Torture in the shadows of U.S. election

Advisers urge at least 100 Obama's limits on interrogation

BY CHARLES HEFNER

Washington, D.C. - Early this month, the White House sent a letter to Congress expressing its concerns over the possibility of a so-called "torture" vote in the Senate. The White House letter appears to have been written by the Office of Legal Counsel and has not been made public. However, the letter states that the White House is "deeply concerned" about the possibility of a vote and has asked the Senate to consider a bill that would limit the use of "torture" in the war on terrorism.

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Greece turns to London in hunt for tax evaders

This week, the government of Prime Minister Antonis Samaras, opened an investigation into the bank accounts of more than 30 Greek politicians to determine whether they should be charged with tax evasion and the illegal accumulation of wealth. The politicians on the list included the president of the Greek Parliament, Evangelos Meimarakis, creating an embarrassing distraction for Mr. Samaras’s coalition government. Mr. Meimarakis is a former defense minister who has also been implicated in allegations of a money-laundering network said to involve two other former ministers.

But London, long a magnet for foreign real estate investors, has become a special focus for Greek officials trying to track down money that has fled the country.

British officials say that accounts in Singapore and even in the country of Greece have become favorite destinations for freezing funds, more so than the traditional Swiss haven, because of those countries’ looser rules and regulations about accepting large sums of foreign money. But while Singapore and Switzerland have been reluctant to divulge information about its Greek clients, the British government has been more cooperative in sharing its real estate records.

There is an air of desperation to this Athenian fund-rushing drive, which includes both an affable Greek islander and even putting up for sale the former residence of the Greek consul general in the seedy London neighborhood of Holland Park. But with Greece’s membership in the euro at stake, every conceivable revenue-raising strategy is being pursued, even if it remains unclear how successful it will be.

For the better part of a century, owning a grand London home has been regarded as a small part of a better life for the wealthy Greeks — along with owning a yacht. Now, however, a growing number of Greeks are selling their properties abroad, mostly to the British, in the hopes of offsetting losses at home.

“Greeks are panic-buying,” said Sandy Trianopoulou von Croy of FPCC, a real estate firm in London that does a lot of work with Greek clients. “They just do not know what to do with their money.”

Mr. Latsis was not the only bank chief to deflate in London real estate. Theodoros Pantalakis, a former chief executive of Agricultural Bank of Greece, another listing lender, caused a stir in Athens this year when it was revealed that in 2011 he had transferred £35 million abroad with the intent to purchase a property in London. Mr. Pantalakis has said that the authorities were informed of the transaction and that the appropriate taxes were paid.

Greek money, along with wealth from China, Russia and various other countries, has kept the head of London’s property market buoyant despite — or maybe because of — the global financial turmoil. According to a report by Savills, a London-based property company, £90 billion of foreign money has been invested in prime residential real estate here since 2009.

The biggest year on record was 2011, when foreigners snapped up £3.2 billion worth of new residences. With economic uncertainty in the euro zone increasing this year, demand for these properties in 2012 showed no sign of letting up, real estate agents say.

Investors from Italy and France have been most prominent in using London properties as a hedge against the euro. But the Greek influx has been especially striking.

Officials in Greece examine these transactions estimate that about 230 Greeks invested over £10 billion in prime London residences in 2009 and 2010, according to records collected with the assistance of the British government. As the crisis grew worse last year and this year, government officials say it is likely that the numbers increased.

Not everyone, of course, was looking for a £5 million mansion. Ms. Latsis was said to have done. Even in London, with its encirclement of blockchain oligarchs and sheiks, such requests do not frequently roll around.

Ms. von Croy says that the average asking price from her Greek clients is about £3.5 million, which is still a significant enough margin of wealth to attract the attention of the Greek tax authorities.

Experts say it is not only high rollers looking to make a splash. Many of the recent buyers hail from Greece’s professional classes, including lawyers, doctors, accountants and middle-class housewives who are paying £300,000 to £500,000 for modest apartments.

Notably, a recent study conducted by economists at the University of Chicago concluded that it was within this segment of society where most of Greece’s tax collections disappeared. By closely analyzing birth records, the economists found that Greek professionals — not the wealthy, but the comfortably affluent — spirited as much as £2 billion worth of taxes in 2009.

That would have been enough to cover one-third of the country’s budget deficit that year.

Mr. Theoharis, of the Greek Finance Ministry, said London property represents a small part of the illicit money Greeks had shipped out of their country since 2009. In 2011, according to government figures, Greeks sent £6 billion to foreign bank accounts. The data for 2012 are not yet available, but it is feared the figure will be for the first half of the year about £6.5 billion left the country, Mr. Theoharis said.

A test of that outflow came in the panicky months preceding the two rounds of Greek elections in May and June.

More recently, the efforts by Mr. Samaras’s government to push through opening up a seminar on economic coordination has somewhat calmed fears of an immediate Greek euro exit. In fact there was actually a race increase, of 2 percent, in Greek bank deposits in July.

The surging interest in London could be persuading Greek real estate money to leave London in favor of new homes — especially now, with the tax man closely watching.