

DEPARTMENT OF THE TREASURY

**Finding that JSC CredexBank is a Financial Institution of Primary Money
Laundering Concern**

AGENCY: The Financial Crimes Enforcement Network (“FinCEN”), Treasury.

ACTION: Notice of finding

SUMMARY: Pursuant to the authority contained in 31 U.S.C. 5318A, the Secretary of the Treasury, through his delegate, the Director of FinCEN, finds that reasonable grounds exist for concluding that JSC CredexBank is a financial institution of primary money laundering concern.

DATES: The finding made in this notice is effective as of [INSERT DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Regulatory Policy and Programs Division, FinCEN, (800) 949-2732.

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory Provisions

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), Public Law 107-56. Title III of the USA PATRIOT Act amends the anti-money laundering provisions of the Bank Secrecy Act (“BSA”), codified at 12 U.S.C. 1829b and 1951-1959, and 31 U.S.C. 5311-5314 and 5316-5332, to promote prevention, detection, and prosecution of international money laundering and the financing of terrorism. Regulations implementing the BSA appear at

31 CFR Chapter X. The authority of the Secretary of the Treasury (“the Secretary”) to administer the BSA and its implementing regulations has been delegated to the Director of FinCEN.¹

Section 311 of the USA PATRIOT Act (“section 311”) added 31 U.S.C. section 5318A to the BSA, granting the Secretary the authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction, institution, class of transactions, or type of account is of “primary money laundering concern,” to require domestic financial institutions and financial agencies to take certain “special measures” against the primary money laundering concern. Section 311 identifies factors for the Secretary to consider and Federal agencies to consult before the Secretary may conclude that a jurisdiction, institution, class of transaction, or type of account is of primary money laundering concern. The statute also provides similar procedures, *i.e.*, factors and consultation requirements, for selecting the specific special measures to be imposed against the primary money laundering concern.

Taken as a whole, section 311 provides the Secretary with a range of options that can be adapted to target specific money laundering and terrorist financing concerns most effectively. Through the imposition of various special measures, the Secretary can gain more information about the jurisdictions, institutions, transactions, or accounts of concern; can more effectively monitor the respective jurisdictions, institutions, transactions, or accounts; or can prohibit U.S. financial institutions from involvement with jurisdictions, institutions, transactions, or accounts that pose a money laundering concern.

¹ Therefore, references to the authority of the Secretary of the Treasury under section 311 of the USA PATRIOT Act apply equally to the Director of FinCEN.

Before making a finding that reasonable grounds exist for concluding that a financial institution is of primary money laundering concern, the Secretary is required to consult with both the Secretary of State and the Attorney General. The Secretary is also required by section 311, as amended, to consider “such information as the Secretary determines to be relevant, including the following potentially relevant factors”:²

- The extent to which such financial institutions, transactions, or types of accounts are used to facilitate or promote money laundering in or through the jurisdiction, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction or missiles;
- The extent to which such institutions, transactions, or types of accounts are used for legitimate business purposes in the jurisdiction; and
- The extent to which such action is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of this subchapter continue to be fulfilled, and to guard against international money laundering and other financial crimes.³

If the Secretary determines that reasonable grounds exist for concluding that a financial institution is of primary money laundering concern, the Secretary is authorized to impose one or more of the special measures in section 311 to address the specific money laundering risks. Section 311 provides a range of special measures that can be imposed individually, jointly, in any combination, and in any sequence.⁴ Before

² 31 U.S.C. 5318A(c)(2).

³ See Section II,D below for an additional factor relevant to this action

⁴ Available special measures include requiring: (1) recordkeeping and reporting of certain financial transactions; (2) collection of information relating to beneficial ownership; (3) collection of information

imposing special measures, the statute requires the Secretary to consult with appropriate federal agencies and other interested parties⁵ and to consider the following specific factors:

- Whether similar action has been or is being taken by other nations or multilateral groups;
- Whether the imposition of any particular special measures would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
- The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction; and
- The effect of the action on the United States national security and foreign policy.

B. JSC (“Joint Stock Company”) CredexBank

JSC CredexBank (“Credex”) is a depository institution located and licensed in the Republic of Belarus that primarily services corporate entities.⁶ Originally established on

relating to certain payable-through accounts; (4) collection of information relating to certain correspondent accounts; and (5) prohibition or conditions on the opening or maintaining of correspondent or payable-through accounts. 31 U.S.C. § 5318A(b)(1)-(5).

