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## REAL ESTATE NEWS

### In luxe Miami condo tower, Venezuelan oil tycoon with state ties chases capitalist dream

- Despite working with the regimes of Hugo Chávez and his successor, Venezuelan oil man Gerardo Pantin Shortt has turned to a uniquely capitalist enterprise
- He's developing a condo tower in Miami called Boulevard 57
- Pantin's family company has won hundreds of millions in contracts from Venezuela's state oil company

BY NICHOLAS NEHAMAS AND JIM WYSS

Gerardo Pantin Shortt and his family have won hundreds of millions in contracts from Venezuela's state oil company since the 1980s. The relationship continued to flourish after Hugo Chávez — staunch ally of Fidel Castro, arch-foe of American capitalism — came to power in 1999.

Now Pantin is quietly using his fortune to fund a uniquely capitalist enterprise: developing a \$100 million condo tower in Miami, the beating heart of anti-chavista feeling.

You won't find Pantin's name on any glossy sales brochures — or in corporate records of the firm developing the tower.

A lawsuit filed in Miami-Dade County by a former partner alleges Pantin hid his involvement in the project through shell companies and front men.

The reason, according to the suit, was that Pantin feared “the Venezuelan government will not look favorably on his investing in Miami, which is considered illegal flight capital, and if they were to learn of such investments, may seize his company located in Venezuela and block the payments.”

*“\$600,000 Starting price of units at Boulevard 57”*

Pantin also spent millions on ultra-luxe homes, including a waterfront mansion in Miami Beach and condos in Aventura and Sunny Isles Beach.

He launched his South Florida development career in 2014, when a company he controlled behind the scenes took over a stalled condo project near Miami's leafy Morningside neighborhood. A bad economy and neighbors upset at living





under the shadow of a 14-story complex had scuttled a previous developer's vision during the recession.

The project, rebranded Boulevard 57 by Pantin's team and shrunk to eight stories, is back on track. It has begun selling pre-construction units and opened a sales center at 5700 Biscayne Blvd.

Units aren't for the masses: They start at \$600,000 and top out at \$2.65 million.

In a written response to the Miami Herald, Pantin confirmed he is the director of the development group behind Boulevard 57. He said he moved to the United States in 2012 and began looking for opportunities in Miami's booming real estate market. He denied using shell companies or front men to conceal his role in the Miami project. "My corporate structure through holding companies are typical and meant to group all of my business ventures under one umbrella for purposes of protecting me from liability," he wrote.

Pantin also said safety concerns led him to list his associates in public records instead of himself. His sister, brother-in-law and mother had been kidnapped in Venezuela before he moved to the United States, he said.

His family has no involvement in politics, Pantin added. "Our relationship with the government is strictly commercial," he wrote. Between 2008 and 2015, the family firm had signed contracts worth \$991 million with Venezuela's state-owned oil company PDVSA, he said.

And he pointed out that other companies such as [Halliburton](#), [Chevron](#) and [Shell](#) have also worked with Venezuela's government.

***"OUR RELATIONSHIP WITH THE GOVERNMENT IS STRICTLY COMMERCIAL." - Gerardo Pantin Shortt***

But the oil magnate's involvement in the Miami project — and the stealthy nature of his investment — give a glimpse of the unseen forces shaping South Florida's real-estate boom.

Cash from wealthy foreign nationals, including people linked to corruption, is [pouring into local real estate](#), according to a Miami Herald analysis of secret offshore documents known as the [Panama Papers](#). Locals can't compete for homes as prices rise while wages stagnate.

"Miami is an international gateway city," said Andrew Hall, a Miami litigator who specializes in international asset recovery. "There's a lot of cash floating around real estate here. ... The question is transparency. Can you figure out who is behind the money?"

Pantin does not appear in the Panama Papers. He and his family have never been accused of corruption.

## Family affair

In the Venezuelan news media, Pantin is often portrayed as a creature of the Bolivarian Revolution — owing his wealth to government contacts. But his family had been in the oil industry long before Chávez.

