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COVER-UP #2: UKIO BANK LITHUANIA, SIAULIU BANK LITHUANIA, AND THE EBRD



An exclusive news story by John Christmas

My name is John Christmas. I am an expert in the EBRD-Parex and later EBRD-Citadele deals in Latvia because I was an employee of Parex. I turned whistleblower against Parex in 2004 by giving information about insider loans to the auditor and rating agencies who refused to do anything and continued endorsing Parex. I gave the information to the Latvian government in 2005 and they also refused to stop the looting.

When the government of Latvia and the European Bank for Reconstruction and Development 'EBRD' began their campaign in 2009 to first make it appear that the assets of Parex Bank were good and that bailout was required because of the United States and then quickly switched the story to saying many assets were bad and this was because of Sweden (see my previous article Cover-Up #1), some of Russian President Vladimir Putin's money-laundering activity moved to Lithuania.

Also in 2005, the EBRD bought a stake in Siauliu Bank in Lithuania. Then in 2013, Siauliu Bank took over assets and liabilities from Ukio Bank of Lithuania. I am not an expert on the EBRD-Siauliu-Ukio-Lithuania deals. However I do have knowledge which goes deeper than what the media was reporting.

Siauliu and Ukio were surrounded by vague rumors of connections to Russian Mafia, similar to the rumors circulating about Parex in the 1990s and early 2000s. Plenty of Mafia connections with Ukio and Parex became public later, however not about Siauliu so maybe that bank was clean.

The former Head of Compliance at Parex had become Head of Compliance at

Ukio after Parex was bailed out. That was reported in the media however I knew him personally.

Also, in 2013 I was contacted by a Lithuanian whistleblower who gave me important information which never appeared in the media and never got investigated despite the gravity of the implications.

One reference below is to my own website www.LawlessLatvia.com because the leaked Nomura document was designated a 'state secret' in Latvia. This is the same as saying the national debt of Latvia is a state secret. The Nomura document originally appeared on www.Kargins.com and the Latvian journalist who leaked it is currently in prison in Latvia. Officials at the EBRD either aren't aware or don't care that a journalist who leaked information about their false accounting is in prison. Likewise, I'm a Latvian citizen and I haven't entered Latvia for two decades for fear of arrest or worse.

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THE EBRD INVESTS IN SIAULIU BANK

In 2005 when my struggle with the Latvian authorities was new, the EBRD purchased a 16% stake in Siauliu Bank of Lithuania (EBRD, 2005). The EBRD wrote in the announcement, 'the introduction of EBRD as shareholder will promote good corporate governance standards in this bank including fostering of transparency, accountability and responsibility amongst the shareholders, Bank Council member, managers and employees.'

I don't know if Siauliu was insolvent at the time of this investment, like at Parex where the bank was already known to be insolvent (Nomura, 2010). And, I don't know if the Lithuanian government made a secret guarantee to the EBRD to return the investment with a profit, as the Latvian government did at Parex.

The Wikipedia article about Siauliu Bank (Wikipedia, 2025) contains useful

information, as does the Siauliu website www.sb.lt.

LAGZDINS MOVES FROM PAREX BANK TO UKIO BANK

When I was still working at Parex in 2004, the Head of Compliance was a Latvian individual named Arnis Lagzdins. I used to attend meetings with him. He was well respected at that time because he had been a senior advisor at the World Bank. However later I deduced that often Russian Intelligence is trying to push spies into the multinational development banks.

When I turned whistleblower against Parex by giving details of insider loans plus information about other frauds to the auditors, ratings agencies, some counterparties, and eventually to the Latvian and other governments, I would have expected him to resign to protect himself from the scandal. However, instead, he became one of the central people, along with two former prime ministers, participating in Parex promotional events at Latvian government premises in London and Switzerland to encourage Western banks to increase their lending to Parex. The money Parex borrowed from Western banks, through two syndicated loans and one bond issue, was eventually paid back by Latvian taxpayers and not by Parex.

Lagzdins is named in the Wikipedia article about Ukio Bank (Wikipedia, 2025) because some time after the Parex bailout started in 2008, he became Head of Compliance at Ukio. This was suspicious for several reasons. It was strange for Ukio to select Lagzdins given his track record of failure at Parex. Also, Lagzdins cannot speak Lithuanian language. It was suspicious that the Lithuanian regulators allowed him to serve as a Head of Compliance after what happened at Parex.

