TICKER

US Treasury Forgives Ukraine Looters!

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About the author, **John Christmas**: I am a graduate of Dartmouth College and Cornell University. I used to be a banker, most notably the whistleblower against Parex Bank of Latvia, which was linked to Russian President Vladimir Putin in several ways. I am co-author of award-winning thriller 'KGB Banker'

On 26 September 2024, the U.S. Treasury's *Financial Crimes Enforcement Network 'FinCEN'* made the astonishing decision to drop sanctions against **ABLV Bank** of Latvia. **ABLV** was sanctioned in 2018 for a list of reasons, including helping Ukrainian President **Viktor Yanukovich**'s bagman, **Serhiy Kurchenko**, steal billions of dollars from Ukraine. This action triggered the violent ouster of Yanukovich, which was followed by the Russian invasions in 2014 and 2022.



Pictured is the X post by the US Embassy in Latvia announcing this decision. In this post, the US Embassy 'applauds' Latvia for 'excellence' in fighting money laundering.

As the exiled whistleblower against the Kremlin's money launderers and bank embezzlers in Latvia, sometimes called the *Latvian Proxy Network*, I am horrified by the US Treasury decision and left wondering whether it was motivated by corruption, incompetence, ignorance, or all three?

The Latvian Money Laundering Operations

The reality is that Latvia is funding the money launderers, not fighting them. Clear evidence that Latvia is secretly paying the **European Bank for Reconstruction and Development 'EBRD'** (partly owned by the United States) to act as straw owner of Russian offshore banks is

Latvian Parliament (2014 and 2015). Despite piles of undisputed, almost everyone in the American government, Latvian government, and mainstream media is either fooled or playing a game of 'plausible deniability' while the corruption, fraud, and money laundering keep getting worse. I have written about this for FinTelegram with full referencing of evidence.

In 2004, I was employed by **Parex Bank** of Latvia. The US Embassy asked me for information about **Parex** since they believed it was involved with Russian organized crime. I learned about large fraudulent loans **Parex** was making to insiders. The amount of these loans was larger than the bank's reported equity, indicating that the bank, in reality, had negative equity. I gave names and details to many institutions, including the US Embassy. Later, **Parex** was identified by the Spanish court in the Tambovskaya Mafia prosecution for providing platform money-laundering accounts to both of the two named money launderers for that Putin-linked gang. And after that, two of the insiders were named on the US Treasury Putin Warning List.

The result of my whistleblowing was that the US Embassy, and later also the US Treasury, refused to look at or even acknowledge receiving the information. They refused to communicate with me even though they had requested the information. Meanwhile, Latvian officials reacted by hosting Parex promotions at diplomatic premises in London and Switzerland so that **Pare**x could borrow even more money, some of which was transferred to **Eduard Khudainatov**, who the US FBI later identified as a frontman holding assets in his name on behalf of Putin.

Since the insider loans predictably weren't paid back, the Latvian government started secretly paying the EBRD to pretend to invest in **Parex** to dupe onlookers that **Parex** wasn't looted even though it was.

to sister bank **ABLV** and a new **Parex** successor **Citadele**. Latvian politicians blamed the resulting national financial collapse on the United States.

https://fintelegram.com/tag/ukio-bankKey people from **Parex** moved their activities to **Ukio Bank Lithuania** and **Danske Bank Estonia**, where they organized massive Putin-linked money laundering scams. When **Ukio** got looted, the **EBRD** got involved in intransparent ways. And, **EBRD** subsidiary **Citadele** employed a former Parex banker while he controlled the Marshall Islands company at the center of the money laundering at Danske.

Total money laundering at all of these institutions together was over one trillion dollars and euros making it the largest money laundering racket in world history. The Kremlin-linked bankers walked free with the money while Latvian taxpayers were tricked into bailing out **Parex**, Lithuanian taxpayers were tricked into bailing out **Ukio**, and Danish pensioners invested in **Danske** got hit with a huge penalty for money laundering they weren't aware of. A 2018 Eurostat report indicates that Latvia is secretly paying the **EBRD** to pretend to invest in **Citadele**, which is the same thing Latvia and the **EBRD** did with **Parex**. This **Citadele** scam is still ongoing now in 2024.

How is it possible the US Treasury missed everything? I've written many articles for independent media websites. Independent journalists from several countries wrote articles for other media websites. I've been interviewed on many podcasts. I arranged to send letters and emails to several thousand people in relevant organizations. Two documentaries detailing the Parex and Citadele frauds were aired repeatedly on Latvian television ('Jumts') and 'Jumts 2'), including interviews with me, evidence of the fraud, and statements by officials about the fraud. A

fraud racket have already been written and published, all with different authors. Yet somehow the US Treasury doesn't know what's going on.

Where does the US Treasury get information from, if not from whistleblowers, media articles, and television? The sad answer is that they talk with politically connected lobbyists who get fat consulting fees from foreign governments.

