

# Campaign against Danske Bank

The rich man and the PR genius Bill Browder uses the money-laundering case in Estonia and Danish media, playing tricks as pieces in his fight against Russia according to the book *"The Wizard"*. He's reported banks for laundering to police in more than 15 countries. None of these reports has led to a conviction.

## JUDGED WITHOUT CLEAR EVIDENCE

*Berlingske* and other media coverage of the money-laundering case in Estonia is based on highly-inflated figures and sensational stories, according to investigative journalist Birgitte Dyrekilde, co-author of the startling book *"The Wizard"* about rich man and PR genius, Bill Browder, who uses *Danske Bank* as a key piece in his fight against Russia

By Carsten Jørgensen / Photo: Jasper Carlberg and Scanpix

"The world's largest money laundering case" the Danish media has called a case of money transactions totaling about 1,500 billion kroner through *Danske Bank*'s Estonia branch in the years 2007 – 2014.

Journalist and author Birgitte Dyrekilde believes the coverage of the case about suspicious transfers in *Danske Bank*, like that by *Berlingske* journalists Eva Jung, Simon Bendtsen and Michael Lund who, in January, received Denmark's premier prize for journalism, the *Cavling*, may be the scandal of the century.

She gave in last Fall to investigate Bill Browder – the money-laundering hunter who led the way with charges and police reviews of money-laundering – and who was part of *Berlingske*'s article series from its very beginning in the Spring of 2017. A book has now arrived, *"The Wizard – the story of Danske Bank, money-laundering and the man who deceived the world"*. Together with investigative journalist Lars Abild, Birgitte Dyrekilde documents how Bill Browder through the the last ten years has run an international media campaign under the cover of his late tax advisor, Sergei Magnitsky, on money-laundering, human rights and assassination.

**"It's absolutely crazy that we can have a press court, where things are ascertained before there is proof. We are missing smoking guns, too, for the huge billions that go around. We have seen only a small handful of lesser criminal proceedings," says Birgitte Dyrekilde.**

From his London office, Bill Browder and his staff fed, and collaborated with, journalists all over the world. It has led to dozens of stories in the media, many based on anonymous sources and leaks, but involving the story of money-laundering hunter Bill Browder and

his late tax advisor. After publication of the stories there's been a clear pattern: Bill Browder submits reports to police on money-laundering against those concerned banks citing the media coverage, which then generates more news stories.

For the past 10 years, Bill Browder and his team of lawyers police banks in more than 15 countries – including *Danske Bank* and *Nordea* in Denmark, *Swedbank* in Sweden and *Nordea* in Finland. None of his reports has led to a conviction. Both the Swedish and Finnish authorities have rejected moving forward with cases that Bill Browder has reported. In Denmark investigations against *Danske Bank* continue.

Birgitte Dyrekilde finds it worrying that *Berlingske* journalists have received Denmark's top journalism award for their articles on a basis which was, in fact, wrong and with a substantial source manipulating the press.

“It is clear that many stories are based on information from PR genius Bill Browder and that the journalists have not subjected him to a critical examination as a source which, otherwise, is common practice among investigative journalists. They have not checked out the story he's traveling around with. It is very much a manipulation. The press does not tell readers that he been running his own press campaign for years to avoid extradition to Russia.”

She emphasizes that *Berlingske's* articles do not document money-laundering such as the rationale for assigning journalists the *Cavling* prize makes it sound.

### **Smoking gun is missing**

The study by *Bruun & Hjejle* lawyers, which *Danske Bank* implemented in 2017, shows that a large part of the transactions in *Danske Bank's* Estonian branch was suspicious. According to *Bruun & Hjejle* one cannot deduce that the suspicious transactions are the same as money-laundering.

