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From: John Christmas
Exiled whistleblower against the EBRD-Latvia-Parex-Citadele-Ukio fraud
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To: Dean and Professor Sergei Guriev
London Business School
Regent's Park
London NW1 4SA
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Dear Professor Guriev,

I read you are a Russian citizen opposed to Vladimir Putin, you used to be Chief Economist of the EBRD, and you are now Dean of the London Business School. I am writing to make sure you know the EBRD has been using fraud for many years to protect Putin's top money launderers and bank embezzlers. If you want to shut down Putin's central money laundering system, you can do this by making a public statement about the fraud which is evidenced in Eurostat documents (attached). The EBRD should be forced to correct its financial statements going back to at least 2009 and possibly all the way back to its founding in 1991.

Obvious red flags indicate the EBRD financial statements have been fake for decades. However almost everyone (from governments, auditors, ratings agencies, media) is closing their eyes and following the fairy-tale narrative of the EBRD. The level of profits the EBRD claims to earn in corrupt and even dictatorial countries with no rule-of-law are impossible. Also impossible is for the EBRD to make huge profits while located in the most expensive offices in Europe and paying 3,000 unnecessary employees. Plus the EBRD showers many people and organizations with consulting fees and donations. There is no commercial bank in Europe which is able to consistently make such large profits while wasting so much money.

I discovered the EBRD's accounting is false and the EBRD is doing the opposite of its democracy-and-transparency mission when the EBRD launched a fraud campaign to cover-up my whistleblowing against Putin's money laundering system. I became whistleblower against Latvia's Parex Bank when I discovered that this bank, with 80% shell company depositors from Russia and Ukraine, had a policy of making large fraudulent loans to Putin's oligarchs.

After chasing me out of Latvia with threats, the Latvian government decided to make a fake sale of a Parex stake to the EBRD to discredit me and disinform citizens, voters, and creditors that Parex was not looted. Latvia invited the EBRD to conduct due diligence on Parex in 2009. I contacted the EBRD to ask if they wanted details about fake assets at Parex. The EBRD replied they weren't interested and never communicated with me again. In other words, the due diligence was fake. Latvia and the EBRD wanted to help Putin's oligarchs keep all of the stolen money without being prosecuted. Latvia and the EBRD announced that Parex was valuable and the EBRD paid 80-million euros to buy a stake.

Later, news gradually released from other sources confirmed that my whistleblowing was correct. The assets I flagged were worthless. The fake assets were connected with Russian organized crime, however Latvian politicians were blaming the United States and Sweden. Then, a leaked report by Nomura indicated that the way Latvia convinced the EBRD to invest 80-million euros in 2009 was by secretly guaranteeing to pay 190-million-euros to the EBRD in 2014. Either that or else the EBRD paid nothing in 2009 and Latvia paid them 110-million-euros in 2014 as reward for participating in the cover-up. From 2009 to 2014, this was all secret with my whistleblowing and the reversion kept out of the media by Latvia's State Secret Law and State Security Service agents threatening people who

made truthful posts on social media. The Latvian government considered protecting Putin's oligarchs to be a highest-level matter of state security and the government was willing to censor the media and destroy the nation economically and demographically to accomplish this.

The EBRD-Latvia fraud has been evidenced many times since my whistleblowing and the Nomura report: from a Dutch Parliament investigation I requested, from a Eurostat 2014 letter and 2018 report, and even by the Latvian government itself. A prime minister from the party supported by the EBRD reversed the Parex privatization in 2014 and parliamentarians from opposition parties stated that they were unaware that there was a secret reversion. Even worse, evidence shows that the fraud is still continuing now in 2024. Parex staff, clients, and assets had moved from Parex to Citadele Bank and ABLV Bank. After ABLV was sanctioned by the US Treasury in 2018 for helping President Yanukovich loot Ukraine, ABLV assets were moved to Citadele which already had the remaining Parex assets. The 2018 Eurostat report states that Latvia has a secret obligation to reverse the EBRD investment in Citadele in the future, information which is censored in Latvia. In other words, Latvia is still secretly paying the EBRD to act as 'front' or 'straw' investor at Citadele. Citadele was not cleaned up at all, and most ominously a top offshore banker from Parex was discovered to have moved to Citadele. He controlled the Marshall Islands company at the center of the Danske Bank Estonia money laundering while employed by Citadele which was supposedly owned by the EBRD. The evidence is clear however the mainstream media blocks the story.

