sub-agent or for mutilations, interruptions, omissions, errors or delays occurring in the mail, or on the part of any telegraph, cable or wireless company, or any employee of such company, or by reason of any cause(s) beyond your control; (e) any fees charged for your own account in reference to any such orders are to cover the cost of effecting payments and deliveries and for such other banking services as are necessarily involved in the transactions, and (f) an open order that has not been executed after sixty (60) days will be automatically cancelled without notification to this Corporation.

7. **TERM OF APPOINTMENT** - Either one of us may terminate this appointment at any time upon thirty (30) days written notice. This Letter is subject to your future revision of securities handling procedures and your schedule of fees.

8. **FEES** - The fees for this service are to be in accordance with your then current Schedule of Fees, payable semi-annually, and you are authorized to charge the account of this Corporation with the amount for such fees.

3-000929  
A-000929

Redacted by the Permanent Subcommittee on Investigations

JUL-19-94 TUE 15:58

CITI TRUST

FAX NO. [REDACTED]

P. 05

9. REGISTRATION - All securities requiring registration are to be inscribed in the name of your nominee, it being understood that negotiability is to be automatically provided by you as custodian.

You are hereby authorized and empowered on behalf of this Corporation and in its name to sign any certificates of ownership or other certificates which are or may hereafter be required by any regulations of the Internal Revenue Department or other authority of the United States, relating to income tax. No securities not owned by the Corporation will be placed in this account.

To enable you to execute said certificates properly, you are hereby informed that said Corporation is incorporated under the laws of THE BAHAMAS and has its principal place of business at

10. DISPOSITION OF FRACTIONAL SHARES - With respect to all fractional shares received for account of this Corporation, you are hereby authorized to:

- Buy the necessary fractional shares to round out to a full share.
Sell the fractional share received.

11. SPECIAL INSTRUCTIONS - Charges for extraordinary services as outlined herein shall be agreed upon at the time this account is established or the time such extraordinary services are requested, and you are hereby authorized to charge the account of this Corporation with the amount of such charges.

[Blank lines for special instructions]

12. SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER N/A

13. MAILING ADDRESS - All mail and notices are to be addressed as follows:

930670002-301
P.O. Box N-1576
NASSAU, BAHAMAS

Date: July 13th 1994

Very truly yours,
MELITER INVESTMENTS LTD
BY: [Signature] ASTAIRE ASSOCIATES LIMITED DIRECTOR
[Signature] ASTAIRE ASSOCIATES LIMITED DIRECTOR

ACCEPTED
CHibank, N.A.
By:
Title:
Date:

URGENT
P. 05
RE: [REDACTED]

C 001626
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A - 000930

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JL-13-94 TUE 15:58

CITI TRUST

FAX NO. [REDACTED]

P. 06

RELATIVE TO CUSTODIAN ACCOUNT

HERITOR INVESTMENTS LTD.

ACCOUNT TITLE AND NUMBER

As used in this Amendment, the words "I" and "me" or "my" refer to each and all of those who sign below. The words "you", "your" refer to Citibank, N.A. References to Citibank include Citicorp, Citibank, N.A., their branches, subsidiaries and affiliates. The use of singular terms includes plurals. The following paragraphs are hereby made an integral part of the "Letter of Instructions Relative to Custodian Account" in effect between me and Citibank. The Amendment, the Letter of Instructions Relative to Custodian Accounts, and any attached Appendixes together constitute an entire Agreement between me and Citibank.

CITIBANK AUTHORIZATION

I agree, unless I notify you otherwise in writing, that in effecting foreign exchange or in executing any purchase or sale of any security or other asset for my account, at my instruction, you or any subsidiary or affiliate may act as counterpart, principal, under-writer, agent or broker in such transactions and may be separately compensated in each such capacity.

SHAREHOLDER COMMUNICATION DISCLOSURE

Securities and Exchange Commission regulations require Citibank to disclose to the issuer of a security, upon request, my name, address and position with respect to a security held in my account, unless I object to such disclosure.

Information disclosed may be used by the issuer only to facilitate its communication with the beneficial owners of its securities. Please check one:  I OBJECT TO DISCLOSURE  I DO NOT OBJECT TO DISCLOSURE

CONFIRMATION OF ACCOUNT TRANSACTIONS

I will be mailed individual written confirmation of all securities transactions executed in the above referenced account (the "Account"), within five (5) business days of the transaction, unless I instruct you otherwise. I recognize that, if I instruct you not to send individual confirmations, the only written confirmation of individual transactions I will receive will be the Account's monthly statement, which reflects, among other things: the identification of the security or instrument purchased or sold; dates of execution and settlement of transaction; price (per unit and total); coupon, yield and maturity information (if applicable); executing broker and Account fees paid as a result of the transaction. The individual trade confirmation may contain additional information about counterparties and economic benefits received by such counterparties.

I hereby instruct you as follows:

I WISH TO RECEIVE WRITTEN CONFIRMATION OF EACH SECURITIES TRANSACTION IN THE ACCOUNT AND HAVE PROVIDED YOU BELOW WITH AN ADDRESS FOR RECEIPT OF CONFIRMATIONS WHICH IS NOT "HOLD ALL MAIL".

I DO NOT WISH TO RECEIVE INDIVIDUAL CONFIRMATION OF EACH SECURITIES TRANSACTION IN THE ACCOUNT. I WILL RECEIVE CONFIRMATION OF TRANSACTIONS THROUGH THE ACCOUNT MONTHLY STATEMENT. I UNDERSTAND HOWEVER THAT IF AT ANY TIME I WISH TO REQUEST A SPECIFIC CONFIRMATION OF AN INDIVIDUAL TRADE I CAN DO SO, AT NO ADDITIONAL COST TO ME.

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A - 000931

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UL-19-94 TUE 15:59

CITI TRUST

FAX NO. [REDACTED]

P. 07

INFORMATION CONCERNING INVESTMENTS

If I have checked and initialed this box, I have expressed interest in being informed by you, from time to time, about the availability of specific investments, including Latin American or other emerging economies investment instruments. I agree to the following:

Initial LE

- By bringing investments to my attention, Citibank is not advising or recommending such investment to me. All decisions to purchase or sell are my own, and will be based on my independent assessment of each investment and the risks associated with it.
- I recognize that Citibank may be acting as underwriter, dealer, counterparty, principal, agent, broker or other capacity in connection with such investments and agree that it may be compensated for acting in such capacity, separately from any fees applicable to transactions made in the Account. Citibank shall have no liability to me as a result of, nor will I assert any claim against Citibank arising in connection with, any conflict of interest resulting from Citibank's participation in transactions for the Account.

CUSTODY ACCOUNT OPENED IN INDIVIDUAL / OR MULTIPLE INDIVIDUAL NAMES

By opening a Custodian Account in an individual or multiple individual name, I understand that there could be a U.S. estate tax liability if the account holds assets subject to such taxes, e.g., U.S. stocks on the date of death of an account owner. Nevertheless, I wish to open the account as directed.

AGREED

Signature \_\_\_\_\_

Name (Print) \_\_\_\_\_

Address \_\_\_\_\_

If Corporation: MERITOR INVESTMENTS LTD - FC5993N  
or Trust: Name of Corporation/Trust

By [Signature]  
Signature Title

ANTARES ASSOCIATES LIMITED  
DIRECTOR

Name (print) \_\_\_\_\_

Date July 18, 1994

Signature \_\_\_\_\_

Name (Print) \_\_\_\_\_

Address \_\_\_\_\_

Address NASSAU, BAHAMA A.S.