Cementaciones Petroleras Venezolanas, or CPVEN, was started in 1981 by Pantin's father, Eduardo Pantin Pérez, and specialized in high-pressure pumping services and the cementing of wells.

It was very much a family affair. In 2000, when the company [was profiled](#) in an academic journal, Pantin's three sons were executives: Eduardo Pantin Shortt was vice president of operations, Carlos Pantin Shortt was vice president of finance and administration, and Gerardo was a regional manager.

A receptionist at CPVEN said Eduardo is now the executive president and Gerardo is a director.

After seeing its heyday around 1997, the company fell on hard times. By 2000 the family was considering bankruptcy, according to the profile.

But the Pantins learned to work with the Chávez administration, becoming a regular contractor for state-run PDVSA oil company. Their firm continued to work with the government after Chávez's death in 2013. It also does business in Colombia, Ecuador, Peru, the United States and Kuwait, according to a company brochure.

Juan Fernández, a former PDVSA executive who was ousted during politically motivated layoffs in 2002, said Pantin's company has a reputation for being very well connected.

And while Fernández underscored that there's nothing wrong with Venezuelans investing abroad, he said U.S. authorities need stricter controls to make sure the sources of those funds are legitimate.

"It's not illegal to have a company in Panama or invest in Miami, but you have to make sure it's legal money," he said.

Federal prosecutors in the United States have targeted corruption at PDVSA.

In 2011, the U.S. District Court of Connecticut found Venezuelan-American Francisco Illarramendi guilty of building a Ponzi scheme using hundreds of millions in funds from PDVSA's pension accounts. In that case, there were also allegations that tens of millions of dollars went to PDVSA officials in the form of bribes and kickbacks to tap the funds.

Earlier this year, in Houston, a Venezuelan living in Florida and four other people pleaded guilty to paying millions in bribes for PDVSA contracts.

One of the bribes was a \$15,000 stay at the Fontainebleau in Miami Beach.

Fernández said the allegations suggest PDVSA isn't being run like a serious oil company anymore. "It's more like a mafia operation," he said.

## Under the radar

There are good reasons Pantin might want to fly under the radar in Miami. Chávez's successor, President Nicolás Maduro, often speaks of South Florida as a breeding ground for coup and assassination plots against him. And those who do business in the community are often painted in state-run media as anti-revolutionary traitors.

A source close to the family says Venezuela's state oil company, which is suffering from plunging global oil prices, has stopped paying the Pantins for past work. It now owes them about \$200 million, the source said and Pantin confirmed it.

Jaime Guttman, a lawyer for Pantin, said in an email that "personal security" led his client to stay quiet in Venezuela about his involvement in Boulevard 57.

"In Miami, however, he has been public about the project in a low-key manner," Guttman wrote. "He was introduced during the launch gala a couple of months ago. He has met personally with people in the industry, financial institutions, etc. in the Miami area. His involvement is certainly not a secret here."

Boulevard 57 is managed locally by a company called Unitas Development Group. The firm's manager is listed in Florida public records as Javier Sanguino, Pantin's right-hand man, according to the Miami-Dade lawsuit.

Carlos Cuevas — a former partner in the venture who met Pantin when they attended college together in Venezuela — filed the suit last year.

In the suit, Cuevas claims Pantin owes him at least \$10 million for work on Boulevard 57. He also said Pantin told him of earning revenues worth \$600 million from state oil company contracts between 2004 and 2010.

Cuevas himself is dealing with several lawsuits and a foreclosure. Miami investors currently suing him say he swindled them out of a \$300,000 stake in a company called Recyclable Planet. He allegedly used company money to pay for personal expenses such as golf equipment, restaurant meals and a \$27,000 Cartier watch.

The allegations are similar to what Pantin says of Cuevas today.

***"IT'S EXTORTION. IT'S A SMEAR JOB."*** - Hector Torres

In a legal response to Cuevas' complaint, an attorney representing the oil magnate wrote that Cuevas "through a series of misrepresentations induced Mr. Pantin [who represented a group of investors] to invest" in the Miami condo project.