The Spanish court in the Tambovskaya Mafia trial revealed that both of the top money launderers for Tambovskaya used platform money-laundering accounts at Parex. Plus, one of the large fake loans from Parex went to Eduard Khudainatov who is from Tambovskaya and according to the FBI acts as straw owner for Putin's assets. The Head of Compliance from Parex moved to Ukio Bank Lithuania which continued laundering money for Putin until it got looted, and the EBRD partly covered-up the Ukio looting as well. I have details from a Lithuanian whistleblower. Putin's Tambovskaya organized industrial-scale narcotics trafficking, sex slave pimping, and arms dealing to terrorists. I worry for my life being whistleblower against these unprosecuted billionaire criminals but the EBRD people laugh it off. They say I made up everything and nothing really happened while convincing journalists to ignore me. The level of inhumanity, cruelty, and delusionment built into the culture at the EBRD is shocking.

The EBRD has two systems for whistleblowers to report fraud. There is the 'Reporting Mechanism' on the website plus 'Bankwatch' magazine. Both are fake since both are aware that the EBRD gets secretly paid to act as straw owner for Putin's money laundering banks and they don't care. Likewise the EBRD pays auditors and ratings agencies to sign off on their fake annual reports and give triple-A ratings to their fraudulent bonds. I've informed these auditors and ratings agencies repeatedly for years about the fraud evidence but it's like trying to communicate with a concrete wall. If anyone has an explanation that my evidence is wrong, then they should have told me. However nobody has ever reacted to the evidence in an honest and constructive way. Same goes with prosecutors, regulators, and other government people in the many countries victimized by the EBRD. I cannot find anyone doing their jobs. All these people ignore me, slander me, or even threaten me and hope I will shut up so they can continue making their fraud larger.

While I have had success getting many articles published on small websites, doing many podcast interviews, speaking at conferences, and even explaining the EBRD racket in events at the US Senate and UK House of Commons, there is no reaction from the EBRD or law enforcement. The EBRD strategy of pretending to be unaware of what they are doing is working, assuming their real objective is the opposite of their stated objective. I was interviewed already for four documentary films, two of which have been televised. I declined to be interviewed for an OCCRP documentary about Latvian money-laundering because they told me that the EBRD cannot be mentioned, and they also told me the EBRD is paying generous consulting fees. I co-authored an award-winning thriller novel inspired by the real fraud. And two other authors became interested in the plot and wrote and published two more thriller novels. This must be the first time four documentaries and three novels were made about a real multi-billion-dollar fraud while the fraud was still continuing because of inactive regulators and prosecutors. There is more coming: more articles, more podcasts, more books, and more documentaries. If the EBRD has a lawful explanation of what they are doing then why don't they say something? My conclusion is since evidence shows the EBRD is guilty, and the EBRD refuses to

explain and instead uses police power in Latvia and consulting fees in other countries to cover-up the evidence, that the EBRD is guilty.

Journalists sometimes ask the EBRD about my whistleblowing. I can't prove whether journalist feedback to me is accurate. However they say the EBRD employees say that my whistleblowing is fake. When pressed further, for example asked about the specific Eurostat evidence which shows my whistleblowing is correct, the EBRD employees usually say they cannot discuss because their investment terms are secret. Some EBRD consultants and employees say more. Some say that their investments aren't secretly reversible because this would be fraud. Others say their investments are secretly reversible and this isn't fraud. Most journalists don't go further and drop the story. However a few journalists have understood this is a huge fraud which threatens many economies and international security so they have written and published stories.

I'm expert on the EBRD only in Latvia. However information keeps coming to me about EBRD activities in other countries. Every year I learn about more EBRD crimes and nobody ever told me the EBRD is innocent. Here is a sample.

The EBRD has been a shareholder in Raiffeisen Bank Ukraine for many years and the US Embassy in Ukraine had suspicions that Raiffeisen was helping Semion Mogilevich run RosUkrEnerg in the 2000's. This means the EBRD was helping the Kremlin to control Ukraine.

The EBRD invested years ago in notorious Stolichny Bank (Alexander Smolensky) and Bank of St Petersburg (Tambovskaya Mafia). The EBRD investments in both Tambovskaya banks, St Petersburg and Parex, were done in cooperation with a Swedish investment fund East Capital. That fund was run by a Ukrainian person who today runs an EBRD-funded corporate governance NGO in Ukraine. I wonder if that NGO is paying out donations and consulting fees in accordance with an agenda.

The EBRD cover-up at Parex allowed Parex to spin-off its secret subsidiary Northern Investment Bank of Belarus. Parex oligarch Valery Kargin was caught in a recorded conversation telling another oligarch that his activity shifted to Belarus after Latvia nationalized Parex. Northern Investment Bank, renamed Credexbank, was sanctioned for money laundering in 2012 by the US Treasury. Of course this money laundering would not have been possible if the EBRD wasn't using fraud to protect Kargin. The EBRD openly supported dictator Lukashenko's banking sector up until 2022 and still has investments in Belarus now in 2024. Of course while the EBRD was openly supporting Lukashenko, he was locking thousands of democracy advocates in prison.