By [Signature]  
Signature Title

ASTAIRE ASSOCIATES LIMITED  
DIRECTOR

Name (print) \_\_\_\_\_

Date July 18, 1994

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A - 000932

A - 000933

**PRIVATE BANKING DOCUMENTATION TRANSMITTAL MEMORANDUM**

In reference to the attached documents, please:

DATE: 7-20-94

- Open New Relationship
- Open New Account
- Open New Statement Group
- Update Documents (Originals Attached)
- Tetra Only
- Change Address/Title

*New Custody A/C*

ACCOUNT NAME: MERITOR INVESTMENTS LTD  
 ACCOUNT NUMBER(S): 1032 8149 394116  
 CAMSF: 98307701

INDIVIDUAL/JOINT  CORPORATE  FIDUCIARY

ATTACHED IS (ARE):

- 1. BAA FORM (Completed)
- 2. Signature Cards
- 3. TEFRA
- 4. Customer Handbook was Given to Client (check if Yes)
- 5. Personal Data
- 6. PMS Agreement PMS Performance Supplement PMS Agree. Fiduciary
- 7. Share Holders Comm. Consent Memo
- 8. Estate Waiver Form
- 9. Investor Profile
- 10. Investment Objective Setting Questionnaire
- 11. Bank References
- 12. Market Index Agmt.
- 13. Custody Agreement
- 14. Bahamex Agreement
- 15. Custody Amendment #1
- 16. Custody Amendment #2 (EMI)
- 17. Suitability Checklist
- 18. CitiFunds Account Application
- 19. CitiFunds Account Rules
- 20. CitiFunds Investment Explanatory Memo
- 21. New Account Data Form
- 22. General Resolution
- 23. Indemnification Agree. from Fiduciary/Grantor/Beneficiary
- 24. List of Authorized Signers of the Fiduciary
- 25. Articles of Incorporation/By-Laws
- 26. Commingling Resolution
- 27. Power of Attorney
- 28. Multiple Beneficiary I/T/F Form (Ind & Joint ONLY)
- 29. Special Name Account Agmt (Ind & Joint ONLY)
- 30. CitiFunds Trust Bank Mandate (Type of Power of Attorney Taken)
- 31. Acknowledgement of FED IBF Notice
- 32. Bill Paying Agreement
- 33. Business Risk Memo



OTHER Describe: SOBEIRA CEDENO, A VP Private Banking Group-WH  
 Provider Name and Stamp: CCO-2306-1000-02  
 Returned Due To: Est 5509

C 001629  
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DATE	INPUT	DCU	VERIFY	DATE
7/21/94	SP		NEW ACCTS	7/21/94
Date:	A	A	A	
Acknowledgement:				

**INTERNATIONAL INVESTOR SERVICES  
NEW ACCOUNT DATA FORM**

CAMS# 98307701 Date 7-20-94

Name/Title: MERITOR INVESTMENTS LTA

Address: _____ _____ 330670002-301 _____ P.O. BOX N-1570 _____ NASSAU BANHAMAS	RM: <u>MLP</u> Expense code: <u>7989</u> Marketing Domicile: <u>Chile</u>
---	---

<b>ACCOUNT TYPE</b>	<b>NRA TAX WITHHELDING INFORMATION</b>
Individual/Joint: _____	Perm. Pl. of Residence: _____
Corporate: _____	Country of Incorporation: _____
Nassau (PIC/PAC): <input checked="" type="checkbox"/>	Country Gov. Trust Inst.: <u>Bohama</u>
Model Trust: _____	

<b>Orig. Funding:</b>	<b>Sources:</b>
Language: <input checked="" type="checkbox"/> English or Spanish	Shareholder Disclosures: <input checked="" type="checkbox"/>
	Tefras: <input checked="" type="checkbox"/> Advices: <input checked="" type="checkbox"/>


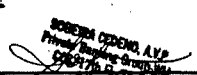
**CASH RESERVE ACCOUNT**

Circle N.Y. or Nassau  
Fees/Overdrafts will be covered from DDA# 10328149

<b>FEES</b>	
<b>A. Standard Custody</b>	<b>B. Exception Custody</b>
Safeguarding: 0.25%	Safeguarding: _____
Min Safeguarding: \$1,500.00	Min Safeguarding: _____
<b>C. Standard Transactions</b>	<b>D. Transaction Exceptions</b>
Short Term Trans: 0.10%	Short Term Trans: _____
Long Term Trans: 0.50%	Long Term Trans: _____
Min Trans Fees: \$100.00	Min. Trans Fee: _____
Activity Fee: \$75.00	Activity Fee: _____
	VP Signatures: _____

**\*\*Circle fees which apply\*\***  
(A. or B. and C. or D.)

**Authorized signatures (Sign & Stamp)**  
The undersigned take full responsibility for the accuracy of the data supplied on this form and for obtaining signed documentation from the client.

 Relationship: <u>Manager</u>	 Service: <u>Officer</u>
---	---

Additional Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C 001619  
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**IIS USE ONLY**

Acct#: _____	Opened by: _____
Unit: <u>391116</u>	NYSS: _____
Headsheet: <u>930670002</u>	VISTA: _____
Customer #1: _____	Customer #2: <u>942020132</u>



CITIBANK  
Internal Instructions PRIVATE BANKING GROUP - WH

URGENT !!!

Administrative task to be performed:  
 Investigation  Photo search  Service charge waived/reversed  Change in account status  No post

Name of person making request: Ms. Sabi Chelero Phone ext. 49509 Floor/Zone 172

Account description  
ZAMS  
9830 7701

Title of account: Meritor Investments Ltd.

Account number: # 10328149 Expense code:

*Note:  
AC was opened  
with wrong info.  
Please change.  
ASAP!!!  
Thank you*

To be filled in by person making request:

Amount of transaction: \_\_\_\_\_ Date inquiry received: \_\_\_\_\_  
First inquiry?  Yes  No, give previous inquiry date(s): \_\_\_\_\_  
Problem. Briefly describe the problem (include reference numbers, instructions, dates, etc.):

To be filled in by investigator:

Name: \_\_\_\_\_ Phone ext.: \_\_\_\_\_ Floor/Zone: \_\_\_\_\_

Resolution. Briefly describe how the problem was resolved (findings, adjustments and responses):

Photo search  
INPUT  
CAMS  
HOGAN  
CITISMA  
REMIT  
CITISCEN  
TTL  
SOPED

SYSTEM  Yes  No, give previous inquiry date(s) \_\_\_\_\_ Check serial number: \_\_\_\_\_  
CAMS  Yes  No, give previous inquiry date(s) \_\_\_\_\_ Number of copies: \_\_\_\_\_  
HOGAN \_\_\_\_\_ Reason for request: \_\_\_\_\_  
CITISMA \_\_\_\_\_  Item missing from statement (attach substitution ticket)  
REMIT \_\_\_\_\_  Unable to identify item posted  
CITISCEN \_\_\_\_\_ Photo of:  Check  Statement  Debit  Credit  Photo required for legal reasons  
TTL \_\_\_\_\_  Other \_\_\_\_\_  Check(s) missing from statement  
SOPED \_\_\_\_\_ Reference number: \_\_\_\_\_  Other \_\_\_\_\_

Service charge  
reversed/waived

Type of charge:  Hold all mail  Overdraft interest  Service (maintenance)  Other \_\_\_\_\_  
Amount of charge: \_\_\_\_\_ Effective date: \_\_\_\_\_  
Reason: \_\_\_\_\_  
Reversal of charge?  Yes  No Waive future charges?  Yes  No

Change in  
account status

Change status from \_\_\_\_\_ to \_\_\_\_\_  
 Change expense code from ~~0466~~ to ~~7987~~  
 Other change from \_\_\_\_\_ to \_\_\_\_\_  
 Close account (balance must be zero). Comments: \_\_\_\_\_

No post

Post no debits  Post no debits or credits  
Reason: \_\_\_\_\_

Authorization

Telex/letter number: \_\_\_\_\_ Approved by and date: \_\_\_\_\_ Fee C/W \_\_\_\_\_

Approved by: MAUREEN L. [Signature] 7/26/94 000895

91 JUL 27 11:52

C 001591  
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Subcommittee Members and Staff Only

Trust (Bahamas) Limited  
P.O. Box N-1576  
Nassau, Bahamas

Date: JAN. 15, 1991

Dear Sirs,

Please accept this letter as your authority to make arrangements for the establishment of a company to be incorporated under the laws of BRITISH VIRGIN ISLANDS.

