

Latvian Narratives and the EBRD 2

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This article follows my 'Latvian Narratives and the EBRD' published by BRE a year ago. As the whistleblower from Parex Bank of Latvia, I had hope of a crackdown against Latvia's notorious 'non-resident' or 'offshore' banks. The governor of the central bank was accused of running a protection racket by three offshore banks, and the United States had blacklisted one of the Parex successor banks, ABLV Bank.

However, Latvia still refuses to investigate my whistleblowing even though the fraud caused an economic and demographic collapse starting in 2008. Latvia can pay off half of the national debt just by taking action on this one fraud

case, however refuses to do so. Now in 2019, Latvian officials are claiming that they had a crackdown and everything is cleaned up. But none of the money launderers have been punished, none of the missing billions of euros have been recovered, and the officials who have been covering-up my whistleblowing remain in power.

In the previous article, I explained how following my whistleblowing, I was chased out of Latvia with threats. The Latvian government nationalised Parex and made a bailout loan. Government officials said that the United States caused the bank to collapse and the bank's assets were still good. The Latvian government then invited the EBRD to conduct due diligence on Parex. The EBRD announced that Parex was valuable (implying my whistleblowing was fake) and bought a stake in 2009. Then in 2010, the government announced that half of Parex's four billion euros of assets were bad with many of the worst losses coming from assets named in my whistleblowing (implying my whistleblowing was correct, the EBRD due diligence was fake, and Parex annual reports from previous years, audited by EY, were fake) however blamed this on Sweden.

I suspected that either the EBRD was robbed or else the privatization was fake, however wasn't able to get confirmation until I convinced the Dutch Parliament to investigate in 2014, which was the year the privatization was reversed. Latvia had paid the EBRD to buy the stake, which both sides knew was worthless, by making a secret 'put option' to reverse the transaction at a guaranteed profit to the EBRD. Latvia's debt and deficit figures shown to voters and creditors from 2009 to 2014 were false.

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Now moving ahead to 2018, a new discovery showed that nothing has changed in Latvia. From the four billion euros of assets at Parex, we could surmise that two billion were bad because after the EBRD 'privatization,' that's the amount that was put into Reverta resolution company when Parex was split into Reverta and newly created Citadele Bank. The other two billion of assets were supposedly good. The Citadele 2010 annual report states, 'On 30 July 2010 European Bank for Reconstruction and Development (EBRD) concluded a share purchase agreement with Privatisation Agency, whereby the EBRD became part owner of Citadele's shareholding structure with 25% of share capital.' The paid-in share capital owned by the EBRD is listed as being 26

million Latvian lats which is 37 million euros. Latvia sold the stake to the EBRD because the European Commission requires that EU member states must privatise banks.

This was an amazing PR accomplishment since many people believe Citadele is cleaned up. Citadele is the only Latvian bank which has a USD correspondent account. All of the other banks were blocked because of Latvia's reputation for money laundering. Keep in mind that Citadele's predecessor Parex was identified by Spain as money launderer for Vladimir Putin's Tambovskaya Mafia and some of Parex losses were caused by fake unrecoverable 'loans' to people linked to Tambovskaya. Tambovskaya was a heroin trafficking and sex slave organization. Most of the employees and clients from Parex are now at Citadele, which still generates business from Russia. Also, ABLV Bank, in some ways also a spin-off from Parex, was just blacklisted by the US Treasury for money laundering including looting Ukraine and Moldova.

The European Commission's Eurostat published a report on 23 April 2018 titled 'Final Findings Eurostat EDP dialog visit to Latvia 7-9 June 2017.' This report wasn't mentioned in the media, however I saw it. The report states that there is another 'put option' and the Latvian government must reverse the sale of Citadele shares to the EBRD for 88 million euros! Latvia's debt and deficit figures are still fake now in 2019.

The Parex-EBRD deal temporarily covered up the fact that the first two billion of Parex assets were bad, and therefore it is possible that the Citadele-EBRD deal covers up that the other two billion of Parex assets are also bad. And, the European Commission's Eurostat thinks this is ok, which is astonishing since the purpose of the secret reversion is to help Latvian officials to lie to the European Commission that they privatised Citadele even though really they didn't.

EY and the European Central Bank were also represented during this dialog visit. EY has good reason to keep the Parex looting covered-up since they signed off on Parex annual reports for years. However the European Central Bank should be on the other side. As the largest investor in Latvian government bonds, the ECB should be horrified that Latvia and the EBRD have falsified Latvia's financial statements to help gangsters to loot the government.

As I did previously, I informed journalists at major newspapers. As they did previously, they ignored me and published articles about how Latvian officials

are working hard to clean up. That's why I have to write about this myself and I am grateful to BRE for providing a venue.

I hope someone inside Eurostat and/or the EBRD will eventually take positive action. The EBRD should disclose all cases in all countries where it pretended to buy a stake in a company and Eurostat should disclose all cases of fake privatisations in EU member states.

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