⁵ Section 5318A(a)(4)(A) requires the Secretary to consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency, the Secretary of State, the Securities and Exchange Commission (“SEC”), the Commodity Futures Trading Commission (“CFTC”), the National Credit Union Administration (“NCUA”), and, in the sole discretion of the Secretary, “such other agencies and interested parties as the Secretary may find to be appropriate.” The consultation process must also include the Attorney General if the Secretary is considering prohibiting or imposing conditions on domestic financial institutions opening or maintaining correspondent account relationships with the targeted entity.

September 27, 2001, as Nordic Investment Bank Corporation by Ximex Executive Limited (“Ximex”),⁷⁸ 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. Credex is 96.82% owned by Vicpart Holding SA, based in Fribourg, Switzerland.⁹ With 169 employees¹⁰ and a total capitalization of approximately \$19 million,¹¹ the bank currently ranks as the 22nd largest in total assets among 31 commercial banks in Belarus.¹² Credex has six domestic branches and one representative office in the Czech Republic.¹³ While the majority of its correspondent banking relationships are with domestic banks, Credex maintains numerous correspondent relationships with Russian banks, and also single correspondent relationships in Latvia, Germany, and Austria.¹⁴ According to available public information, Credex does not have any direct U.S. correspondent relationships.¹⁵

C. Belarus

The concentration of power in the hands of the Presidency and the lack of a system of checks and balances among the various branches of government are the greatest hindrances to the rule of law and transparency of governance in Belarus.¹⁶ In

⁶ Bankers Almanac (2012).

⁷ “Belarus on a Roll,” Business New Europe, July 22, 2009 (http://www.bne.eu/story1701/Belarus_on_a_roll).

⁸ Bankers Almanac (2012).

⁹ *Id.* CredexBank’s website lists Vipcart’s ownership as 98.82%. See “Business Card,” CredexBank website (<http://en.credexbank.by/bank/general/businesscard/>).

¹⁰ Bankers Almanac (2012).

¹¹ *Id.*

¹² National Bank of the Republic of Belarus, Information on Banks Functioning in the Republic of Belarus and Their Branches, as of January, 20, 2012, (<http://www.nbrb.by/eng/system/banks.asp>).

¹³ *Id.*

¹⁴ *Id.* See also “International settlements,” CredexBank (<http://www.en.credexbank.by/entities/settlements/>).

¹⁵ *Id.*

¹⁶ “2011 International Narcotics Control Strategy Report (INCSR)—Volume II Money Laundering and Financial Crimes Country Database,” May 20, 2011. (<http://www.state.gov/documents/organization/164239.pdf>), pp. 45-47.

particular, economic decision-making is highly concentrated within the top levels of government, and financial institutions have little autonomy.¹⁷

Under Belarusian law, most government transactions and those sanctioned by the President are exempt from reporting requirements.¹⁸ This is particularly worrisome given well-documented cases of public corruption in Belarus,¹⁹ which has led the United States Government (“USG”) in recent years to take action to protect the U.S. financial system from abuse by the Belarusian government. In 2006, the President signed Executive Order (“E.O.”) 13405, which blocks the property and interests in property of Belarusian President Alexander Lukashenko and nine other individuals listed in the Annex, as well as authorizing subsequent designations of other individuals and entities determined to be responsible for or to have participated in public corruption, human rights abuses, or political oppression.²⁰ Pursuant to this E.O., the U.S. Department of the Treasury (“Treasury”) in November 2007 designated the state petrochemical conglomerate, Belneftekhim, for being controlled by President Lukashenko.²¹ Separately, Treasury in April 2006 issued an advisory highlighting abuse and theft of public resources by senior

¹⁷ *Id.*

¹⁸ “2010 and 2011 International Narcotics Control Strategy Reports (INCSR)—Volume II Money Laundering and Financial Crimes Country Database,” March 1, 2010 and May 2011, respectively. (<http://www.state.gov/documents/organization/141643.pdf>), p. 48.

¹⁹ *Id.* For other example of public corruption in Belarus, see also Transparency International’s 2011 Corruption Perception Index (<http://archive.transparency.org/content/download/64426/1030807>). Belarus ranked 143 out of 182 countries, with 1 being least corrupt.