1. The name of the company should be one of the following in order of preference:

NO PREFERENCE  
\_\_\_\_\_  
\_\_\_\_\_

2. The authorized capital of this company should be \$ 50,000 divided into 5 shares of par value \$ 10,000. each.

3. The name and addresses of the Directors of the company should be as follows:

<u>Names</u>	<u>Address</u>
<u>INES LUCIA PINOCHET HIRIART</u>	<u>SANTIAGO, CHILE</u>
_____	_____
_____	_____
_____	_____

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Permanent Subcommittee on  
Investigations

4. The names of the Officers of the company should be as follows:

President INES LUCIA PINOCHET HIRIART  
 Vice President \_\_\_\_\_  
 Secretary HERNAN GARCIA P.  
 Treasurer \_\_\_\_\_

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Assistant Secretary \_\_\_\_\_  
Assistant Secretary \_\_\_\_\_

5. All mail for the company should be addressed to:

40 CITIBANK INTERNATIONAL  
P.O. BOX 012468  
- ATTN EMILIE JUDD O'NEIL  
MIAMI, FL 33101-2468

6. Please prepare Directors' Minutes for signing by the new Directors to accomplish the following:

A. Issuance of shares:

<u>NAME</u> (or indicate if bearer shares)	<u>Number of shares</u>
<u>BEARER SHARES</u>	<u>5</u>
_____	_____
_____	_____
_____	_____

B. Other:

PLEASE  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. I agree to pay all fees and costs in connection with the incorporation of this company.

Citizen of: CHILE  
Resident of: CHILE

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-3-

y truly yours,

Lewis S. Stinson  
Signature of client

Name of the PBG account manager for this client is \_\_\_\_\_

Phone Code \_\_\_\_\_ Client Domicile  
(for marketing purposes) \_\_\_\_\_

Remarks \_\_\_\_\_

\_\_\_\_\_


-----

Signed \_\_\_\_\_ Date \_\_\_\_\_

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22452



British Virgin Islands  
 The International Business Companies Ordinance  
 (No. 3 of 1984)

Maintenance of Association  
 with  
 Articles of Association

INCORPORATED

Incorporated in the British Virgin Islands

Dated 21st day of December 1984

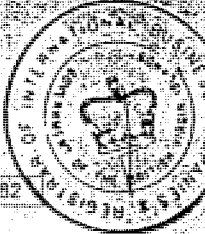
*[Signature]*  
 Registrar of Companies

Stamp: RECEIVED 21 DEC 1984

Stamp: HANNEY WESTWOOD & RIEGEL  
 CRAIGMUIR CHAMBERS  
 ROAD TOWN  
 TORTOLA  
 BRITISH VIRGIN ISLANDS

Stamp: A-000392

Stamp: CONFIDENTIAL  
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- (a) it makes or maintains deposits with a person carrying on banking business within the British Virgin Islands;
  - (b) it makes or maintains professional contact with solicitors, barristers, accountants, bookkeepers, trust companies, administration companies, investment advisers or other similar persons carrying on business within the British Virgin Islands;
  - (c) it prepares or maintains books and records within the British Virgin Islands;
  - (d) it holds, within the British Virgin Islands, meetings of its directors or members;
  - (e) it holds a lease of property for use as an office from which to communicate with members or where books and records of the Company are prepared or maintained;
  - (f) it holds shares, debt obligations or other securities in a company incorporated under the International Business Companies Ordinance or under the Companies Act; or
  - (g) shares, debt obligations or other securities in the Company are owned by any person resident in the British Virgin Islands or by any company incorporated under the International Business Companies Ordinance or under the Companies Act.
- (4) The Company shall have all such powers as are permitted by law for the time being in force in the British Virgin Islands, irrespective of corporate benefit, to perform all acts and engage in all activities necessary or conducive to the conduct, promotion or attainment of the object of the Company.
- (5) The directors may by resolution of directors exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

Any mortgage or charge of the undertaking and property of the Company shall for the purposes of Section 80 of the Ordinance be regarded as in the usual or regular course of the business carried on by the Company.



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CURRENCY

5. Shares in the Company shall be issued in the currency of the United States of America.

AUTHORISED CAPITAL

6. The authorised capital of the Company is US\$50,000.00.

CLASSES, NUMBER AND PAR VALUE OF SHARES

7. The authorised capital is made up of one class and one series of shares divided into 50,000 shares of US\$1.00 par value with one vote for each share.

DESIGNATIONS, POWERS, PREFERENCES, ETC. OF SHARES

8. The designations, powers, preferences, rights, qualifications, limitations and restrictions of each class and series of shares that the Company is authorised to issue shall be fixed by resolution of directors, but the directors shall not allocate different rights as to voting, dividends, redemption or distributions on liquidation unless the Memorandum of Association shall have been amended to create separate classes of shares and all the aforesaid rights as to voting, dividends, redemption and distributions shall be identical in each separate class.

VARIATION OF CLASS RIGHTS

9. If at any time the authorised capital is divided into different classes or series of shares, the rights attached to any class or series (unless otherwise provided by the terms of issue of the shares of that class or series) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or series and of the holders of not less than three-fourths of the issued shares of any other class or series of shares which may be affected by such variation.

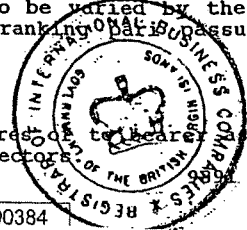
RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

REGISTERED SHARES AND BEARER SHARES

11. Shares may be issued as registered shares or to bearer and may be determined by a resolution of directors.

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EXCHANGE OF REGISTERED SHARES AND BEARER SHARES

Registered shares may be exchanged for bearer shares and bearer shares may be exchanged for registered shares.

TRANSFER OF REGISTERED SHARES

Registered shares in the Company may be transferred subject to the prior or subsequent approval of the Company as evidenced by a resolution of directors or by a resolution of members.

SERVICE OF NOTICE ON HOLDERS OF BEARER SHARES

Where shares are issued to bearer, the bearer, identified for this purpose by the number of the share certificate, shall be requested to provide the Company with the name and address of an agent for service of any notice, information or written statement required to be given to members, and service upon such agent shall constitute service upon the bearer of such shares until such time as a new name and address for service is provided to the Company. In the absence of such name and address being provided it shall be sufficient for the purposes of service for the Company to publish the notice, information or written statement in one or more newspapers published or circulated in the British Virgin Islands and in such other place, if any, as the Company shall from time to time by a resolution of directors or a resolution of members determine. The directors of the Company must give sufficient notice of meetings to members holding shares issued to bearer to allow a reasonable opportunity for them to secure or exercise the right or privilege, other than the right or privilege to vote, that is the subject of the notice. What amounts to sufficient notice is a matter of fact to be determined after having regard to all the circumstances.

AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

- 15. The Company may amend its Memorandum of Association and Articles of Association by a resolution of members or by a resolution of directors.

DEFINITIONS

The meanings of words in this Memorandum of Association are as defined in the Articles of Association annexed hereto.



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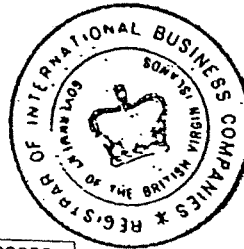
We, TORMAN LIMITED, of Craigmuir Chambers, Road Town, Tortola, British Virgin Islands for the purpose of incorporating an International Business Company under the laws of the British Virgin Islands hereby subscribe our name to this Memorandum of Association the 8th day of December , 1989 in the presence of:

Witness

Subscriber

(Sgd:)Janice Skelton  
.....  
Craigmuir Chambers  
Road Town, Tortola  
Company Administrator

(Sgd:)Charles Kerins  
.....  
Director  
Torman Limited



A - 000386

C 001073  
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*re Dep Fdy.*MEMORANDUM

TO: Emilie Judd O'Neil ✓  
 FROM: Lourdes Guerra *mlg*  
 SUBJECT: Lucia P. Hiriart  
 DATE: July 17, 1991

As you requested, I met with Ms. Hiriart and delivered the documentation to open a new account in the name of Redwing Holdings Inc. She signed the BAA, Tefra, Security Agreement and signature cards and left copies of the documentation of Redwing, which she had received from you on a prior occasion. I delivered the corporate seal to her and we sealed the Security Agreement.

