

Danske Bank sought to discredit whistleblower, lawyer claims

Danish lender carried out investigation to ‘blackmail him’, alleges lawyer for Howard Wilkinson



The latest allegations could open up a new flank in an existing criminal investigation into the biggest money-laundering scheme ever uncovered © Bloomberg

Caroline Binham in London JULY 4, 2019

Danske Bank undertook an internal probe into a whistleblower who exposed the Danish lender's €200bn [money-laundering scandal](#) in an attempt to “discredit” him and “blackmail him into silence”, his lawyer has claimed.

The US lawyer for [Howard Wilkinson](#) — a Danske executive who first sounded the alarm over vast sums of money being funnelled out of Russia and former Soviet states through the Danish bank's tiny Estonian branch — wrote to Danish prosecutors on Wednesday calling on them to launch a criminal investigation into the matter.

“Any such investigation constituted an invasion of Mr Wilkinson's privacy and was initiated in direct retaliation for his lawful disclosures of illegal activity,” Stephen Kohn, Mr Wilkinson's lawyer, wrote to prosecutors in a letter seen by the Financial Times. “Any information that may have been collected was clearly collected in an apparent attempt to obtain any material that could be used to discredit Mr Wilkinson's whistleblowing, or even to blackmail him into silence.”

The allegations could open a new flank in an existing criminal investigation by Danish authorities into the biggest money-laundering scheme yet uncovered. Ten people have been [charged](#), including the bank's former chief executive, Thomas Borgen, and the former chair of Denmark's financial regulator, Henrik Ramlau-Hansen, who had been Danske's finance director.

Danske opened its own internal investigation in 2014 following claims from Mr Wilkinson, a British banker, that Estonian branch customers included shell companies that were fronts for Russian intelligence and relatives of Vladimir Putin, the Russian president. The bank was considering using a private investigations firm called Parsifal to conduct the probe but decided to do it internally, according to a person familiar with the situation.

Two people familiar with Danske's internal investigation confirmed its existence, but denied there was impropriety. It was designed to not only examine Mr Wilkinson's allegations but also look in to his terms of severance and whether he was improperly pressured.

Berlingske, the Danish newspaper, [reported](#) on Thursday that the Danish prosecutor is already asking questions about why Parsifal's contract was terminated – as part of its existing criminal probe. Prosecutors also want to know who at the top of Danske knew about the alleged money laundering and when.

The Danish prosecutor's office confirmed it had received Mr Kohn's letter and declined to comment further.

Danske Bank said: "We continue to investigate issues related to our Estonian branch. This includes allegations made by Mr Wilkinson and in this context, we have reached out to him on various occasions to see if he would be willing to be interviewed and assist the bank's understanding of the matter."

It declined to comment directly on Mr Kohn's allegations, saying it had not seen a copy of his letter.

The unproven accusations by Mr Kohn are another headache for Danske, Denmark's biggest lender. Last month it [fired](#) its former interim chief executive, Jesper Nielsen, for his alleged role in a separate mis-selling episode. Mr Nielsen was parachuted into the top job following the exit of Mr Borgen.

US authorities including the Department of Justice have also launched an investigation into a scandal that saw more than Estonia's annual GDP passing through the branch every year from Russia and other former Soviet states.