The EBRD is backing anti-democracy governments in Turkiye, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan. All of those countries are non-democratic. And, all of them except Turkiye support Putin's war. I thought the purpose of the EBRD was to foster democracy and the EBRD is supposed to be opposed to the war? That's what the EBRD website says. If EBRD 'investments' in these countries are the same as Latvia, where the money is channelled to organized crime and the governments take on secret obligations to pay more than double the investment money back to the EBRD, then you could say the EBRD is attacking these countries. However experience in Latvia shows that these heists give more power to the corrupt government officials thus perpetuating dictatorial and oligarchical regimes in every country while ordinary citizens become poorer.

The EBRD is investor in Bank of Cyprus alongside sanctioned Russian oligarchs Viktor Vekselberg and Dmitry Rybolovlev. Also, Donald Trump's former Commerce Secretary Wilbur Ross. Vekselberg and Rybolovlev were both involved helping Trump get elected in 2016. Since they are sanctioned by various countries their bank should not be allowed to have correspondent accounts. Especially, they should not have USD correspondent accounts which they could use to launder money for Putin and interfere in the 2024 US election. However Bank of Cyprus does have USD correspondent accounts, because the EBRD is an investor which supposedly makes this bank legitimate.

The EBRD is investor in Ameriabank in Armenia alongside Putin-connected financier Ruben Vardanyan, although recently conflicting reports state that Vardanyan sold his stake to Bank of Georgia which is supposedly owned by Americans. This could be similar to what the EBRD did with Bank of Cyprus and

Citadele in Latvia, setting up American investors to own some of the shares which helps these banks to get USD correspondent accounts. Vardanyan is currently held prisoner by Ilham Aliyev, KGB dictator of Azerbaijan. Aliyev is also funded by the EBRD while he organizes mass political arrests of Azeri people and mass killings of Armenian people. I don't know what secret deals are going on between the EBRD, Putin, Aliyev, and Vardanyan however the EBRD should go public with an explanation what it is doing there. Did the EBRD really invest in Vardanyan and Aliyev's banks or is the EBRD acting as a paid front to cover-up fraud, corruption, and money laundering?

The EBRD supposedly bought stakes in NLB Slovenia and Kombank Serbia years ago. Then, taxpayers from those countries recapitalized those banks which the EBRD apparently invested into knowing they were insolvent. Then, taxpayers from those countries lost even more money reversing those privatizations at prices far above market value. Still now very few Slovenians and Serbians know or understand what the EBRD did to them.

And last but not least, in 2022 the Ukrainian central bank announced that Megabank was insolvent because of insider lending. Megabank was controlled by a Ukrainian individual who also runs a large state industrial company. The allegation is that he was looting the company and the bank by depositing state company money into his controlled bank then making loans to himself. He also ripped off thousands of other depositors. Guess who was his partner, helping to give him false legitimacy while he was doing this? The EBRD! Shareholders in Megabank have lost their investments with one exception. It turns out the EBRD 'investment' was protected by a secret state guarantee and therefore the Ukrainian government is paying back the EBRD, courtesy of Ukrainian taxpayers who don't know what happened. I wonder if all the EBRD investments in Ukraine are like this. The EBRD boasts about how much it is investing in Ukraine however keeps quiet about the larger amounts Ukraine is secretly obligated to pay back.

My understanding is that the EBRD is booking profits from increasing valuations of fake equity investments. The EBRD-Parex and EBRD-Citadele frauds weren't isolated cases but rather part of a larger strategy of organizing frauds against taxpayers in many countries, in cooperation with corrupt governments. If the EBRD corrects its financial statements, most profits from the whole history of the EBRD will disappear and most assets will be determined fake. Also, the EBRD will have to admit to huge liabilities including damages payable to Latvia, Lithuania, Serbia, Slovenia, and Ukraine where the EBRD defrauded taxpayers. Of course this means the EBRD cannot repay bond investors and will be prevented from issuing new bonds which is its current strategy for getting cash to refinance its old bonds and to pay salaries and consulting fees to thousands of people.

If the EBRD is pressured to correct its financial statements, this black hole of corruption will be shut. Putin's money laundering system will be crippled and countries captured by mafia governments can become free, independent, and democratic. You have the power to do this yourself by making a public statement about the attached Eurostat evidence. I read that Putin has threatened 35 times to destroy the United Kingdom with nuclear missiles. I think it's a good idea to stop him before he can do that.

This is an open letter. I will post it on social media and send it to journalists, as I have done with similar letters to other influential people in past months and years.

