

BLOG | The overlooked past of the ‘next PM of Greece’

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The current leader of the Greek opposition, New Democracy party leader Kyriakos Mitsotakis, is odds-on favourite to become the next Greek prime minister. Both German and US media have dubbed him a “star of the people” offering Greece “a glimmer of hope”. A sworn reformist, he slams nepotism and corruption. And yet that international praise ignores hard facts – such as the inclusion of his spouse in the Paradise Papers or his personal involvement in the biggest corruption scandal of the last 30 years in Greece.

This is the extended version of a story first published with the EUObserver, one of Investigate Europe’s media partners.

Since Kyriakos Mitsotakis, 49, was elected to the helm of the conservative New Democracy in 2016, he has been consistently lauded by the overwhelming majority of the international press, especially in the US and Germany: the Wall Street Journal saw in him “a glimmer of hope” for Greece. For *Die Welt*, he is the “new star of the people”.

In the polls, his centre-right party is ahead of Syriza, the leftwing ruling party led by prime minister Alexis Tsipras, by five to twelve points. That in itself is little surprise: Tsipras was elected on an anti-austerity ticket and yet, despite the occasional sweetener, has been implementing an extreme austerity programme. The old Tsipras became highly popular by scolding Greece's international creditors; the new Tsipras has become the creditors' darling only to see his popularity plunge.)

Mareva in paradise

Meanwhile, the Paradise Papers, an investigation by the International Consortium of Investigative Journalists (ICIJ) into the offshore world, have tarnished the reputation of politicians, sports idols and royals all around the globe.

But Greece, omnipresent in the news cycle when it is about corruption, has strangely avoided even the slightest media attention. Undeservingly so. Because in the latest round of leaks, one name stood out: Mareva Grabowski-Mitsotakis, the wife of Mitsotakis.

According to the report by Harry Karanikas and Thanassis Troboukis, published in daily Ethnos (ICIJ's media partner in Greece), Grabowski-Mitsotakis is one of 130 Greeks whose name shows up in the Paradise Papers.

Grabowski-Mitsotakis owned 50 percent of Eternia Capital Management, an offshore company based in the Cayman Islands which managed a fund in the British Virgin Islands.

In a long statement, Grabowski-Mitsotakis dismissed allegations of suspicious transactions, stressing, according to daily Kathimerini, that she "had little to do with the administrative aspect of the fund and was not aware of the specific legislation that applies in the Cayman Islands", noting that a legal firm handled those issues.

The existence of the Cayman-based company and its potential ties to Grabowski were first revealed several months before the Paradise Papers by investigative journalist Kostas Vaxevanis (story in Greek) without however evidence of Grabowski's direct ownership. Grabowski back then had threatened to sue for libel.

The party New Democracy dismissed the story as irrelevant. It argued that Mitsotakis and his wife were separated at the time (before reuniting a few years later), therefore Mitsotakis had no legal obligation to declare his spouse's financial interests.

It is also the case that Grabowski has a professional life of her own: Formerly, she was an executive at Deutsche Bank and she now runs her own business.

However, an important question remains unanswered: what was the motive of the setup of this double offshore structure?

There's no evidence that Grabowski-Mitsotakis has broken any law or that Mitsotakis himself was involved in any of this.

There is, however, a coincidence linking Grabowski-Mitsotakis's offshore structure back to the

party of her husband.

Stavros Papastavrou, Grabowski-Mitsotakis' lawyer, is a former top executive of New Democracy. Back in 2012, while dealing with Eternia on behalf of Grabowski-Mitsotakis, Papastavrou held a top position, first inside the New Democracy party (where he was Director of International Relations) and then inside the government as Greece's top negotiator on tax haven issues. In fact, he was Greece's envoy in talks with the Swiss authorities regarding Greek bank accounts.

For his involvement in a separate case, the Swissleaks/HSBC affair (dubbed the the Lagarde list in Greece), Papastavrou paid a fine of €3.5 million to settle tax evasion and money-laundering charges.

Heir to a political dynasty

No news outlet outside Greece has picked up this particular Paradise Papers story. The only mention in the English-speaking press came from Greek daily Kathimerini. And even that piece, as its headline indicates (*Mareva Grabowski-Mitsotaki responds after name appears in Paradise Papers*) focused on Grabowski's reply and not on the news itself.

In subsequent interviews with the EUobserver and Politico, Mitsotakis gave his usual speech, slamming clientelism and nepotism.

Awkwardly enough, while Mitsotakis campaigns for a smaller state, several members of his family are being remunerated by this "fat" Greek state.

He is, after all, the heir of one of Greece's biggest political dynasties with political roots dating back to the 19th century.

