

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Identifies Belarusian JSC Credexbank as an Institution of “Primary Money Laundering Concern”

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Action Taken to Protect the U.S. Financial System from Risk Stemming From Belarusian Bank

WASHINGTON – The U.S. Department of the Treasury today announced the identification of Belarus-based JSC CredexBank (Credex) as a financial institution of primary money laundering concern under Section 311 of the USA PATRIOT Act (Section 311). Treasury took this action because it has reason to believe that Credex has engaged in high volumes of transactions that are indicative of money laundering on behalf of shell corporations, and has a history of ownership by shell corporations whose own lack of transparency contributes to considerable uncertainty surrounding Credex’s true beneficial ownership.

“This action seeks to protect the U.S. financial system from a foreign financial institution whose highly suspicious transaction patterns and pervasive lack of transparency make it virtually impossible to discern whether the bank is engaged in any legitimate business. Credex’s apparent lack of even basic anti-money laundering practices and procedures puts U.S. financial institutions at risk,” said Under Secretary for Terrorism and Financial Intelligence David S. Cohen.

Treasury’s Financial Crimes Enforcement Network (FinCEN) also today filed a Notice of Proposed Rule Making (NPRM) in which it proposes requirements with respect to recordkeeping and reporting of certain financial transactions involving Credex, including attempted transactions, and proposes to prohibit U.S. financial institutions from opening or maintaining correspondent or payable-through accounts for Credex. These measures are subject to a 60-day comment period, beginning the day the NPRM is published in the Federal Register. The Notice of Finding is effective immediately. U.S. financial institutions should take this information into account as part of their overall risk management programs.

Ownership by Shell Corporation

Since its founding in September 2001, Credex’s ownership has passed from one shell corporation to another. Credex’s original registered owner, Ximex, in London, United Kingdom, shares the same mailing address as another firm whose primary activities are formation and servicing of international business companies, as well as tax and financial planning. Since October 2009, Credex has been owned by Vicpart Holding SA (Vicpart), based in Fribourg, Switzerland. The significant inconsistencies and gaps in publicly available information about Vicpart raise concerns about the true nature and purpose of Credex’s owner. Vicpart shares the same address as more than 200 other companies, a fact that is troubling given that international banking standards identify the sharing of an address by multiple businesses as a red flag for shell corporation activity. Although Vicpart’s website is no longer accessible to the public, it once stated that the company is purportedly engaged in various businesses, including finance, commercial and industrial participation, and real estate. Separately, a global business registry indicates that Vicpart is registered as a joint stock company whose primary line of business is investment management. However, Credex is listed as its only holding. In addition to being a shell corporation, Vicpart bears the hallmark of a classic “shelf company,” demonstrated by the fact that it remained dormant for several years after its creation and became active only months prior to acquiring Credex in 2009. These suspicious characteristics surrounding the company are even more concerning in light of allegations that two former Vicpart directors may have been involved in financial crimes.

Patterns of Suspicious Transactions Indicative of Money Laundering


Since at least 2006, Credex has engaged in patterns of highly questionable financial transactions that are indicative of money laundering, including: high volume transactions involving foreign shell corporations incorporated and operating in high risk jurisdictions, disproportionate and evasive transactional behavior, and nested account activity in the U.S. financial system. The facts surrounding these transactions are consistent with typical “red flags” regarding shell company activity set forth in international banking standards, including wire transfer volumes that are disproportionately high relative to the total assets held by the bank; multiple transacting businesses sharing the same address; and frequent involvement of multiple jurisdictions or beneficiaries located in higher-risk jurisdictions.

For example, in a two-month period in 2010, information made available to the USG shows that Credex transferred more than \$1 billion to hundreds of shell corporations in multiple jurisdictions—a substantial amount of wire activity for a bank of Credex’s size. Although Credex

wire transaction customers during this period were mostly parties sending money from Credex accounts, there were no observable corresponding inflows, which one would expect at a legitimate commercial bank. While it does not have direct correspondent relationships with U.S. financial institutions, Credex has gained indirect access to the U.S. financial system through "nested accounts" via European banks and money service businesses. In particular, information available to the USG indicates that in a span of over a year Credex was able to transact approximately \$10 million, including transactions that were sent by or for the benefit of shell-like entities.

Background on Credex

Credex is located in the Republic of Belarus and primarily services corporate entities. Originally established on September 27, 2001, as Nordic Investment Bank Corporation, the bank changed its name to Northern Investment Bank on April 5, 2006, and then to the current name of JSC CredexBank on February 12, 2007. With 169 employees and a total capitalization of approximately \$19 million, the bank currently ranks as the 22nd largest in total assets among 31 commercial banks in Belarus. Credex has six domestic branches and one representative office in the Czech Republic. While the majority of its correspondent banking relationships are with other Belarusian banks, Credex also maintains correspondent relationships with Russian, Latvian, German, and Austrian banks.

To view the complete Finding against Credex, visit [link](#) .

To view the NPRM, visit [link](#) .

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