An article by Steve Komarnyckyj at Byline.com (Komarnyckyj, 2018) provides further details about Lagzdins.

UKIO BANK COLLAPSES, EBRD GETS INVOLVED

In 2013, the EBRD, already a shareholder in Siauliu Bank, made a loan to Siauliu of LTL 69 million to fund the purchase of LTL 2.7 billion of assets from Ukio, according to Wikipedia (Wikipedia, 2025). However this Wikipedia article appears wrong.

According to a BNS – Kauno Diena article (BNS, 2013), Ukio Bank was in bankruptcy administration. A deal was reached where LTL 2.7 billion of assets and liabilities from Ukio was transferred to Siauliu. Also as part of this deal, the EBRD loaned LTL 69 million to Siauliu.

Questions could be asked. Were those assets really worth LTL 2.7 billion? Or

were they worth much less and this deal served to give the appearance that Ukio wasn't looted even though it was?

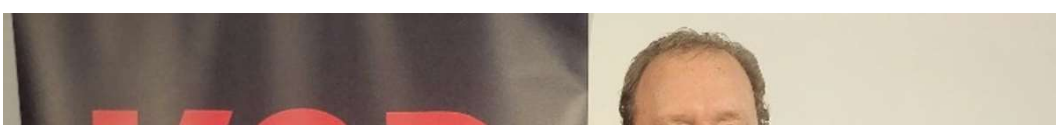
In 2013, I received several messages from a Lithuanian whistleblower who said he was using a false name because he was afraid for his safety. He mentioned that the Ukio deal was similar to the Parex deal, and the same Latvian company 'Bridge Capital' acted as intermediary for both deals and 'LAWIN' acted as legal advisor in both countries. In one email he wrote, 'Few months ago I've had interviews with high figures of certain Lithuanian institutions, and they confirmed me that the last EBRD deal with buying good assets of the failed Ukio bank via it's controlled Siauliu bank was completely fraudulent and very similar to the EBRD/Parex deal Latvia. I've covered most of the public information about Parex and your enormous efforts trying to show that the taxpayers were tricked on a big scale.'

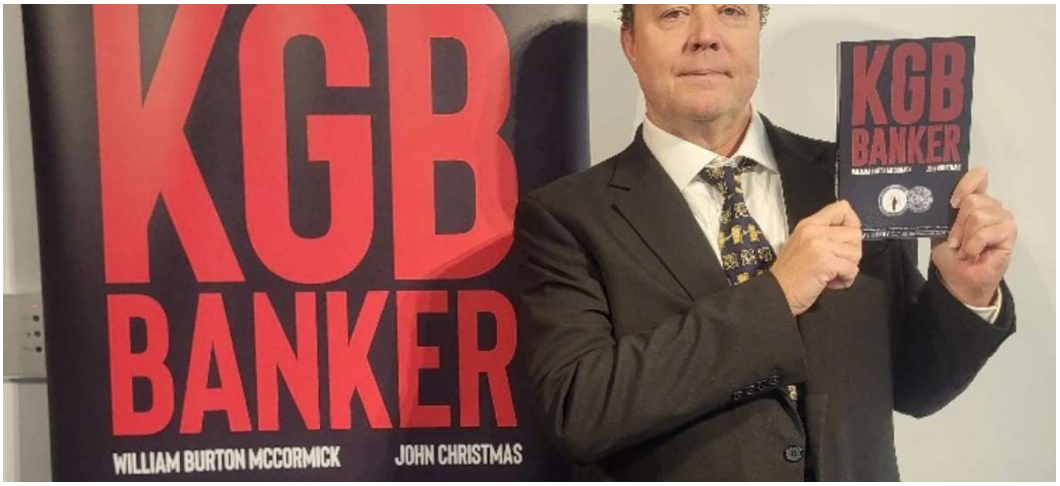
Then we had a phone call which I recorded (LatviavEBRD, 2013). His most interesting comment during the call was, 'we have nearly the same situation with a bank that went broke in Lithuania in March this year and EBRD has bought the good assets of it via its controlled other bank, it was also completely fraudulent, because 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, it was completely fraudulent, it was just to make the balance sheet of the received good bank's assets better, that's why I'm asking, as much as I can see the media doesn't cover the situation in Lithuania as well, in Latvia as much as I read your opinions the media was also silent.'