The Blue Star Strategies Connection

One such lobbyist who worked for Latvia and **ABLV** is **Sally Painter** at **Blue Star Strategies**. She became a high-profile lobbyist working for Ukrainian citizens **Dmytro Firtash** and **Ivan Fursin**, who controlled **RosUkrEnergo** in Ukraine and **Trasta Komercbanka** in Latvia. This was about helping Putin, through Yanukovich, control the Ukrainian government. Then, she was employed at **Parex**. I know her, and I know, at least for **Parex**, her function was to convince the US Treasury not to impose sanctions.

She was an intermediary getting **Hunter Biden** on the board of **Burisma** of Ukraine. **Blue Star Strategies** was subpoenaed on suspicion that **Burisma** oligarch **Mykola Zlochevsky** was buying influence however so far nobody has been punished. And, Painter was intermediary getting former CIA agent **Joseph Cofer Black** on the board of **Baltic International Bank** of Latvia. She also secretly commissioned an article written by **Anders Aslund** of Atlantic Council praising **ABLV**.

Another person who worked as consultant helping **ABLV** in Washington was **Daniel Glaser**, former US Treasury Assistant Secretary for Terrorist Financing. Maybe Glaser somehow convinced US Treasury that

or a clean-up?

And this leads us to a large hole in the defenses the United States: the modern practing of 'box ticking' exercises as a substitute for traditional law enforcement such as putting criminals in prison and seizing back stolen money.

The Egmont Group of Financial Intelligence Units ('FIUs') was founded in 1995. In 2003, the Financial Action Task Force 'FATF' established by the G7 issued explicit recommendations for countries to set up FIUs. As a result, by 2004, the Egmont Group had 94 members. One of the members is the FIU in Latvia.

The US Treasury sanctioned **ABLV** in early 2018 and **Ilze Znotina** became head of the Latvian FIU later in 2018 as part of a push by Latvia to give foreign governments the impression that Latvia is fighting money laundering. Znotina made a public comment when she joined the FIU that previously she had given information about irregularities at **Parex Bank** to Latvian authorities and the authorities ignored her. I was overjoyed at first, but soon the situation turned darker.

Latvian banks submit tens of thousands of Suspicious Activity Reports ('SARs') to the FIU every year. The FIU claims to review most of those but not all because of budget and staffing limitations. Anyway it seems not to matter whether they review all or none of the SARs because rampant unpunished corruption, fraud, and money laundering continue.

For example, the FIU appears unaware that the **EBRD** investments in **Parex** and **Citadele** weren't real. They appear unaware of connections

system whereby intermediaries are inserted between payments from electricity consumers and the Latvenergo electricity utility. Some of those intermediaries are from the same Latvian Proxy Network of companies originally set up by an agent called **International Overseas Services**, which provided the thousands of shell companies used by **Parex** and **ABLV**.

The FIU appears unaware of the much-discussed 'Construction Cartel' in Latvia which overcharges the government on infrastructure projects. And, to give the clearest if not the largest example, the FIU appears unaware that **Solaris Bus** of Poland is bribing Dombrovskis' political party. That was one part of my original whistleblowing, which I managed to get into one Latvian newspaper in 2007.

The **Solaris** bribery was discovered a second time by the US FBI and explained in a US Department of Justice settlement in 2010. And, the bribery was discovered a third time by Polish authorities in 2018. Meanwhile, the bribery had been moved from **Parex** to **Citadele** and then to the *European Investment Bank* as the amounts kept getting larger. This gives me an impression of the FIU as a room full of people wearing ties looking through stacks of SARs and ticking boxes while somehow blind to newspaper headlines.

Last but not least, something Znotina and the FIU were not interested in was the nine million euros transferred by a Cyprus company controlled by a Russian person who connected with Putin through **ABLV** and **Danske Estonia** to **Anda Karina**. Full details of this were leaked in 2019. Karina is the wife of **Krisjanis Karins**, who was Minister of the Economy at the time of my whistleblowing and who, by 2019, had become Prime Minister. He is in the same political party as Dombrovskis. I know Karins and Karina personally, and one reason why

Znotina and Karina are openly known to be long-time personal friends.

In 2022, Znotina left from the FIU. Currently, she works for an organization called **AML Intelligence**. Both with her previous job and her current job, she has been a regular speaker at international anti-money-laundering conferences talking about the supposedly excellent work Latvia's FIU is doing. This makes her similar to Dombrovskis who, after signing the fake sale of a **Parex** stake to the **EBRD**, went on an international speaking tour to tell people at conferences about how he rescued Latvia.

