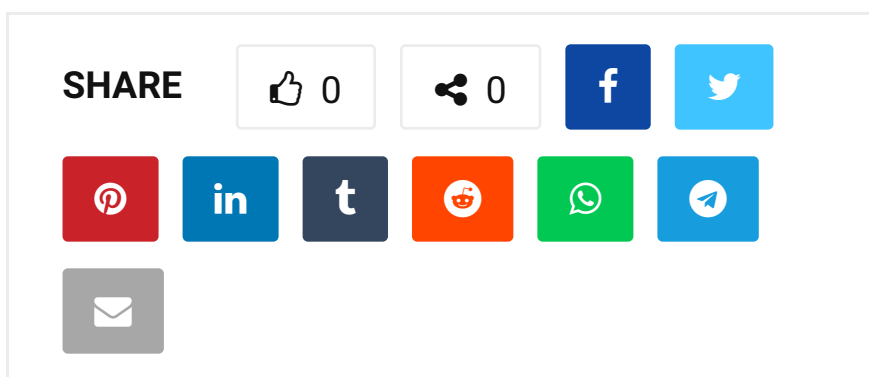


The Soquimich scandal – What is the SQM case?

by Chile Today Staff · 18 July, 2018 · 0 comments · 1773 views



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SANTIAGO – The Chemical and Mining Society of Chile Soquimich (Spanish acronym) is involved in a fraud case. Also known as SQM, the enterprise processes and sells minerals such as lithium, potassium, iodine and saltpeter. The SQM case is about tax fraud, in which the company allegedly issued fake invoices to fund political campaigns in Chile between 2009 and 2014.

In 2014, the Constitutional Court had ordered an investigation against mineral company Soquimich (SQM). The prosecution was set up after the national tax authority, Internal Taxes Services SII (Spanish acronym), revealed

information about fake invoices issued by ex-secretary of the mining ministry Pablo Wagner, who was also involved in the Penta case. This case is connected with SQM as Wagner admitted his participation in a scheme to defraud Chile's Treasury through an elaborate tax scheme with both companies. Penta is a giant group of Chilean enterprises with investments in insurance, health, real estate, and education.

The SII identified 172 contributors who received around CLP\$4.3 billion (US\$6.6 billion) from SQM – money that was never paid for the declared purposes. [According to news outlet Bio Bio Chile](#), part of the money could have been used to fund political campaigns. Several political figures have already elicited the interest of investigators. The prosecution revealed that 74 people are linked to right-wing parties, and 11 to the left.

[The Prosecutor's Office suspects 21 invoices](#) had been used to fund political campaigns. Among the fake invoices appear some issued by former socialist senator Fulvio Rossi and others by Roberto León, the son of Christian Democrat deputy Roberto León Alquinta. Yet, in 2014 the investigation ran aground because the head of the tax authority, Michel Jorrat, argued that not enough evidence exists to justify it.

In May 2018, [the Public Ministry asked the National Prosecutor's Office](#) to restart the investigation and look for personnel linked to tax fraud and bribery. This investigation brought former economy minister Pablo Longueira, former SQM director Patricio Contesse, and former adviser Carmen Luz Valdivielso into the prosecutorial limelight. They are being investigated for bribery related to mining projects and – just like others – to tax fraud.



Chile Today Staff



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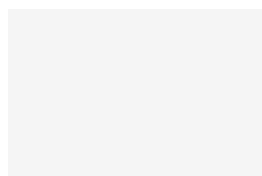
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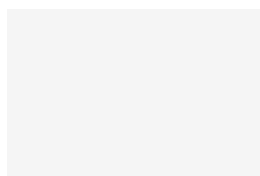
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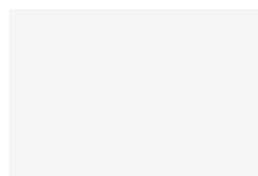
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