“In the context of our book when we asked *Berlingske* how much money-laundering in Estonia the newspaper could document, business editor Peter Benson referred to the *Bruun & Hjejle* legal investigation, in which, as you know, it's written that the bank should have reported 10 times as many transactions to the authorities as it did. This corresponds to more than half of the transactions out of the 1,500 billion kroner. *Bruun & Hjejle* do not know how much of the suspicious activity is money-laundering. Peter Benson made no reference to *Berlingske's* own coverage. The newspaper had not even a figure on how much money was actually laundered, despite publishing a story that the paper had ‘revealed laundering of 53 billion kroner’. It was precisely these ‘revelations’ for which the newspaper got the *Cavling* award,” says Birgitte Dyrekilde.

## **Inadequate money-laundering control**

*Danske Bank's* management has historically not maintained adequate control of money transactions from foreign customers in the Estonia branch. Articles in *Berlingske* show that *Danske Bank* failed to comply with procedures to prevent potential money-laundering. But neither *Berlingske* nor other media has proven one only case of criminal activity in the bank's management.

In “*The Wizard*” Birgitte Dyrekilde and Lars Abild quote Andrey Movchan, economist at the American think-tank *Carnegie Endowment for International Peace* and Leonid

Bershidsky, commentator at *Bloomberg*, who both have a history in the Russian banking sector. According to them, many of the Russian transactions identified as suspicious are probably about bringing legal money to safety, so corrupt authorities and criminal groups are not able to lay hands on them.

“It is absolutely crazy that we can have a press court where things are ascertained before there is proof. Even the submarine captain Peter Madsen got better treatment. No newspapers declared him as murderer before the court had spoken. In the *Danske Bank* case we even lack some big corpses. We are missing smoking guns, too, for the huge billions that go around. We have seen only a small handful of lesser criminal proceedings. Sometimes you have a currency exchange bureau and big cash sums it is totally crazy with, or a person like Stein Bagger or a guy like Sanjay Shah – but it’s not here,” says Birgitte Dyrekilde.

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### **Capital flight and tax evasion**

In an interview with *Radio24syv*, *Berlingske* journalist Michael Lund acknowledged that the newspaper had no record of money-laundering for the 53 billion kroner reported by the paper, but had only a small handful of cases where one could say something illegal was going on.

The authors of “*The Wizard*” question *Berlingske*’s experts, consisting in particular of Jakob Dedenroth, director of *RevisorJura* (auditors), and the whole angle of the narrative.

“Capital flight and tax evasion is not addressed at all in *Berlingske*’s reportage of the case. Capital flight can be a grey zone, but is not necessarily, and tax evasion is, according to the Russian experts, an essential part of the narrative. But the story was not sold as a ‘flightomatat’ or ‘taxomat’ (capital flight, tax evasion, *Editor’s note*) in the West. Maybe because no one would be upset. For who in the West is interested in whether Russians pay taxes or move money out of the country,” asks Birgitte Dyrekilde.

She refers to Andrey Movchan, the economist at the *Carnegie* think tank, who explains that many rich Russians move funds and assets offshore to protect against corporate raids, often led by criminals, but also by civil servants and the executive. This is also the reason why many appoint waitresses or farmers as nominal directors or owners of their companies - not just so they don’t appear in databases that can attract unwelcome interest, but also so as to be able to dispose of the money should anyone ask for it.

### **Alarm bells rang**

It was the blood-rush and the crooked articles in the Danish media’s coverage of *Danske Bank* of Estonia case that launched the book project. A newspaper article described, for example, that *Danske Bank* had generated 10 percent of its profits over a period of several years from its Estonia branch. The conclusion then was that it was almost crystal clear that it was money-laundering. That the bank earned minimal income during that period because losses of billions were incurred from Ireland, no one could remember. 10 percent sounded like a lot.

“I wrote a post on *Facebook* where I was critical of the media coverage of *Danske Bank* and was surprised about how much response I got from people who also wondered about the stories”, she tells me.

Also, the media’s one-sided description of the pervasive figure Bill Browder such as money-laundering hunter and human rights advocate got the alarm bells ringing.

“I was Russian correspondent some years in the 1990s and experienced, close-up, how Bill Browder, who at that time was the most successful foreign businessman in Russia, learned to use the press to get up the stock price of those companies in which he was a typically a minority shareholder. It is important that we do not lose sight of this fact,” says Birgitte Dyrekilde.