The General Resolution lacks the signature of Hernan Garcia, the Secretary, her son, so she signed a copy of the General Resolution in original form, so that we have something here and took the original with her to obtain her son's signature and will return it to us when she comes in October.

In checking out the documentation for Redwing, I noticed several things.

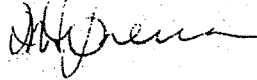
1. She did not appear to have a copy of the Registre of Officers. I suggested she looks in her safedeposit box and when she finds it, to please send us a copy. This is probably just a mistake in the filing, since she has two copies of the Registre of Directors and one appears to be an original.
2. Did you send copies of the Resolutions which needed to be signed to the B.V.I. attorneys? If you have not, we have copies here so Angie can make copies and send to Harney, Westwood and Riegels.
3. She left instructions to have the interest from the trust put in the Redwing T.D. from now on. We also noticed that when the T.D. for the trust was funded, the money went to her checking account and was debited not as an outgoing funds transfer to CBL but "to CBC time deposit". This is very dangerous, since due to the requirements of this particular client, and for that matter any trust client, the initial funding of a trust should always go through CBL. I have asked Olga to investigate what happened. When the trust was funded, the CFI said debit CBL Starr, so I assume the problem was with the cancellation of the personal name CBC.

A - 003332

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By the way, she did not take her uncle's mail, she thought the situation in Chile is too delicate right now. She will be back in October when she will bring back missing documents. When I told her that the Security Agreement was for credit, she told me she did not have any credit. At this point I had to try to figure out why you wanted it signed. Angie told me you always request Security Agreements from clients.

Should you have any questions, please let me know.



MLG/az

A - 003333

C 003794  
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**CITIBANK**  
**CITI FUNDS ACCOUNT APPLICATION**

1. Account Title RED WING HOLDINGS Account No. CF  
INC.

If designated "In Trust For," specify Beneficiary's:

Birthplace \_\_\_\_\_ Relationship \_\_\_\_\_ Date of Birth \_\_\_\_\_

2. Mailing Address C/O CITIBANK INT  
P.O. BOX 012464 977 H. A. M.  
MIAMI FL 33101-2468

Permanent Residence, if different \_\_\_\_\_ Home Tel. No. \_\_\_\_\_

Bus. Tel. No. \_\_\_\_\_

Please Hold All Mail  I Would Like Custom Mail (See reverse side)

3. **Passport Information**

Passport No. \_\_\_\_\_ Country of Issuance \_\_\_\_\_

Passport No. \_\_\_\_\_ Country of Issuance \_\_\_\_\_

Passport No. \_\_\_\_\_ Country of Issuance \_\_\_\_\_

4. **Residency Certification** U.S. Social Security or Taxpayer Identification Number if Required: \_\_\_\_\_

Under penalties of perjury, I/we certify that, to the best of my/our knowledge and belief, I am not/none of us are citizen(s) nor resident(s) of the United States (or else I am a foreign corporation, partnership, estate or trust) as explained on the back of this form.

Under penalties of perjury, I certify that: (1) the Social Security number (or employer identification number) shown is my correct number, and (2) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding because I failed to report all interest or dividends. (Cross out item (2) if you were notified by the IRS that you are subject to backup withholding.)

5. **Citifunds Personal Identification Number (PIN)** Please enter a four-digit number  e.g.

The Citifunds Personal Identification Number is numerical and is used to permit Citifunds Account Holders to transact by telephone. You should keep this number confidential.

6. **CitiAccess Account (Current Account)** Please open a CitiAccess Current Account

With checks  Title on checks  Yes  No  Without checks  
 If you've requested checks, you must complete the enclosed signature card and supply references

7. **Citi-Invest Option** (See reverse side)

I would like to receive more information about Citi-Invest. If the Mailing Address in Section 2 above is "Hold All Mail" or is in the United States, you must supply your non-U.S. address in the Permanent Residence part of Section 2.

8. **CitiCredit Option**

I wish to be eligible for CitiCredit under the terms and conditions set out in the Citifunds Account Rules

9. **Preferred Visa Credit Card**

Please send me information about the Preferred Visa Credit Card.

I confirm my request to open a Citifunds Account in accordance with the particulars and hereby acknowledge that I have received and read the terms and conditions on the reverse side of this form and the Rules governing the Account and agree to comply with and be bound by all such Rules, terms and conditions and any amendments made thereto from time to time, to the same extent as if they were set forth in full herein. I further undertake to notify you in writing of any change(s) to the particulars given herein.

Signature: [Signature] Date: 11/24/91

Signature: PROBANT Date: \_\_\_\_\_

Signature: [Signature] Date: A-003319

Verified by [Signature] **PHILIP J. O'NEIL**  
 Vice President

Date \_\_\_\_\_

C 003780  
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**Banking Account Application** CITIBANK INTERNATIONAL  
(Florida)

Please print

**Personal information**

Title of account Trustee (Bahamas) Limited, Ref: MT-4964

Mailing address Trustee (Bahamas) Limited, Ref: MT-4964  
Attn: G. Mitchell  
P.O. Box N1576, Nassau, Bahamas

Hold all mail (see General Terms and Conditions)

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_ Permanent residence (if different from mailing address) \_\_\_\_\_

Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_

Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_ Country of residence \_\_\_\_\_ Home telephone number \_\_\_\_\_

Passport number/Country \_\_\_\_\_ Date issued \_\_\_\_\_ Other residence \_\_\_\_\_

Place of issue \_\_\_\_\_ Date of birth \_\_\_\_\_

Name of business \_\_\_\_\_ Type of business \_\_\_\_\_

Business address \_\_\_\_\_ Position/title \_\_\_\_\_

Phone/cable/telex \_\_\_\_\_

Who introduced you to Private Banking? \_\_\_\_\_

Special instructions/Other information \_\_\_\_\_

**Bank references**

Name of bank \_\_\_\_\_  Name of bank \_\_\_\_\_

Full address \_\_\_\_\_ Full address \_\_\_\_\_

Type of account \_\_\_\_\_ Account number \_\_\_\_\_ Type of account \_\_\_\_\_ Account number \_\_\_\_\_

Person to contact \_\_\_\_\_ Person to contact \_\_\_\_\_

**Type of account(s) you want to open**

Checking  Overdraft (additional form required)

Time deposits/  Bill paying (additional form required)

Other deposits  Other (describe): \_\_\_\_\_

Savings

Other services. Please check below if you want information about any of the following services offered by Citicorp/Citibank:

Portfolio Management (investment advisory services)  Real Estate Investment Advisory Service (commercial real estate investments)

Custody Accounts for securities and precious metals  Fine Arts Management (including the purchase, storage and delivery of an art collection)

Private Investment Company Management/ Trust Administration  Loans  Credit cards (additional form required)

**Form of ownership**

Individual  In trust for (give beneficiary information below):

Joint tenants with right of survivorship Name \_\_\_\_\_

Tenants in common (attach details of ownership) Home address \_\_\_\_\_

Corporate (complete Corporate Resolution) Relationship to account holder \_\_\_\_\_ Citizenship \_\_\_\_\_

Nonprofit organization (complete other required documents) Place of birth \_\_\_\_\_ Date of birth \_\_\_\_\_

Other (describe): \_\_\_\_\_

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C 000568

\*If more than one, attach additional information

**Checking** Complete this section if you are opening a checking account.  
 Amount of deposit \$ \_\_\_\_\_ Would you like checks?  Yes  No  
 Do you want the title of the account to appear on the checks?  Yes  No