Kyriakos' father, late Constantine Mitsotakis (died in 2017 at the age of 97), was a Prime Minister in the nineties. The 'Constantine K. Mitsotakis Foundation' with three family members on its board has been generously funded by the state to the tune of millions.

When in 2016 Kyriakos Mitsotakis ran as a candidate to lead New Democracy, despite being a complete outsider, he managed to outperform all predictions and win the race by trying to distance himself from the family's legacy. ("Judge me for my CV, not for my name" he said.)

Three members of the core Mitsotakis family are active on the main political scene. Besides Kyriakos, there is his sister, Dora Bakoyannis, 63, formerly Foreign Minister and currently an MP; and Kostas Bakoyannis, 39, the son of Dora and nephew of Kyriakos, is a Regional Governor with high political ambitions.

To his credit, in December Mitsotakis vowed he would appoint no relatives to his cabinet in the event that his party comes to power.

"Defending meritocracy in theory but abolishing it in practice"

Mitsotakis insists that "the practices of the past can no longer be tolerated". During his tenure

as a minister for administrative reform and e-governance (2011-2015) his public administration reforms were praised by many. “He took delight in stirring hornets’ nests”, according to Politico), especially outside Greece, as a step towards meritocracy.

And yet there are strong indications that Mr. Mitsotakis’ policies perpetuated the same old politicians’ grasp on power”. Under his reform of public administration, all new civil service executive directors were appointed with the signature of one person: the minister of administrative reform.

In a 2014 statement the alumni of the National School of Public Administration had accused minister Mitsotakis of “defending meritocracy in theory but abolishing it in practice” and blasted his reform as “an attempt to consolidate the direct dependency of the administrative hierarchy on the political leadership.” Mitsotakis, allegedly, hired in his ministerial office 25 advisors.

Before the *Paradise Papers*, there was *Siemens*

Sadly, this clientelistic practice was continued at the same pace by Syriza, the party that succeeded New Democracy in power. Mitsotakis is right to point out that the current government turns a blind eye to corruption and shows disrespect to the rule of law. And yet, based on his personal record in politics, Mitsotakis is no stranger to either of those ills. Because before the *Paradise Papers*, there was *Siemens*.

According to evidence presented in judicial procedures in Germany, the USA and Greece, German multinational Siemens was routinely bribing politicians in the two main parties of the time (PASOK and New Democracy) to the tune of hundreds of millions in order to secure lucrative state contracts. Prosecutors know *who* bribed and with *how much money*, but not who was the recipient of the money.

Mitsotakis has been connected in multiple ways with this ‘Siemens scandal’, though there’s no evidence linking him to any of these bribes.

In 2008 he was caught accepting for free Siemens telecoms equipment of a value of €137,000. Mitsotakis paid for this later, after witnesses testified about the presents to the prosecutors. Similar “presents” were given to the whole Mitsotakis family, including his wife Mareva, according to invoices provided during the Siemens court case and on the testimony of a key witness.

Court evidence shows Mitsotakis maintained a more-than-close relationship with Michael Christoforakos, the former head of Siemens Greece, who has evaded his bribery trial in Greece by running away to Germany. (German courts have refused to extradite him as he also has a German passport.)

Christoforakos had contact (either in person or by phone) with the Mitsotakis family 356 times. This amounts to 60 percent of the total number of such contact he had with all political figures.

The media’s selective amnesia

As for Mareva Grabowski herself, the spouse of Kyriakos Mitsotakis, was involved in a real estate deal ([link in Greek](#)) in 2002 that, although not illegal, confirmed the family ties to Christoforakos with a triple coincidence: Grabowski and Christoforakos both purchased properties on the island of Tinos with a couple of weeks difference (end of May – beginning of June 2002); from the same seller; their respective contracts were handled by the same Athens notary. Some of the plots of land are adjacent.

Facts linking Mitsotakis to the Siemens saga have been out in the public for almost a decade. Since Mitsotakis' election to the helm of the main opposition party, he was profiled or interviewed by a number of international media. Out of four profiles or interviews published by some of Germany's biggest papers ([FAZ](#), [SZ](#), [taz](#), [Die Welt](#)...), not one of them even mentions his Siemens travails.

After all, selective amnesia is a widespread symptom for the press. In the eight years that Wolfgang Schäuble served as Germany's finance minister, what European news outlet has ever mentioned, even summarily, in any of the hundreds of profiles about him, that the German politician admitted (after having lied about it) in the 90s taking a bag containing a pile of cash for the ruling Christian-democratic party CDU in a suitcase by a notorious arms dealer?