She was contacted by a freelance journalist, Lars Abild, who was also interested in the case, and called Flemming Rose, (former Russia correspondent and editor at *Jyllands-Posten*), who turned out to have the same thoughts but who didn't have time to throw into it. He promised to write the book’s foreword, and Lars Abild and Birgitte Dyrekilde began to research.

## Two popular enemy images

Media coverage of the money laundering case contained two popular enemy images. Many times it was insinuated that *Danske Bank* laundered money for the Putin family, because Vladimir Putin's cousin, Igor Putin, had served on the board of directors of a bank that had transactions with *Danske Bank*. Other than the surname and the family relationship there were no indications of money having anything to do with each other, writes Birgitte Dyrekilde and Lars Abild in “*The Wizard*”.

“When Bill Browder gets so much publicity, it’s about him being adept at beating on the enemy image we have here in the West of Russia. It is thought-provoking, that in 2010, when he notified the Austrian bank *Raiffeisen* for Russian money-laundering transactions, there came no major scandals in the international media. It was covered without hysteria. Many of the amounts he reports, they are often right small. A few million dollars. But after Russia annexed Crimea in 2014, Russia as the enemy image becomes enormously amplified, and there are sanctions against the circle around Putin. It raises Bill Browder and his campaign’s profile high, though it's basically nothing to do with Putin's inner circle. It has become quite all right to say that all Russians are criminals. Try putting instead Muslims or Jews in that frame”, says Birgitte Dyrekilde.

The financial sector is also a popular enemy image in sections of the population, and if you can get one of the biggest and leading representatives of the sector – *Danske Bank* - down the hatch, it is an object of pleasure and joy with many.

Bill Browder's ability to become a part of media coverage of the money-laundering case not only in *Berlingske*, but also in *Borsen*, *FinansWatch*, *DR* and *Jyllands-Posten*, is shown, according to the article database *Infomedia*, by appearances in 156 articles for the period March 1, 2017 – September 6, 2019.

“You must understand that the press does not know about the stories, that they do not have the ability to understand the complicated activities or can’t afford to carry out the research. We have a lot of money invested. We are affected. We can allocate resources to do what is required really understanding how things work.”

Bill Browder, quote from 2002 on his way of achieving political influence

### **Who is Bill Browder?**

Bill Browder, in the 1990s, was the most successful foreign businessman in Russia. In 1996, he founded capital fund *Hermitage Capital Management*, and for the next nine years he was crashing with money by investing and set up a number of companies. The major bank *HSBC* supplied part of the customers for the capital fund. During this period in which he resides alternately in Britain and Russia, he is a supporter of Russian President Vladimir Putin. On November 13, 2005 he was suddenly denied entry to Russia when he arrived by plane from London to Moscow.

According to his own story, he was exposed for a plot. Russian authorities searched his office, police officers assisted in stealing three of his investment companies, as the subsequent ones used to receive tax refunds of 1.5 billion kroner from the Russian treasury. When his tax adviser, Sergei Magnitsky, revealed the plot, he was imprisoned, tortured and killed says Bill Browder's explanation.

Another version of the story is that several of *Hermitage's* investment companies cheated on taxes and the Russian authorities investigated Bill Browder for tax fraud. In December 2005 one local court ruled that his company *Dalnaya Steppe* owed 130 million kroner to the treasury. Sergei Magnitsky was part of the financial schemes and after several police interviews was put in prison. Here he became seriously ill and, when he did not receive the required medication, he died on November 16, 2009.

The death caused Bill Browder to start an international political campaign, "*Justice for Sergei*." He even appointed himself *Putin's Enemy Number 1*. Russia was accused of corruption, torture and human rights violations. He wanted justice for Sergei Magnitsky, and he wanted to get his fingers in the 1.5 billion kroner that the three seized companies had been paid in tax refund from the Russian state. European and American politicians and human rights organisations went into the matter, and Bill Browder's ability to use the media boosted his mission to introduce the so-called Magnitsky legislation affecting Russian citizens suspected of human rights violations.