Thank you,
John Christmas



Attachments:

Eurostat 2014, EBRD-Parex fraud confirmed

Eurostat 2018, EBRD-Citadele fraud confirmed



EUROPEAN COMMISSION
EUROSTAT

The Director-General

Luxembourg,
ESTAT/DG/WR/D3/JV/PL/eb/D(2014)3304947

Mr Pieter Omtzigt
Member of Parliament for the Dutch
Christian Democratic Party CDA
Tweede Kamer der Staten-Generaal
Plein 2 – PO Box 20018
NL - 2500 EA The Hague
THE NETHERLANDS

Subject: Parex Bank and the EBRD

Dear Mr Omtzigt,

Thank you for your letter of 26.08.2014.

Eurostat is aware of the put option provisions included in the shareholders agreements concerning Parex Bank, and its successor companies, between the government of Latvia and the EBRD. It has the relevant documents and has been informed by the Latvian authorities that these are to be considered confidential.

The put option provisions allow the EBRD to sell its relevant shareholdings back to the Privatisation Agency (which is classified within the general government sector of Latvia) under certain conditions, which include sale of Citadele Bank by the Privatisation Agency.

The mentioned provisions do not meet the definition of financial derivatives in the European System of Accounts (ESA 95; paragraphs 5.65 to 5.68) and are considered as guarantees. Guarantees are treated as contingent liabilities under ESA95 (paragraphs 5.05, 7.12 (c) and 7.22) and therefore no government liability is to be recorded in the Latvian statistical data.

It may be worth noting that any future call on this guarantee would be recorded as a government expenditure, thereby increasing the Latvian government deficit at that time.

The statistical treatment of this issue under the newly introduced European System of Accounts (ESA 2010) remains the same.

Yours sincerely,

Walter Radermacher

The participants discussed the recording of the winding-down of Reverta by the end of 2017. It was concluded that in 2016 and 2017, after selling the asset portfolio (mostly real estate and loans), only the impact for 2016-2017 will be added through the B.9 of Reverta. CSB will clarify how much cash (to be recorded as D.9), was given to PAREX and whether and for what amount at the time of reclassification a capital transfer was imputed, if any, for the net assets (expected loss). Eurostat takes note that the final loss in excess of the expected loss is to be materialized by a write off of treasury loans benefitting Reverta. Eurostat agrees with the CSB that the appropriate recording should be a capital transfer in 2010, with a revision of the stock of assets reported in the ESA balance sheet.

Eurostat reviewed the recording of the EBRD put option and the *Citadele* sale. CSB will reduce the capital transfer expenditure (88.24 million euro) recorded in 2014 for the amounts of the proceeds collected in 2015 or, if it interprets the put option as a loan at inception, will eliminate the capital transfer completely. The payable of 88M€ corresponds to the activation of the put option, with the EBRD selling back to Government its equity in *Citadele*. The put call will have a deficit impact or not depending on whether an effective claim is acquired, whose value can be reasonably estimated. In this case, it seems there was an effective claim since the equity was sold within few months to investors, and the value can be considered to be the value sold at that time. Under this condition, the recording of a capital transfer should be reduced from 88.24 MEUR to 13.5MEUR.

Eurostat agreed on the current recording of some lump sum payments related to pensions, but questioned if the 2nd pillar transfers of assets of deceased persons, in certain cases, meet the definition of social contributions. CSB will reflect on the appropriate classification of some of these payments, without B.9 impact (D.7/D.91/D.99).

Concerning the reporting of guarantees granted by government, and regarding questionnaire table 9.4, the CSB will review the current recording in order to have an AF.6 liability position together with the B.9 impact. Eurostat will clarify if the amounts in questionnaire table 9.4, as well as the *Citadele* put option, should be excluded from questionnaire table 9.1.

The discussion about capital injections in public corporations focused on the national airline Air Baltic Company (ABC) and SJSC "*Latvijas Dzelzceļš*" (LDz). The capital injection in Air Baltic might be considered as a financial transaction in F.5, but the recording is still uncertain. CSB should focus on the second part of the test looking into future expected flows and should confirm that there are no specific arrangements that benefit the private investor, such as a buy-back agreement (like a put option). Based on this, Eurostat will confirm the statistical treatment of the capital injection before the next EDP October 2017 notification.

The Latvian authorities requested an ex-ante advice for the correct statistical treatment of a planned equity increase in SJSC "*Latvijas Dzelzceļš*" (LDz) by the government, in order to implement the Latvian railway network electrification project. On the basis of the 2016 financial statements/reports of SJSC "*Latvijas Dzelzceļš*" (LDz), as well as the main financial results since 2007 that the national authorities will submit, Eurostat will provide a letter of advice on the appropriate recording of the planned capital injection.

Referring to the calculation of the super dividend test applied to the Central Bank, CSB will consider taxes on income in the super dividend test and, as a result, will reduce the dividend revenue originating from the Central Bank for some years (e.g. 2013).