²⁰ “Treasury Targets Lukashenko-controlled Petrochemical Conglomerate,” U.S. Department of the Treasury, 11/13/2007 (<http://www.treasury.gov/press-center/press-releases/pages/hp676.aspx>); INCSR (2011), p. 46. In June 2006, President Bush issued Executive Order 13405, “Blocking Property of Certain Persons Undermining Democratic Processes or Institutions in Belarus” (<http://www.gpo.gov/fdsys/pkg/FR-2006-06-20/pdf/06-5592.pdf>). E.O. 13405 blocks the property and interests in property of the ten individuals listed in the Annex to the E.O. and individuals or entities determined, *inter alia*, to be responsible for, or to have participated in, actions or policies that undermine democratic processes or institutions in Belarus; to be responsible for, or have participated in, human rights abuses related to political oppression in Belarus; to be senior-level officials, family members of such officials, or persons closely linked to such officials, who are responsible for, or have engaged in public corruption related to Belarus. To date, there are 16 individuals and 9 entities listed on OFAC’s Specially Designated Nationals and Blocked Persons (SDN) List as blocked under the Belarus sanctions program.

²¹ *Id.*

Belarusian regime elements, including senior executives in state-owned enterprises.²² Furthermore, in April 2004, Treasury identified Infobank, Minsk (later renamed PJSC Trustbank) as a primary money laundering concern under section 311 for laundering funds for the former Iraqi regime of Saddam Hussein.²³ At the time of that action, Infobank was widely reported to be a bank specializing in financial transactions related to arms exports, including procuring and financing weapons and military equipment for several nations deemed by the United States to be State Sponsors of Terrorism.²⁴

Since January 2011, in response to the repression of democratic activists following fraudulent presidential elections in Belarus, the European Union (“EU”) has imposed a series of increasingly stiff sanctions against Belarus, including a travel ban and assets freeze extending to some 200 Belarusian officials and an assets freeze of three companies closely associated with President Lukashenko.²⁵ Most recently, on March 23, 2012, the EU reinforced restrictive measures against the Belarusian government by adding 12 individuals and 29 entities to the sanctions list for their role in supporting the regime.²⁶

II. Analysis of Factors

²² “FinCEN Advisory: Guidance to Financial Institutions on the Provision of Financial Services to Belarusian Senior Regime Elements Engaged in Illicit Activities,” April 10, 2006 (http://www.fincen.gov/statutes_regs/guidance/pdf/advisory_belarus040706.pdf).

²³ “Imposition of Special Measure Against Infobank as a Financial Institution of Primary Money Laundering Concern, Notice of Proposed Rulemaking,” Federal Register/Vol. 69, No. 163, August 24, 2004. Moreover, a publicly available source indicates that Trustbank and Credex maintain a correspondent relationship.

²⁴ *Id.*

²⁵ “Council Conclusions on Belarus,” January 31, 2011, (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/119038.pdf).

²⁶ Press Release: “Council Reinforces Restrictive Measures against Belarusian Regime,” Council of The European Union, March 23, 2012, (http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/129230.pdf). Since 2004, the EU has imposed sanctions against Belarus that include a travel ban and asset freeze on President Alexander Lukashenko and other Belarusian officials. For details on EU’s restrictive measures against the Belarusian regime, see “Factsheet: The European Union and Belarus”, March 23, 2012, (http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/129232.pdf).

Based upon a review and analysis of the administrative record in this matter, consultations with relevant Federal agencies and departments, and after consideration of the factors enumerated in section 311, the Director of FinCEN has determined that reasonable grounds exist for concluding that Credex is a financial institution of primary money laundering concern. In addition to the bank's location in a high risk jurisdiction, FinCEN has reason to believe that Credex (1) has engaged in high volumes of transactions that are indicative of money laundering on behalf of shell corporations; and (2) has a history of ownership by shell corporations²⁷ whose own lack of transparency contributes to considerable uncertainty surrounding Credex's beneficial ownership. Taken as a whole, the lack of transparency associated with Credex indicates a high degree of money laundering risk and vulnerability to other financial crimes. The factors relevant to this finding are detailed below:

A. The Extent to Which Credex Has Been Used To Facilitate or Promote Money Laundering in or Through the Jurisdiction

Information made available to the USG shows that since 2006, Credex has engaged in highly questionable patterns of financial transactions that are indicative of money laundering. Such activity includes: high volumes of transactions involving

²⁷ The term "shell corporation," as used herein, refers to non-publicly traded corporations, limited liability companies (LLCs), and trusts that typically have no physical presence (other than a mailing address) and generate little to no independent economic value. As noted in the 2005 U.S. Money Laundering Threat Assessment, shell corporations have become common tools for money laundering and other financial crimes, primarily because they are easy and inexpensive to form and operate. Additionally, ownership and transactional information on these entities can be concealed from regulatory and law enforcement authorities. See "U.S. Money Laundering Threat Assessment" U.S. Money Laundering Threat Assessment Working Group, December 2005 (<http://www.treasury.gov/resource-center/terrorist-illicit-finance/Documents/mlta.pdf>), pp. 47-49.

foreign shell corporations incorporated and operating in high risk jurisdictions; disproportionate and evasive transactional behavior; and nested account²⁸ activity.