**Time deposits/ Other deposits** Complete this section if you are opening a time deposit or other deposit account.  
 • Florida • IBF • Cash Reserve \_\_\_\_\_ • Other \_\_\_\_\_  
 • Nassau Eurodollar • London • Monthly Cash Reserve \_\_\_\_\_  
 Type of deposit Amount Type of deposit Amount  
~~Other~~ CBC \$600.00 - CIA \_\_\_\_\_ NO FOLLO  
 Currency Rate Currency Rate  
 Opening date Term/Maturity Opening date Term/Maturity  
5/20/91 3 MONTHS \_\_\_\_\_ \_\_\_\_\_  
 At maturity:  
 Renew principal with interest  
 Renew principal, and credit interest to Citibank International account number: \_\_\_\_\_  
 Renew principal, and credit interest by check to: \_\_\_\_\_  
 Other (describe): \_\_\_\_\_

**Savings** Complete this section if you are opening a savings account.  
 What type of savings account(s) do you want to open?  
 Regular Savings. Amount \$ \_\_\_\_\_  
 Other (describe): \_\_\_\_\_  
 Should we hold your passbook in safekeeping?  No  Yes (see General Terms and Conditions)

**Source of funds** Total amount of funds deposited to open these accounts: \_\_\_\_\_  
 Source of these funds: \_\_\_\_\_

**Signature** All applicants must sign below. By signing below, you:  
 • agree to the General Terms and Conditions of this application for the accounts or services that you requested above or that you may subsequently apply for.  
 • agree to the conditions in the Customer Handbook provided with this application.  
 • agree to inform us of any changes in the personal information provided.  
 • declare under penalties of perjury you are a nonresident alien of the United States and that your permanent residence is as indicated above.  
X Rebecca J. Smith-Daviler X Christine N. Greene  
 SENIOR TRUST OFFICER TRUST OFFICER  
 Date March 2, 1991

**For bank use**  
 AD initials Date CAMS number Country code Citibank/Expatriate Ltd. Fee code  
 Checking account number Type of checks  Style-W  Send to mailing address  
 Other (describe):  Hold  
 TD/CRA number(s) TD/CRA language code Salutation code  
 Savings account number Telephone  No  Yes, letter number: \_\_\_\_\_ Strictly Confidential  
 Description of deposit (attach photocopy) Not for Circulation  
 Subcommittee Members and Staff Only  
 Documentation obtained?  Yes  No (describe missing documentation): \_\_\_\_\_  
 Special instructions \_\_\_\_\_ Fee C/W  
 Reference responsibility  Standard  Special  Waived (reason): \_\_\_\_\_  
 Prepared by and date \_\_\_\_\_ Approved by and date \_\_\_\_\_ Accepted by and date \_\_\_\_\_  
5/1/91

**About This Relationship**

Please indicate the type of account ownership you want to establish under this relationship.

**Individuals**

- Individual accounts (one account holder)  In-Trust-for (applies only to certain deposits)  
 Joint accounts with right of survivorship (more than one account holder) Beneficiary name

Relationship Last Name

Relationship Title Please provide names for each account holder.

MANAGED BY CITITRUST (BAHAMAS) LIMITED

**Organizations Please check one only.**

- Corporation  
 Trust  
 Not-for-profit organization  
 Other (unless specify partnership, unincorporated association, etc.)

Name

CITITRUST (BAHAMAS) LIMITED REFERENCE: MT-4964N

Organized under the laws of THE BAHAMAS

**Address**

We will contact you at this address, unless you tell us to forward to Hold All Mail (see below).

Mailing Address

93067000A-303

P.O. BOX N-1576

NASSAU, BAHAMAS

Redacted by the Permanent Subcommittee on Investigations

Phone

Telex/Fax

**Hold All Mail Forwarding**

- By checking this box, you formally request that we forward all mail for this relationship to the Citicorp Organization in the U.S. designated below, which provides you with Hold All Mail as specified in its Terms and Conditions. You request that all correspondence be sent to the following Citibank International Office.

Please check one office location only:  Los Angeles, CA  San Francisco, CA  Miami, FL  Honolulu, HI  Houston, TX  
 You must provide a Release Address below.

Release Address	HM	RELEASE
c/o CITIBANK INTERNATIONAL		c/o CITITRUST (BAHAMAS) LIMITED
ATTENTION: PBG HOLD ALL MAIL		CITIBANK BUILDING, 2nd FLOOR
P.O. BOX 012468		THOMPSON BOULEVARD, OAKES FIELD
NASSAU, BAHAMAS		NASSAU, NEW PROVIDENCE, BAHAMAS

**Internal Use**

Relationship Enrollment no.

876536011

Date (mm/dd/yr)

11, 27, 1997

A - 003458

**About You**

Please supply names and personal information for all account holders and organization representatives. Please print.

①

Name \_\_\_\_\_

Home address _____ N/A	Mother's maiden name _____ Father's last name _____ Your citizenship _____ Passport number _____ Place/date issued _____ Occupation _____ Title _____
Home phone _____	
Home fax _____	
Date of birth (mm/dd/yy)     /     /	

Business name \_\_\_\_\_

Business address _____ N/A	Business type _____ Business phone _____ Business fax _____
-------------------------------	---

②

Name \_\_\_\_\_

Home address _____ N/A	Mother's maiden name _____ Father's last name _____ Your citizenship _____ Passport number _____ Place/date issued _____ Occupation _____ Title _____
Home phone _____	
Home fax _____	
Date of birth (mm/dd/yy)     /     /	

Business name \_\_\_\_\_

Business address _____ N/A	Business type _____ Business phone _____ Business fax _____
-------------------------------	---

A - 003459

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3

EB



③

Name

\_\_\_\_\_

Home address

\_\_\_\_\_

N/A

Home phone

\_\_\_\_\_

Home fax

\_\_\_\_\_

Date of birth (mm/dd/yy)

\_\_\_\_/\_\_\_\_/\_\_\_\_

Business name

\_\_\_\_\_

Business address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

N/A

④

Name

\_\_\_\_\_

Home address

\_\_\_\_\_

\_\_\_\_\_

N/A

Home phone

\_\_\_\_\_

Home fax

\_\_\_\_\_

Date of birth (mm/dd/yy)

\_\_\_\_/\_\_\_\_/\_\_\_\_

Business name

\_\_\_\_\_

Business address

\_\_\_\_\_

\_\_\_\_\_

N/A

Mother's maiden name

\_\_\_\_\_

Father's last name

\_\_\_\_\_

Your citizenship

\_\_\_\_\_

Passport number

\_\_\_\_\_

Place/date issued

\_\_\_\_\_

Occupation

\_\_\_\_\_

Title

\_\_\_\_\_

Business type

\_\_\_\_\_

Business phone

\_\_\_\_\_

Business fax

\_\_\_\_\_

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EB

**In-Trust-for Information**

Please provide the beneficiary information requested below.

Beneficiary's name

\_\_\_\_\_

Home address

\_\_\_\_\_

\_\_\_\_\_ N/A \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Place of birth

\_\_\_\_\_

Date of birth (MM/DD/YY)

\_\_\_\_/\_\_\_\_/\_\_\_\_

Relationship to account holder

\_\_\_\_\_

Citizenship

\_\_\_\_\_

**Selections**

Banking Services

Current Account

No checkbook

No title on checkbook

Amount to be deposited \$

\_\_\_\_\_

Source of funds

\_\_\_\_\_

Source of wealth

\_\_\_\_\_

A - 003461

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5 JWA

**Applicant Signatures**

By signing this Application you affirm that you have received and read this Application, the Terms and Conditions, Fee Schedule, and auxiliary forms for this relationship; and you agree to notify us of any changes in the information you provided. You agree to be bound by the Application and Terms and Conditions as modified and amended over time, including provisions on funds transfer verification procedures, payment place for deposits, absence of FDIC insurance, indemnifications, your grant of security interest to us, your submission to jurisdiction, and your waiver of jury trial, among others.