An implication is that not only did Latvia enter the euro currency and start issuing euro bonds fraudulently, with the European Central Bank the biggest investor in those bonds, but also Lithuania might have done the same thing. I have tried to alert the European Central Bank about this multiple times, however nobody ever replies.

I have also attempted several times to inform Lithuanian authorities and they never reply either. The Lithuanian whistleblower's statements have never been investigated.

The majority of Ukio Bank was owned by Lithuanian citizen Vladimir Romanov. In 2014, Lithuania asked Russia to arrest him, however a Russian court granted him asylum.





UKIO BANK CONNECTIONS WITH VLADIMIR PUTIN

An overview of Ukio Bank's connections with Putin Regime money laundering is in the Wikipedia article about Ukio (Wikipedia, 2025).

Ukio Bank was the European Union bank involved in a money laundering scam orchestrated by Troika Dialog in Russia. This is explained in an article available from 15min.lt (Cerniauskas, 2019) and much of the research came from the Organized Crime and Corruption Reporting Project 'OCCRP' (OCCRP, 2019).

The OCCRP investigation, named 'Troika Laundromat,' revealed that nine-billion-dollars went through this system and some was channeled to Putin's close friend Sergey Roldugin, a professional cellist who some believe acts as a straw owner for Putin's assets. From the Panama Papers information leak, it has been discovered that two-billion-dollars passed through Roldugin's network of offshore companies. At least one of the key companies involved in the Troika Laundromat, called 'Quantus' had the same dummy directors from Latvia whose names came up in Parex investigations.

The head of Troika Dialog was Ruben Vardanyan who until last year owned Ameriabank in Armenia together with the EBRD. He is currently in prison in Azerbaijan.

Some of the transactions with Roldugin, through Ukio Bank, involved Russian oligarch Suleiman Kerimov (OCCRP, 2016). I wrote in the previous article Cover-Up #1 that the FBI identified Eduard Khudainatov as straw owner of Putin's superyacht Scheherazade which is currently arrested in Italy. Khudainatov was

also identified as straw owner of Kerimov's superyacht Amadea which is currently arrested in the United States.

OCCRP did excellent work with these investigations. However, unfortunately, they refuse to mention the EBRD role. OCCRP asked me a few years ago if I'd give a quote for a documentary about money laundering. I said that I need to

mention the EBRD. They refused and therefore I refused.

LAGZDINS MOVES TO LATVIAN FINANCIAL REGULATOR

After Lagzdins' failures at Parex and Ukio, or successes depending what side you're on, I would have expected prosecution for him in both Latvia and Lithuania. However this did not happen. Instead, he was hired to an important position in the Latvian government (Meyer, 2018).

In 2015, the Latvian financial regulator appointed Lagzdins as its attache in Washington. Lagzdins received a diplomatic passport and was responsible for informing the United States government that Latvia was in compliance with anti-money-laundering efforts, even though the Latvian government was secretly paying the EBRD to act as straw investor in Parex successor Citadele Bank (see Cover-Up #1).

The failure of American Intelligence, and intelligence agencies in all other Western countries, to see this obvious 'red flag' is astonishing. The Western governments are currently praising Latvia for fighting money laundering while ignoring all of the information I have sent them. Western intelligence analysts seem unaware of things that are common knowledge, and widely reported in the media, in Latvia and Lithuania. Even American institutions like OCCRP and Bloomberg are better informed than the US Treasury, CIA, and FBI.

EBRD STILL SHAREHOLDER AT SIAULIU BANK TODAY

Now in 2025, the EBRD still owns 7% of Siauliu Bank. It isn't publicly known if this investment is protected by a state guarantee. And, it is possible Siauliu still owns fake assets from Ukio.

At least partly because the EBRD ownership gives Siauliu respectability (from people who don't know the EBRD uses secret guarantees), the bank currently has a full network of correspondent banks. These aren't listed at www.sb.lt however I emailed and they replied that Raiffeisen Bank and Commerzbank are two of their correspondent banks. These banks help Siauliu to move money in a variety of currencies across borders.

More to come in 'Cover-Up' series: ABLV Bank Latvia, Citadele Bank Latvia, Danske Bank Estonia, and Bank of Cyprus

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