The US Treasury should assign some fresh people to look at the situation in Latvia. When Latvia reacted to the disappearance of Parex assets by secretly paying the **EBRD** to pretend to invest, this was a red flag. When Latvia continued secretly paying the **EBRD** to protect **Citdele**, this was another red flag. When the US Treasury sanctioned **ABLV** and the proposed independent administrator was shot dead with a Kalashnikov in broad daylight in Riga and the Latvian government reacted by allowing **ABLV** to 'self-liquidate,' this was not a clean-up. Also, the 'self-liquidation' never happened. **ABLV** was only partly liquidated by transferring some assets to **Citadele**. Also, paying Washington lobbyists while funding an FIU that is unaware of major criminal rackets isn't a clean-up.

The US Treasury has the power to tell Latvia and the **EBRD** to correct their accounting back to 2009 when the EBRD-Parex deal was signed. This can be the beginning of a real clean-up, and the whole world, including the United States, Europe, and especially Ukraine, will become safer.

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companies that are at high risk of money laundering and terrorism financing. Italy's Bruna Szego, Germany's Marcus Pleyer, and Jan Reinder De Carpentier of the Netherlands are the remaining three candidates in the race to chair the new financial watchdog, POLITICO reported. The job is expected to come with pay of approximately €290,000.

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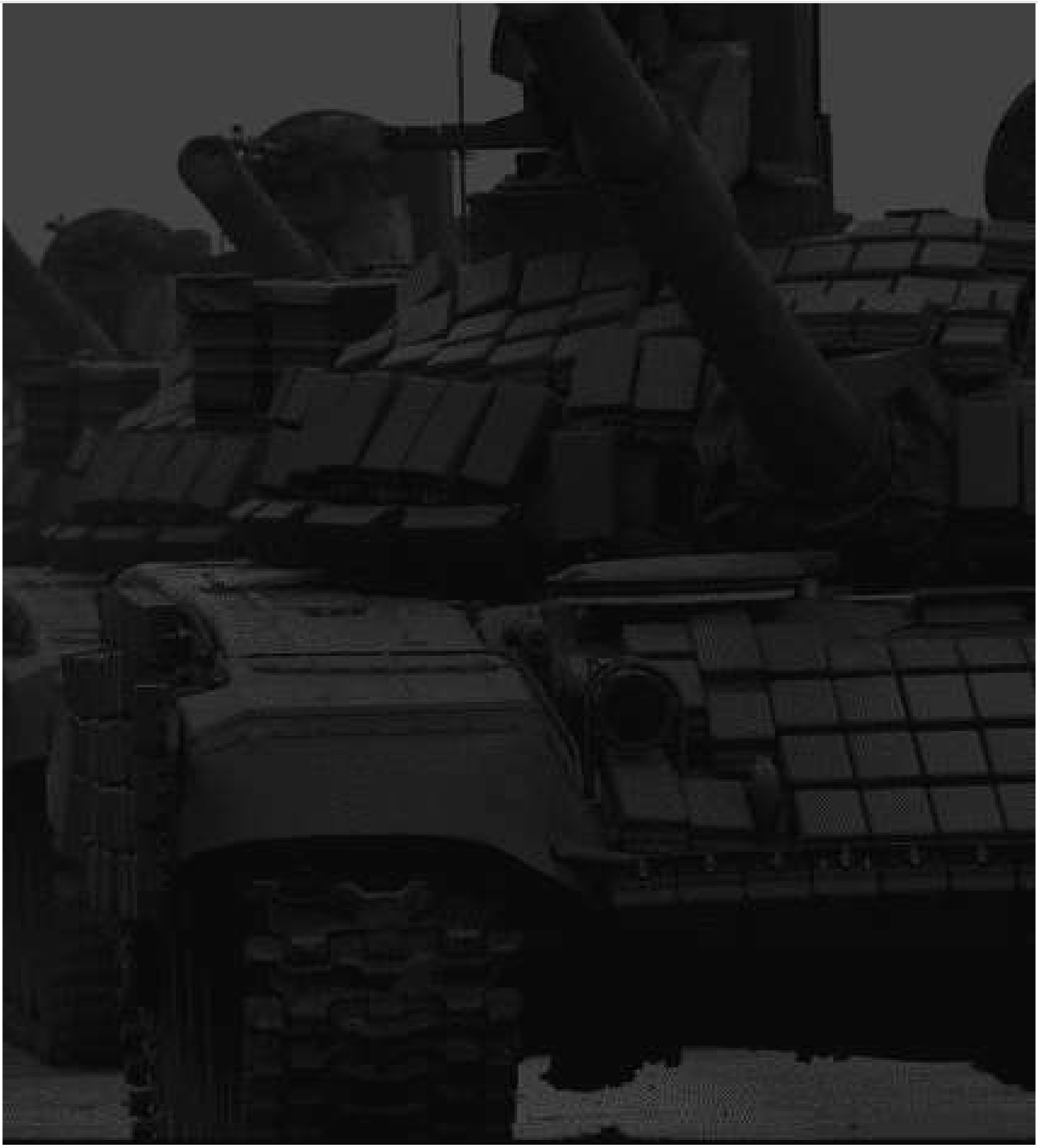


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