**Individuals**

Print name	Signature	Date (MM/DD/YY)
① _____	X	____/____/____
② _____	X	____/____/____
③ N/A	X	____/____/____
④ _____	X	____/____/____

**Organizations**

Organization Name	CITITRUST (BAHAMAS) LIMITED REF: MF-4964 <sup>N</sup>	
	Date (MM/DD/YY)	11 / 27 / 97
Print name and title	Evarista Mitchell Service Assistant Cititrust (Bahamas) Ltd	Signature by X <i>Evarista B. Mitchell</i>
①		
	Rosita J. Smith-Duvalier SENIOR TRUST OFFICER	X <i>Rosita J. Smith-Duvalier</i>
②		

**Application Approvals (Internal Use)**

Relationship Entitlement no. _____	Relationship Mgr. initials _____	Salutation code _____
Expense code _____	Current Account no. _____	Language code _____
Country code _____	Marketing domicile _____	Tax domicile _____
Fee: <input type="checkbox"/> W <input type="checkbox"/> C <i>Evarista B. Mitchell</i>	Activity Per Month: _____	<input type="checkbox"/> 26-50 <input type="checkbox"/> 16-25 <input type="checkbox"/> 1-15
Ref: <input type="checkbox"/> Serv. CP Assistant <i>Evarista Mitchell</i>	Average Dollar Amount Per Month: _____	<input type="checkbox"/> 1M <input type="checkbox"/> 550 M <input type="checkbox"/> 100 M
Special instructions <i>Cititrust (Bahamas) Ltd</i>	<i>Necessary KYC obtained and file at Cititrust</i>	
Signature and stamp <i>Rosita J. Smith-Duvalier</i>	Date (MM/DD/YY) ____/____/____	Verification _____
Received by _____	____/____/____	_____
Accepted by _____	____/____/____	_____

A - 003462



THE CITIBANK PRIVATE BANK

Client Authorization

Date (MM/DD/YY) / /  
To: (Specify name of institution)  
Attn: Credit Manager  
Address  
N/A

Please send form replies to:  
Address

Account title  
Account no.

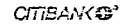
Attn:  
RE: Ref. #

I hereby authorize you to provide references and other information about any of my account(s) to Citibank, N.A. and/or Citibank International.

Signature(s) X

Print Name(s)

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THE CITIBANK PRIVATE BANK

Client Authorization

Date (MM/DD/YY) / /  
To: (Specify name of institution)  
Attn: Credit Manager  
Address  
N/A

Please send form replies to:  
Address

Account title  
Account no.

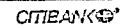
Attn:  
RE: Ref. #

I hereby authorize you to provide references and other information about any of my account(s) to Citibank, N.A. and/or Citibank International.

Signature(s) X

Print Name(s)

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A - 003463

C 003924  
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Handwritten initials

**ORGANIZATION AGREEMENT/RESOLUTION**

THE CITIBANK PRIVATE BANK

Please check one only.

- Corporation
- Trust
- Not-for-profit organization
- Other: *Please specify (partnership, unincorporated association, etc.)*

This Organization Agreement/Resolution is intended as:

- Addition
- Substitution

Exact name of organization N/A

Organized under the laws of \_\_\_\_\_

Please provide the names, titles (e.g., director, president, attorney-in-fact), or function (e.g., investment advisor) of all authorized persons (including the persons signing this document and the persons authorized to act).

Print Name	Print Title/Function	Signature
① _____		X
② _____		X
③ _____	N/A	X
④ _____		X
⑤ _____		X
⑥ _____		X

**Agreed/Resolved**

**Depository designation**

This organization designates Citibank, N.A., New York and/or Citibank International and its U.S. branches a depository of its funds. It authorizes each such depository to:

- honor checks, drafts, orders, and withdrawals by the persons listed below (including those that bear or purport to bear their facsimile signature of record); including those in favor of such persons or any other person; and correspondingly debit the organization's account(s);
- receive stop-payment instructions by the persons listed below, including relative agreements, for these checks, drafts, and other orders;
- receive checks, drafts, notes, and other instruments submitted to it for deposit or collection for this organization, whether or not they are endorsed, on the understanding that every item submitted is endorsed without qualification; and
- receive account reconciliations signed by one or more of any persons listed on this Agreement.

**Authorities Granted**

**Withdrawals**

This organization authorizes the persons listed below to:

- sign checks, drafts, and other orders on its behalf, for funds and assets held in or for its account or credited to it by or through Citibank N.A., Citibank International, or any of their branches, subsidiaries and affiliates (each a "Citicorp Organization"), including checks, drafts, or other orders in favor of any person designated below or any other person; and
- withdraw funds and assets by any other means, including, but not limited to, debit cards, credit cards, terminals, and other devices or facilities providing access to this money.

**Other business**

This organization authorizes the persons listed below to transact any other business on its behalf with or through any Citicorp Organization including, but not limited to, the authority to:

- discount or negotiate notes, drafts and other commercial paper;
- apply for letters or other forms of credit;
- borrow money, with or without security, in an unlimited amount;
- assign, transfer, or pledge any of the organization's property in an unlimited amount as security for its obligations or obligations of others;
- buy, trade, or sell stocks, bonds, interests in mutual funds, or other registered or unregistered securities;
- open accounts of any kind;

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PROPERTY OF CAG/APPR Rev. 2/96 P-3/95 704-1M

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- appoint any Citicorp Organization as investment advisor or portfolio manager;
- enter into derivatives transactions and agreements (including options, swaps, and forwards, whether related to foreign exchange, currency, interest rates, bonds, equities, commodities, deposits, securities, or related indices or baskets thereof);
- execute and deliver automated customer services or other agreements related to computer services;
- apply funds from any of the organization's accounts to or for the purchase of any real estate interest;
- make, enter into, sue, sue on, and deliver to or through any Citicorp Organization any negotiable or nonnegotiable instruments, bill paying agreements, funds transfers security agreements, indemnity agreements, settlements, releases, and other documents they consider advisable;
- enter into and secure a safe deposit agreement, deputy authorization, and any other agreement incidental to the operation of a safe deposit box, and to operate such a safe deposit box;
- make representations about the organization's power and eligibility to enter into the above; and
- do any other act affecting the organization's financial interests.

**Persons with Full Authority**

This authority may be exercised fully, orally or in writing, by the following authorized person(s) (insert applicable names from list above).

\_\_\_\_\_ N/A \_\_\_\_\_

Specify:  singly  any two  other

**Person(s) with Limited Authority**

The following person(s) may exercise this authority singly, orally or in writing. However, they may *withdraw or transfer* funds or assets, only between or to existing and future accounts of this organization with any Citicorp Organization.

\_\_\_\_\_ N/A \_\_\_\_\_

**Prior transactions**

This organization ratifies, confirms, and approves all previous withdrawals and other transactions and agreements made on its behalf with or through any Citicorp Organization.

**Revocation or modifications**

Any Citicorp Organization and any interested third parties may rely on the authority conferred by this entire Organization Agreement/Resolution:

- unless, and to the extent that, the organization revokes or modifies it by a subsequent Organization Agreement/Resolution;
  - until a certified copy of any such subsequent document is received by it at its location and it has had a reasonable opportunity to act on it.
- Any Organization Agreement/Resolution not marked as a substitution for a previous one may be treated as an addition.

**Signatures**

The person(s) signing below certify that:

- the above accurately reflects the powers and authorities given, and the agreement made, by this organization; it is, for organizations which act by resolution, a copy of a resolution duly adopted by the required directors, members or other governing body; these powers, authorities and agreement comply with this organization's constituent and ruling documents and its governing law, and have not been rescinded;
- the titles and functions this document designates are now held by the persons named above and their signatures are as appear above;
- this organization is duly organized, existing and in good standing in the specified place of organization, and has the power to enter into the listed transactions and agreements;
- the person(s) signing below are authorized to make this certification and no certification by any other person is required.

