
SWEDISH BANK JOINS LIST OF EU MONEY-LAUNDERING SCANDALS

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Swedish lender Swedbank handled ██████ of dodgy money in recent years, leaked documents say, in a second scandal of vast proportions in the EU banking sector.

It handled the money via its Estonian branch between 2008 and 2018, according to its own internal audit, which was seen by Swedish public broadcaster SVT and revealed on Wednesday (27 March).

Student, retired or simply can't afford full price? No worries.

It also failed to observe anti money-laundering due diligence on what were mostly Russian clients, the audit said.

The news came the same day the Swedish Economic Crime Authority (EBM) raided Swedbank's head office in Sundbyberg, north of Stockholm, following earlier SVT reports on smaller dodgy transactions worth about €9bn.

"The information paints a picture of Swedbank appearing to have spread misleading information to the public and the market about what the bank knew about suspected money laundering within Swedbank in the Baltic States," the EBM said.

Shares in the bank, which is Sweden's oldest and fourth-largest, fell 12 percent the same day, on top of earlier erosion.

And its CEO, 62-year old Birgitte Bonessen, is expected to have to fight for her job when she meets shareholders on Thursday.

"Swedbank takes its responsibilities to prevent and detect money laundering very seriously," it said in a statement on Wednesday.

But "this has been a very tough day for Swedbank, our employees, and our shareholders," Bonessen admitted the same day.

The events mirrored those in Denmark last year, when Danske Bank admitted to handling ██████ of suspicious money in the biggest case of its type in EU history.

Shares in the Danish lender plunged and its CEO resigned, dragging both Denmark and the wider

Nordic region's clean reputation through the mud.

Swedbank carried out the audit cited by SVT following the Danske Bank revelations, which implicated the Swedish lender as well as Scandinavia's top bank, Nordea, and Germany's largest lender, Deutsche Bank.

Russia and Soviet satellites

In all cases the bulk of suspicious money flowed from Russia and former Soviet satellites such as Azerbaijan and Ukraine.

About [] of Swedbank transactions were linked to the death of a Russian whistleblower, Sergei Magnitsky, who exposed the scam behind them, SVT reported.

Another [] were linked to Russian oligarch Iskander Makhmudov, who was accused of building a business empire using "corruption and violence" by Spanish anti-mafia prosecutor Jose Grinda Gonzalez in remarks to the Swedish broadcaster.

Viktor Yanukovych, the former Ukrainian leader, funnelled a suspected bribe of [] via Swedbank in 2011 in a case known to bank staff since 2017, but ignored, SVT said.

The bank also helped funnel Ukrainian money to Paul Manafort, US president Donald Trump's former campaign manager, and may have misled US regulators on other issues, SVT also said.

"If you are lying to American authorities, it's a very serious matter. It's not going to be ignored," Jim McGovern, a Democratic congressman, told the Swedish broadcaster.

"It's a massive scandal", Louise Brown, from the Transparency International NGO in Sweden, added.

Some of the shady Swedbank transactions went via Cyprus and British offshore territories, pointing to wider abuse in the EU system.

MEPs roar

Other recent scandals in Latvian, Maltese, and Dutch banks also showed "complete lack of responsibility" by bank staff and national regulators, the European Parliament said in a report on Tuesday.

MEPs raised the red flag that golden passport and visa schemes in Cyprus, Malta, and 18 other EU states were "a gateway for money laundering" into Europe.

They called for a new EU financial police and anti-money laundering watchdog to be created in response.

But member states, last week, diluted European Commission proposals to give an EU banking agency a greater oversight role in their financial affairs.

All 28 EU states, earlier in March, also blocked proposals for enhanced due diligence in bank

transactions from Saudi Arabia and Panama, among others, in a sign of the mood in EU capitals.

Russia did not even make the shortlist for the EU's so-called "dirty money" register despite its prominent role in the Swedbank and Danske Bank affairs.

Kaynak/Source: