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Deutsche Bank Investigating $6 Billion Money Laundering in Russia – Report

By The Moscow Times

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A taxi drives past the London headquarters of Deutsche Bank.

Deutsche Bank AG is looking into possible money laundering transactions by some of its clients in Russia which could exceed $6 billion, a source familiar with the matter said Friday.

Transactions conducted over a period of years are being investigated, and the sum could exceed $6 billion, the source said, adding that the internal probe of the possible abuse being conducted by Deutsche Bank is in its initial stages.

Deutsche Bank repeated a statement from May 20, saying it had suspended a small number of traders in Moscow and was conducting an internal review, but gave no details of the reason for the suspension.

"We have pledged to uphold the highest standards in combating suspicious activities and will take tough measures if we find evidence of wrongdoing," the statement said. Up to three staff

have been laid off by the bank, the source said.

"The misconduct was on the part of the client. The bank got used. The internal probe will try to determine how the bank got used," the source said.

Launderers used “relatively simple transactions” conducted in different locations using the dollar and ruble currencies, the source said.

The European Central Bank, German regulator BaFin as well as the FCA and DFS have been informed about the internal investigation, the source also said.

Bloomberg on Friday reported that about $6 billion of transactions over about four years were being investigated, citing people familiar with the matter.

The report came as Deutsche Bank strains to put a raft of legal and regulatory problems entailing billions of dollars in fines and settlements behind it and focus on delivering a new strategy that will satisfy shareholders.

Germany's Manager Magazin last month cited people familiar with the matter as saying that Deutsche Bank was investigating whether its employees in Moscow may have helped launder at least a triple-digit million-euro amount of money through the purchase and sale of over the counter derivatives in Moscow and London.

Bloomberg said Deutsche Bank was looking through data on transactions from 2011 through early 2015, and cited one of its sources as saying the Bank of Russia had asked Deutsche Bank to probe stock-trading activities of some of its Russian clients in October.

Financial supervisors in Britain, Russia and Germany were informed about the matter, two people familiar with the situation told Reuters.

The ECB, FCA and German financial market watchdog Bafin declined to comment.

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