### ***Fighting against extradition to Russia***

A few years later, Russia sentenced him (Browder) to nine years in prison for tax fraud, and in several laps Russia has tried via *Interpol* to have him extradited for criminal prosecution. Bill Browder's fight for international attention, therefore, acts also about protecting himself from Russian prosecution. The predicate money-laundering hunting refers to the fact that he and his team of investigators and lawyers believe that money from the 1.5 billion kroner in the seized companies has been laundered through a number of European banks.

In “*The Wizard*” the authors describe how Bill Browder lies and manipulates. He even speaks of Sergei Magnitsky as a lawyer and whistleblower, although he worked as an accountant and tax advisor. A Russian-Ukrainian banker, Alexander Perepilichnyy, who fell in 2012 and died during a jog by his home near London, according to Bill Browder was assassinated because he was a whistleblower for Browder and was to testify in Switzerland. Several media outlets wrote Bill Browder's version of the death but the police and authorities, after years of investigation, concluded the case as one of natural death and the autopsy did not show signs of something criminal.

In the book’s preface, the authors present a 2002 quote from Bill Browder summarizing his way of achieving political influence via the media:

“You must understand that the press does not know about the stories, that they do not have the ability to understand the complicated activities or can’t afford to carry out the research. We have a lot of money invested. We are affected. We can allocate resources to do what is required really understanding how things work.”

### **Browder’s collaboration with *Berlingske***

The international journalist group *OCCRP* (*Organized Crime and Corruption Reporting Project*), in particular operating in Eastern Europe, has acknowledged that it’s working with Bill Browder and his team of researchers and lawyers. Part of *Berlingske's* documents that has led to the articles on *Danske Bank's* Estonian branch originated from the *OCCRP*.

Foreword writer in “*The Wizard*” Flemming Rose criticizes that *Berlingske* has not stated that the newspaper cooperates with Bill Browder and has not tried to uncover his role and motives. For example, in July 2018 (some months before the *Bruun & Hjejle* study was published) the newspaper wrote that the money-laundering case in *Danske Bank* had now grown from SEK 25 to 53 billion kroner on the basis of a number of bank statements from 20 new companies with names like *Argenta Systems* and *Megacom Transit* that had come into the journalists’ possession.

“All accounts have transactions that can be traced back to the so-called Magnitsky-case in which large tax revenue was stolen by Russian criminals. The case has led to international sanctions against prominent Russians,” said *Berlingske*. It was not disclosed that the documents came directly from Bill Browder, but Bill Browder told me, and even told “*The Wizard*”s authors.

However, Bill Browder was used as a prominent player source in the article.

“*Hermitage Capital's* founder and CEO, William Browder, and his researchers considered that all accounts showed clear signs of money-laundering. No normal business activities - such as expenses for rent, salaries, taxes”, it was reported in *Berlingske*.

When he attended a hearing about money-laundering in the European Parliament in January, Bill Browder himself told me that he collaborated with the *Berlingske* journalists. The *Berlingske* reporters have not wanted to comment on this statement, as reflected in the article here next (page).

*Also read page 41*

*You can meet Birgitte Dyrekilde and hear more about her book about the money-laundering case and Bill Browder at a working session of the Financial Association Thursday, November 21st.*

*Read more @ [Finansforbundet.dk](https://finansforbundet.dk)*

## **Berlingske dismisses the criticism**

The magazine *Finans* has tried in vain to get *Berlingske* journalists to answer how much money-laundering they believe they have documented at *Danske Bank*'s Estonian branch, and exactly what role Bill Browder has played in their coverage.

The whole premise that Bill Browder should be a key person for our work or *Danske Bank's* money laundering case is fundamentally wrong, *Berlingske* journalist Simon Bendtsen writes in one comment on *Finans* magazine.

"Of course, we can't discuss our sources, but only repeat that our work is based on documentation from several sources independent of each other and which have, over changing periods, run a great personal risk and shared material with us. We have sought out the sources ourselves and persuaded to help us in exchange for guarantees of source protection. And we have, obviously, tested the information thoroughly to ensure that the documentation was correct. It has clearly shown that to be, which is underlined by the consequences of the case.