The facts surrounding these transactions are consistent with typical “red flags” regarding shell company activity identified in most banking standards, including wire transfer volumes that are extremely large in proportion to the asset size of the bank; transacting businesses sharing the same address, providing only a registered agent’s address, or having other address inconsistencies; and frequent involvement of multiple jurisdictions or beneficiaries located in higher-risk offshore financial centers.²⁹

For example, large-dollar transactions originated from multiple shell corporations located at shared formation addresses were subsequently transferred through Credex to suspected shell corporations that also shared the same formation addresses in various jurisdictions. Specifically, between June and July 2007, two shell corporations located at known company formation addresses in the United Kingdom (“UK”) and the British Virgin Islands (“BVI”) made multiple payments totaling millions of U.S. dollars by utilizing accounts at Credex and another foreign financial institution for the benefit of a separate BVI company. Overall, numerous suspicious transactions (1) occurred in spurts for a brief period, in repetitive patterns, and then ceased without explanation, (2) were for unrelated goods and services that did not correspond to an apparent business relationship

²⁸ Nested accounts occur when a foreign financial institution gains access to the U.S. financial system by operating through a U.S. correspondent account belonging to another foreign financial institution. Thus, these third-party financial institutions can effectively gain anonymous access to the U.S. financial system. See “Correspondent Accounts (Foreign)—Overview,” Federal Financial Institutions Examination Council Bank Secrecy Act Anti-Money Laundering Examination Manual,” (“FFIEC Manual”) (http://www.ffiec.gov/bsa_aml_infobase/pages_manual/OLM_047.htm).

²⁹ See “Money Laundering Red Flags: Wire Transfers,” Federal Financial Institutions Examination Council (http://www.ffiec.gov/bsa_aml_infobase/documents/red_flags/Wire_Trans.pdf) and “Appendix F: Money Laundering and Terrorist Financing ‘Red Flags,’” FFIEC Manual (http://www.ffiec.gov/bsa_aml_infobase/pages_manual/OLM_106.htm). See also “FinCEN Guidance: Potential Money Laundering Risks Related to Shell Companies,” November 9, 2006. FIN-2006-G-14.

between the transacting parties, and (3) were remitted through multiple foreign banks with U.S. correspondent accounts with vague payment details. These patterns strongly suggest a failure of anti-money laundering/countering the financing of terrorism (AML/CFT) controls at Credex and/or willfulness by the bank in carrying out transactions on behalf of shell corporations.

Furthermore, Credex has engaged in high volumes of transactions that are significantly disproportionate to the bank's level of capitalization. For example, from January to March 2010, information made available to the USG shows that Credex transferred nearly \$1 billion to shell corporations in multiple jurisdictions—a substantial amount of wire activity for a bank of Credex's size. From 2007 to 2009, Credex averaged approximately \$10 million in capitalization.³⁰ In addition, Credex wire transaction customers during this period were mostly parties sending money from Credex accounts. However, there were no observable corresponding inflows, which one would expect at a legitimate commercial bank.

Information made available to the USG also shows that Credex engages in evasive conduct in a significant portion of its financial transactions. In some instances, critical information identifying Credex as the originating financial institution was omitted from the wire transaction details, or the stated purpose of the transaction involving Credex accountholders was inconsistent with the expected business profile of those companies. Such disproportionate volumes of activity compared to the bank's size, coupled with evasive behaviors, strongly suggest that Credex is vulnerable to money laundering and other financial crimes.

³⁰ Bankers Almanac (2012).

Credex maintains a total of 66 correspondent accounts,³¹ including more than 20 U.S. dollar accounts, almost exclusively with Russian and Belarusian financial institutions.³² This number of correspondent accounts is highly disproportionate relative to Credex's size—the bank's total assets were approximately \$46 million as of the end of 2010.³³ For example, the largest bank in Belarus—whose assets number more than \$14 billion—only has a total of 18 correspondent accounts.³⁴ This indicates the intent to obfuscate the movement of funds; there is no logical explanation or purpose for maintaining so many correspondent accounts while incurring the operational costs and fees associated with them.

According to available public information, Credex does not have direct correspondent relationships with U.S. financial institutions.³⁵ However, information made available to the USG indicates that transactions involving U.S. dollars are conducted via multiple “nested accounts” with European banks and money service businesses³⁶ that allowed indirect access to the U.S. financial system. For example, of 91 wires totaling approximately \$10 million conducted through Credex, 69 wires totaling \$9 million involved apparent nesting activity via U.S. correspondent accounts, and the remaining 22 wire transfers totaling over \$1 million were sent by order of, or for the benefit of, shell-like entities, some of which were also involved in the 69 nested wires.