The lawyer said Cuevas misappropriated corporate funds for his own use and that Cuevas had been removed from the project after allowing it to fall 21 months behind schedule.

Investigative journalist Casto Ocando [tweeted](#) that Pantin was backing Boulevard 57 after the Herald published a [story](#) on the project earlier this year that didn't mention his involvement. Freelance journalist Alek Boyd has also [reported](#) on Pantin's ties to both the Venezuelan government and Miami.

In an interview, Unitas' chief operating officer, Hector Torres, described Pantin's role.

"He's the main person running the day-to-day," said Torres, who added that Pantin leads a group of investors from around the world. "I know he's a minority investor. I don't know the exact percentage."

Torres said he doesn't know the identities of the other investors. He also said he wasn't sure why Pantin's name was left off corporate documents.

Of Cuevas' lawsuit, however, he is certain: "It's extortion. It's a smear job. Cuevas is a con artist."

Carlos Trujillo, Cuevas' attorney, dismissed those claims.

Cuevas, he said, "is a longtime upstanding member of the community whose reputation speaks for itself. Like many business people, Carlos struggled during the economic recession. It doesn't surprise us that Pantin is desperate and is trying to tarnish Carlos' name."

Cuevas initially did not return a message, but after this story was published online wrote in an email: "In the next few months all the truth will come out during the legal process. And we will be able to know who the real con artists are."

## Luxury homes

Pantin has put his money to work in South Florida.

Property records show that in 2012 a company managed by his associate Sanguino spent \$12.9 million on a 9,800-square-foot mansion on Sunset Island I in Miami Beach.

Pantin's name doesn't appear anywhere on the documents. But he told the Miami Herald he is the owner.

Pantin also owns other South Florida properties, including a pair of condos at the Bellini tower on Williams Island in Aventura.

The Aventura condos — bought for \$2.75 million in 2013 — are owned by Offshore Services Management, an anonymous shell company registered in the British Virgin Islands. Corporate rules in the Caribbean offshore haven allow owners to stay secret. (The company does not appear in the Panama Papers database.)

In 2014, Miami-based Sabadell United Bank issued Pantin a \$9.25 million mortgage for the Sunset Island and Aventura properties. Unitas used those funds as part of a \$15 million deal for the 2.1-acre Boulevard 57 site.

Property records also show that last year a Delaware shell company controlled by another Pantin associate, Irisliz Castellano, spent nearly \$4.3 million on two condos at the ultra-luxury Mansions at Acqualina in Sunny Isles Beach.

Pantin signed his name to a mortgage document for the homes.

In addition, Pantin paid \$1.4 million for a condo at the Millennium Tower in Brickell two years ago, a deed shows. The same day he bought the two-bedroom unit, he transferred it to a Florida company that has been inactive since 2011, according to corporate records.

Secrecy in real estate can be a problem, said Thomas Lehman, a Miami attorney who does work for clients trying to identify the buyers of South Florida condo units.

***“GREEN IS MORE IMPORTANT THAN CLEAN.” - Thomas Lehman***

Lehman said many buyers list addresses that seem to have no actual relation to them. Others list shell companies that don't exist in public records or have been inactive for years. Some pay for the units with offshore accounts registered under a different person's name.

“It appears that for some developers and their in-house sales agents, the urgency to sign up buyers ... means that for their projects green is more important than clean,” he said.

In today's slowing market, it might be tough for Boulevard 57 to get off the ground. [Sputtering economies](#) in Latin America have dried up the buyer pool that has [driven Miami's market since 2011](#).

Recent reports show luxury home sales across Miami-Dade [faltering](#).

And while residents of Morningside generally support the plans for Boulevard 57, which is scheduled to open in 2018, Pantin's business dealings might change that.

“It does put a sour note on the development,” said José Trujillo, who left Venezuela as a child and has lived in Morningside since 2007. “I stay away from gas stations that I know sell gas from Venezuela because of what it stands for.”