Unlike the authors of the book we had access to unique data material - incl. 140,000 banking transactions - which we've analyzed along with leading experts. As the authors have not had this opportunity, we offered long ago to review our documentation with them. An offer they did not accept. This means that the book is full of wrong claims and misunderstandings about our work. Errors and misunderstandings which could have been avoided if we had been given opportunity to respond to the criticism in the book. We did not get that – contrary to the rules of good press.

The authors claim that we have not detected money laundering. It's factually wrong. Part of the transactions and the customers in our material we have linked to specific criminal cases of corruption, arms-smuggling and organized crime. Cases in which there's been a conviction or a charge. The rest of our material carries every imaginable sign of money-laundering: here is talk about companies with hidden owners, front directors and a total absence of normal business activities, that perform on a daily basis highly suspicious transactions of millions of dollars. Indicators that leave no doubt about the activities being illegal. I don't care if the money comes from capital flight and tax fraud – which, of course, is also illegal and thus equating to money-laundering – or any other crime, never mind about money-laundering rules. Today, banks are imposed huge fines if they fail to report report the suspicious relationships. No matter what so-called before crimes, from which the money had to come.”

[https://issuu.com/magasinetfinans/docs/finans\\_0519](https://issuu.com/magasinetfinans/docs/finans_0519)

COLUMN p. 41

**MICHAEL BUDOLFSEN, Deputy Chairman of *Finansforbundet* (Danish Financial Services Union)**

## Can money-laundering be too colored?

Over the past few months, a new era is added to the story of *Danske Bank* and the money-laundering case via the bank's branch in Estonia, where two quite distinct book releases have followed up on the matter from their different perspectives.

*Berlingske's* investigative group, as you know, who received the prestigious *Cavling Award*, has followed up its extensive coverage with the book "*Dirty Billions*", while the business journalists Birgitte Dyrekilde and Lars Abild have looked at the so-called "money-laundering hunter" Bill Browder, who's acted as named and central source in several of the *Berlingske* articles, and is thoroughly examined in the book "*The Wizard*".

From this, media discussion has also arisen in relation to journalistic method, source criticism, and what parts of the story we really got. All that department I will in this way let others be wise.

But from my chair it's high time that we get a necessary discussion of how all the performances, the mood and the "visions" come into being. I mean it's image that has emerged in the broad public, around dinner tables and in so many parts of our society about how things stand in the financial sector, and what's really going on in a bank.

No one is in any doubt that things having been going on in Estonia that are completely incomprehensible for those of us who work in the financial sector every day... and no one doubts that there have been major management failures in *Danske Bank*. However, I think the tale over time comes to fill more than the facts on which the case is based.

**When "perceived reality" replaces "reality", wrong decisions are made, and it manifests itself heavily and specifically in crisis of confidence, loss of market value and of political capital.**

Let me give you an example: I'm quite convinced of this, that "*Danske Bank* laundered 1,500 billion" is how the case is perceived by many. But that's not what it is dug up or found - neither by journalists nor lawyers. It is that *Danske Bank* in Estonia has been used for possible money laundering for 1,500 billion, and that is not the case, a nuanced discussion: there is a giant substantial difference. Of course, the first reading is something more digestible than the other, but it will not be necessarily more true.

This kind of fact short-circuit is a problem - in the specific case, but also in general. When "perceived reality" replaces "reality", wrong decisions are made, and it manifests itself heavily and specifically in crisis of confidence, loss of market value and of political capital. I hope so - also - this becomes one of several lessons from the *Danske Bank* case.

The financial sector is a power factor in Denmark - and critical journalism is important. With power comes a responsibility. The responsibility the sector must take on and restore the connection with society and the trust for our work. That responsibility rests with all "rulers", and as societies, in the sector and as the media, we need that the tongue is held straight in the mouth when it comes to providing substance, facts and real background for what we go and "think".

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