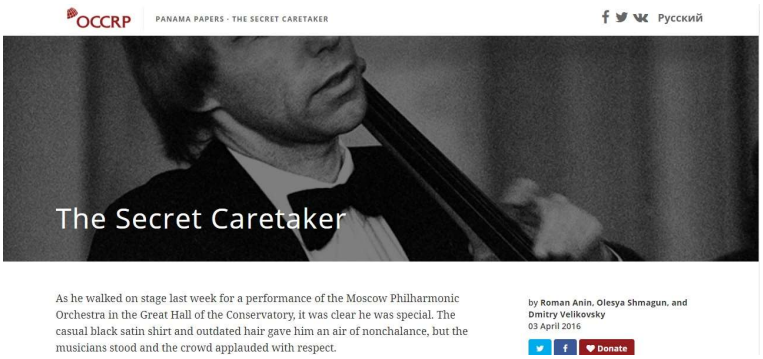
citizen. He, some might allege, treated the bank, whose finances obviously relied on deposits from other people, as a personal piggy bank. The bank sponsored the Scottish team Hearts of Midlothian, which was owned by Romanov. Similarly it sponsored FC Kaunas, whose board included Romanov. Ukio would feature in the Panama papers as having been used by Sergei Roldugin, a Cellist and the Godfather to one of Putin's daughters. Rodulgin is described by the Organised Crime and Corruption Reporting Project as the secret caretaker of Putin's assets and is the Russian president's closest friend. Some of the operations connected to Roldugin resembled classic money laundering techniques and were executed through Ukio.



Lagzdin's period at Ukio coincides approximately with the period, 2007 to 2012, that it may have been a conduit for Putin's money. In his defence it is, of course, hard to detect criminal activity, but he is meant to be an expert. The bank collapsed in 2013 after an inspection revealed that it had poor operating data and "poor asset quality." Lithuanian law enforcement agencies, by contrast with Latvia where Parex's oligarchic owners were seemingly left uninvestigated, moved to arrest the bank's alleged looter. Romanov, who was accused of embezzlement, fled and was granted asylum in Russia.

The EBRD stepped in with Ukio, and purchased the assets in a transaction reminiscent of its bail out of Parex, whose assets had similarly proven "poor", to rescue the bank. According to the transcript of a recorded statement, provided to me anonymously, the deal "was completely fraudulent. The EBRD purchased thegood assets of the bank via another bank it controlled. There were many irregularities, especially irregularities with accounting, because they made a loan with money which they didn't have in the first place, they received government sort of, it was 230 million euros, they received it afterwards, and lent it back to the government... the media was silent."

We could speculate that both these banks had been looted by oligarchs linked to Russia and Putin; and that in both cases Lagzdins was the unwitting front man. The EBRD's support of Ukio, as of Parex, suggests an ugly willingness to gloss over criminality. In effect it was helping to mask the effects of oligarchs looting the banks and transfer the losses to the taxpayer. Latvia's appointment of Lagzdins to its financial regulator, the FCMC, is the latest twist in a career which is simultaneously charmed while linked to some serious financial catastrophes. His role of assuring the US that the Latvian banking sector is now free of money laundering seems almost comically inappropriate.

However, his CV suggests that he might be a logical choice from the point of view of any oligarchs or mafia entities with financial arrangements in Latvia. I could be wrong of course. But Lagzdins should explain why the two banks where he was head of compliance collapsed. I would happily publish details of any urgent, verifiable documents demonstrating his attempts to address the failures that led to the collapse of Parex and Ukio. Alarmingly it seems that the EBRD is complicit in propping up banks used as piggy banks by Putin's buddies, while simultaneously berating Ukraine for corruption. There is no evidence that

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