Date (MM/DD/YY) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Signature X \_\_\_\_\_ Signature verification \_\_\_\_\_

Name and title \_\_\_\_\_

Signature X \_\_\_\_\_ N/A \_\_\_\_\_ Signature verification \_\_\_\_\_

Name and title \_\_\_\_\_

**Organization Seal**

Organization does not have a seal. Affix seal here.

For DCU Use	
Date Received _____ / _____ / _____	DCU Initials _____
Account Ref. _____	A - 003465

C 003926  
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 Not for Circulation  
 Subcommittee Members and Staff Only

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**MEMORANDUM**

**TO:** Tim Coughlin

**FROM:** Mark Hendrix *mh*

**DATE:** March 22, 1999

**RE:** Pinochet news stories

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As a followup to my voice mail message, a recap of the media interest in the Pinochet story:

On Friday, March 19, we received a phone call from Jose Carreno Figueras of El Universal newspaper, Mexico. He asked whether Riggs could confirm that Pinochet had an account with the bank. Our official response was that, whether the customer was a political figure or a neighbor, Riggs respected the privacy of its customers and doesn't comment on their accounts.

The story appeared as the newspaper's lead story today and was picked up by the Associated Press. In addition, Chile National TV is working on a story and called me today, saying that it had a "very good photocopy" of a Riggs statement of Pinochet's, and saying that the statement indicated movement of money "in the seven figures." I reiterated the statement we had made to El Universal relative to the privacy of our customers and asked to see a copy of the story, a translation of which is attached.

There may be items of potential interest to other media, which were stated in the story, including:

--the notion that the money is hidden assets and the implication that the money is from illegitimate or unsavory activities.

--the quote that Riggs is just another U.S. institution that is in it for the money.

--the notion that this is the first time it has been possible to track the movements of Pinochet's money out side of Chile.

As they now have a copy of the bank statement, the "no comment" may no longer be sufficient. I would suggest we consider the following quote:

"Riggs is the bank of record for many heads of state. Whether our account holders are heads of state or heads of families, we are confident that our accounts represent the legitimate financial interests of all of our shareholders and clients."

Let's discuss after you've had a chance to review.

RNB040522

[REDACTED] = Redacted by the Permanent  
 Subcommittee on Investigations

EL UNIVERSAL  
 EL GRAN DIARIO DE MEXICO

FRONT PAGE

Mexico, D.F., Mexico

**Pinochet Held a "Millionaire's" Dollar Account in the U.S.**

In only one month, withdrawals at Riggs Bank exceeded one million dollars.

- A journalistic investigation by El Universal reveals banking operations of the ex-Chilean Dictator in 1997
- "He was not careful enough", an expert in international banking practices commented
- There is speculation about other deposit accounts in Europe and the Caribbean

By JOSE CARREÑO FIGUERAS/ Correspondent

WASHINGTON, March 21. The first evidence that General Augusto Pinochet, former President of Chile, has held bank accounts outside of his country, was confirmed by sources from El Universal in the Nations Capital.

Pinochet kept a checking account on his own name and that of his wife, Lucia Hiriart, in Riggs, an important Northeast regional banking institution for at least several months during 1997, in a manner that a source familiar with the subject characterized as an "oversight".

The account shows movements of approximately \$1MM during the month of March 1997. This is the first time that a preliminary, but solid lead, shows that the ex-Chilean dictator has maintained bank accounts outside of his country. However, it was impossible to confirm if the account still exists at Riggs Bank at the present time.

Officially, the bank (Riggs) declined to confirm that there is now or that there ever was such account under those names; based on confidentiality laws existing within the banking industry of the U.S.

A search for real estate properties or judgements against Mr. Pinochet in public registers throughout the U.S. did not produce tangible results.

"We can not confirm that there was ever such account, nor would we ever divulge that kind of information about any client of ours... is a question of confidentiality", emphasized a spokesperson for Riggs Bank, responding to questions on the subject. Confidentiality laws in the U.S. are very

RNB040523



<p>[REDACTED] = Redacted by the Permanent Subcommittee on Investigations</p>
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strict in this respect. However, according to a source familiar with this matter (who requested to remain anonymous), expressed that it was a classic case of "Private Banking practices" in which banks in the U.S. guarantee maximum privacy to its clients in this exclusive area of banking.

In Mexico, a similar case could be the relationship between Citibank and Raul Salinas de Gortari.

"There's no doubt", expressed the source, while reviewing a photocopy of the bank's statement and maintaining that it wouldn't be the only account of the Pinochet family in the bank. However, the source also pointed out that other accounts could have been established through private investment corporations domiciled in European countries or in countries in the Caribbean Sea.

"I am sure it is not the only account", the source added, it was also brought up that there were instructions from the holders to have the bank hold the mail in the U.S. to avoid delivery of account statements via the regular postal services from Washington to Chile.

Riggs, like any other U.S. bank, "would do anything to make a profit". That was the comment made by Larry Birns, Director for The Council of Hemispheric Affairs, a liberal organization in the U.S.

Until now, there had not being any real evidence that Pinochet might have transferred money outside of Chile. The former president always tried to maintain a public image of austerity.

There are, however, verified reports about ownership by Pinochet of agricultural lands in Chile.

Any mention about personal gain obtained by Mr. Pinochet during his tenure have been strongly questioned by the Chilean military authorities. In one instance, these authorities threatened Socialist Senator Jose Antonio Viera-Gallo with sanctions under The Law of Internal Security. Senator Viera-Gallo merely insinuated that the Head of State might have enjoyed personal gains during his 16 years tenure as head of government in his country.

However, public opinion polls in Chile state that the public believes Pinochet would be able to confront any allegations against him.

At the same time, rumors about Pinochet's sons having enjoyed a very high level lifestyle are frequent. This is especially linked to international financial dealings in armament purchases in Europe.

Another source pointed out that between 1973 and 1989 the Military controlled the bulk of all Chilean imports and exports.

Pinochet comes from a family from the lower middle class and his mother survived through having managed a sort of guest house within her own home in Valparaiso, during the early and teenage years of the presently aging senator.



## Pinochet

Continúa de la página 1  
en el mar Caribe.

"Estoy seguro que no es la única", comentó. La fuente hizo notar la instrucción de "retener correo", lo que evitaría incluso el envío de estados de cuentas por ruta postal.

Riggs, como otros bancos estadounidenses, "hace lo que sea por dinero", opinó Larry Blum, director del Consejo de Asuntos Hemisféricos (COHA), un organismo liberal estadounidense.

Hasta ahora, no había habido evidencias reales de que Pinochet hubiese enviado dinero fuera de Chile. El ex presidente siempre procuró mantener una imagen de austeridad.

Hay, sin embargo, reportes verificados sobre fincas en Chile.

Versiones sobre el enriquecimiento personal de Pinochet han sido enfrentadas con dureza por autoridades militares chilenas, que llegaron a amenazar a un senador socialista, José Antonio Viera-Gallo, con sanciones bajo la Ley de Seguridad Interior del Estado, por haber insinuado que el ex gobernante se hubiera enriquecido durante los más de 16 años que permaneció como jefe de gobierno de su país.

Sin embargo, de acuerdo con opiniones frecuentes en Chile, "Pinochet podría acoventar varios juicios".

Al mismo tiempo, versiones sobre enriquecimiento de sus hijos han sido frecuentes, especialmente en conexión con operaciones financieras internacionales. Incluso de compra de armas en Europa.

Una fuente recordó que entre 1973 y 1980 los militares controlaron gran parte de las actividades de importación y exportación de Chile.

Pinochet es hijo de una familia de clase media baja y su madre es costurera gracias a que estableció una casa de huéspedes en su casa en Valparaíso, durante la niñez y adolescencia del hoy anciano senador.



Augusto Pinochet, acompañado de su esposa Lúcia Hiriart

EL UNIVERSAL



STATEMENT

\_\_\_\_\_ AUGUSTO PINOCHET UGARTE S/CR ZIP +4 0  
 \_\_\_\_\_ LUCIA HIRIART DE PINOCHET  
 \_\_\_\_\_ BOLD MAIL  
 \_\_\_\_\_ C/O RNS-TPED  
 \_\_\_\_\_ MAIL CODE B-9002

76-750-393 PAGE 1

STATEMENT PERIOD 03-01-97 THROUGH 03-31-97

MONEY MARKET SUMMARY			
OPENING BALANCE	1,159,318.23	ACCOUNT #	76-750-393
+DEPOSITS	12,468.75	# OF ENCLOSURES	0
+INTEREST	3,907.00	AVERAGE BALANCE	\$1,000,038.51
-CHECKS AND DEBITS	1,000,000.00	INTEREST PAID YTD	\$786.48
-NEW BALANCE	176,690.98		

MONEY MARKET ACTIVITY					
DEPOSITS	DATE	AMOUNT	DEPOSITS	DATE	AMOUNT
REF 01	03-27	12,468.75	REF 02	03-31	3,907.00
CHECKS	DATE	AMOUNT	CHECKS	DATE	AMOUNT
REF 03	03-27	1,000,000.00			

REFERENCE DESCRIPTION	
REF 01	INT. TRANSFER CREDIT FROM CD NO. 00-288-198
REF 02	INTEREST CREDIT
REF 03	DEBIT MEMO

MONEY MARKET BALANCES					
02-28	1,159,318.23	03-27	171,783.98	03-31	176,690.98

MONEY MARKET INTEREST				
FROM	THROUGH	NO DAYS	RATE	AVG COLLECTED BALANCE
03-01-97	03-31-97	31	4.600000	\$1,000,038.51
ANNUAL PERCENTAGE YIELD EARNED				4.69%

FOR PERSONAL ACCOUNT INQUIRIES, CALL (301) 887-6000. OUTSIDE METROPOLITAN WASHINGTON, DC, CALL 1(800) 368-5800. FOR CORPORATE ACCOUNT INQUIRIES, CALL (301) 887-6830. FOR INQUIRIES ON ELECTRONIC TRANSACTIONS, CALL (301) 887-6840.

[REDACTED] = Redacted by the Permanent Subcommittee on Investigations

"La Tercera" , Santiago, Chile  
March 23, 1999.

Free Translation

Excerpts from article with facts not included in previous  
translation from the Mexican Paper "El Universal

The Mexican daily reiterated that they are not prepared to pronounce that the General still has an account with Riggs Bank. The Chilean daily "La Tercera", discussing the authenticity of the bank statement published in the Mexican paper, mentioned that they made contact with Mr. Roberto Rock, Director of the Universal, who maintains that the bank document which appeared in the newspaper is legitimate and added "after we had the bank statement in our possession, we spoke with more than just one employee of Riggs Bank. What we were not able to ascertain is if the account still is active or not".

La Tercera tried repeatedly, but to no avail, to get in touch with Senior Management of the bank.

When Mr. Roberto Rock, Director of El Universal, was approached to discuss the investigation into the matter by his paper, he indicated that most of the leads were obtained from Chileans residing in Mexico and the U.S. "We were told here in Mexico that these accounts existed, and that it was not true that Mr. Pinochet had to live so modestly. Then we had a lucky stroke and we obtained the bank account statement which started the thrust of our investigative work earlier this year."

According to Mr. Rock, an employee of Riggs Bank explained to him that the deposit of \$1MM plus, was related to other bank accounts in other countries because funds transfers is one of several special services enjoyed by Riggs International Private Banking clients. He expressed "according to the bank employees that did not wish to be identified, this is a typical transaction that occurs among large account holders. It is like a deposit in transit to be further directed to other accounts. Reference was made to the fact that Riggs Bank manages from Washington D.C. accounts that have links with other bank accounts in Europe and the Caribbean Islands".

RNB040528

23-MAR-1999 11:31  
... (a) Augusto Pinochet, ante un eventual fallo favorable de los jueces.  
El aumento de posibilidades para esta "operación retorno" va desde el

AEROSERVICIO LTDA.  
operativo, además de una aeronave comercial de la British Airways o una de la Real Fuerza Aérea Británica.  
Esta última afirmación se

... que cubren una escala técnica. De todas maneras, esta opción de encontrar en condiciones de transportar pasajeros ya que los aviones se encuentran en sus

P.02  
... denunciar que deben darse ciertas condiciones como que el general viaje sólo con su familia y en este caso, lo más probable es que sea a través de la British Airways.

Mexican Newspaper published NAW Bank Statement  
Diario mexicano publicó documento de banco estadounidense  
**Descubren supuesta cuenta de Pinochet**  
Discovered supposed a/c of Pinochet

El diario mexicano El Universal, publicó en su edición de ayer que el senador vitalicio, Augusto Pinochet, mantuvo una cuenta en el Banco Riggs, de Estados Unidos, en marzo de 1997.

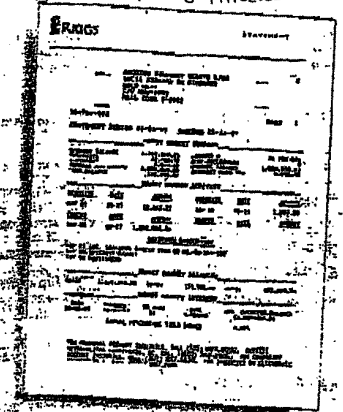
El mencionado seña que no está en condiciones de asegurar que el general (R) terminó o no en relación con la entidad financiera, pero que según dice un documento de diez, de marzo de ese año, el entonces comandante en jefe del Ejército chileno realizó un movimiento, el 27 de marzo, por un millón de dólares, (aproximadamente 150 millones de pesos).

El comprobante que publicó el diario mexicano, y que aquí se reproduce, cita a nombre de Pinochet y su esposa, Lucía Hiriart.

Respecto de la autenticidad del documento, La Tercera conversó con el director de El Universal, Roberto Rock, quien sostuvo que el estado de cuenta que presentara era verídico. "Confirmamos con el Banco Riggs. Trájanos el documento y hablamos con más un empleado de la institución. Lo que no pudimos saber es si la cuenta sigue existiendo", afirmó.

La Tercera intentó vanamente comunicarse con autoridades del banco.

El autor de El Universal en Washington, José Carrero Piñeras, señaló que la investigación no fue de exclusividad, sino que es lo



La veracidad de este documento fue refutada por el director de El Universal, Roberto Rock. The authenticity of the document was questioned.

había pedido verificar la información, aproximadamente el 20 de febrero pasado. "La instrucción de México la recibí del director del diario. El tema fue tan importante que se manejó a ese nivel". Y sostiene que "no puedo decir el nombre, pero se trata de alguien que se conocía a la persona que estaba familiarizada con este tipo de procedimientos bancarios, y obviamente que con la cuenta".

Consultado sobre las indagaciones, Roberto Rock

... de este año", dijo.  
Según Rock, un funcionario del Banco Riggs le explicó que preliminarmente el movimiento de la cuenta de Pinochet se trataría de un depósito de intereses de otras cuentas en otros países, pues ésta es uno de los servicios de la institución.

Agrega que "según nos indicaron funcionarios del banco, que no son confiables, ésta corresponde al típico movimiento de otras cuentas más importantes. Es común depositar dinero a otro tipo de cuentas, y nos hacen referencia que normalmente, el Banco Riggs trabaja con plantas que desde Washington se manejan con cuentas de Europa y el Caribe."

VERA-SALIO

El senador socialista José Antonio Viera-Gallo sostuvo, en 1997, que Pinochet "había metido las manos" durante su mandato. Luego se reveló públicamente de sus dichos. Ahora, consultado por el movimiento de cuentas del senador vitalicio en Estados Unidos, señaló que "tener una cuenta en el extranjero no es ningún delito en un sistema con una economía abierta. El problema son los montos de las cuentas, según cual sea el origen del dinero. En ese sentido, él o su familia deberían aclarar el tema".

Francisco Depina

by the director of El Universal

Redacted by the Permanent Subcommittee on Investigations

Mar 23 '99 9:24 P.02

TOTAL RIGGS INTERNATIONAL

RNB040529