Given this evasive conduct, U.S. financial institutions remain particularly at risk of indirectly providing Credex with anonymous access to the U.S. financial system.

³¹ These appear to be “nostro” accounts, which are commonly used for currency settlement.

³² Bankers Almanac (2012).

³³ *Id.*

³⁴ *Id.*

³⁵ Bankers Almanac (2012).

³⁶ Additionally, according to Credex's website, the bank performs transfers through international money transfer services (Anelik, Leader, Western Union, and Moneygram) without opening an account. *See* “General Information,” CredexBank website (<http://www.en.credexbank.by/bank/general>).

B. The Extent to which Credex Is Used for Legitimate Business Purposes in the Jurisdiction

The lack of transparency—regarding the jurisdiction, beneficial ownership of the bank (discussed in Section II (D), below), and transactional activity with shell corporations—makes it difficult to assess the extent to which Credex is engaged in legitimate business. Thus, any legitimate use of Credex is significantly outweighed by the apparent use of Credex to facilitate or promote money laundering and other financial crimes.

C. The Extent to Which Such Action is Sufficient to Ensure, with Respect to Transactions Involving Credex, that the Purposes of the BSA Continue to be Fulfilled, and to Guard Against International Money Laundering and Other Financial Crimes

As detailed above, FinCEN has reasonable grounds to conclude that Credex is being used to promote or facilitate international money laundering, and is therefore an institution of primary money laundering concern. Currently, there are no protective measures that specifically target Credex. Thus, finding Credex to be a financial institution of primary money laundering concern, which would allow consideration by the Secretary of special measures to be imposed on the institution under section 311, is a necessary first step to prevent Credex from facilitating money laundering or other financial crime through the U.S. financial system. The finding of primary money laundering concern will bring any criminal conduct occurring at or through Credex to the attention of the international financial community and will further limit the bank's ability to be used for money laundering or for other criminal purposes.

D. Other Relevant Factor: Lack of Transparency

As outlined above, the pervasive lack of transparency surrounding Credex's business activities— including its high volume of suspicious transactions with shell corporations, the substantial uncertainty surrounding the transacting parties and purposes involved in those transactions, the bank's evasive conduct, and its operation in a high risk jurisdiction— makes it virtually impossible to discern the extent to which the bank is engaged in legitimate business, and most importantly, to evaluate its capacity to identify and mitigate risk and illicit finance. This situation is exacerbated by a similar lack of transparency in the bank's ownership, which has passed from one shell corporation to another, creating considerable uncertainty as to the identity of the true beneficial owner(s).

Credex's original registered owner, Ximex,³⁷ displays numerous characteristics of a shell corporation. Listed at 12-16 Clerkenwell Rd, London, United Kingdom,³⁸ Ximex 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.³⁹ Ximex is owned by "Imex Executive, Limited," a company registered to the address of a BVI company formation agent.⁴⁰ Additionally, Ximex is listed by the UK's Financial Services Authority ("FSA") among firms and/or individuals who are not authorized to

³⁷ "Belarus on a Roll," Business New Europe, July 22, 2009 (http://www.bne.eu/story1701/Belarus_on_a_roll).

³⁸ See "Ximex Executive Limited," (http://www.biz-info.co.uk/ximex+executive+limited_04605867.html).

³⁹ See "Carrington Accountancy," ([http://www.freeindex.co.uk/profile\(carrington-accountancy\)_277286.htm](http://www.freeindex.co.uk/profile(carrington-accountancy)_277286.htm)). See also "Carrington Corporate Services Limited," (http://www.biz-info.co.uk/carrington+corporate+services+limited_03160163.html).

⁴⁰ Dun & Bradstreet, Global Reference Solution (2011) (www.dnb.com).

conduct regulated investment activities.⁴¹ The FSA is an independent body that regulates the financial services industry in the UK.^{42 43}

Since October 2009, Credex has been owned by Vicpart Holding SA (“Vicpart”), based in Fribourg, Switzerland.⁴⁴ Publicly available information about Vicpart reveals significant inconsistencies and gaps that raise concerns about the true nature and purpose of the company. Vicpart shares the same address with more than 200 other companies, some of which are in liquidation.⁴⁵ These companies in liquidation merit particular scrutiny because at least one Financial Action Task Force (“FATF”) study has identified the practice of dissolving companies rapidly after creation as a risk factor signaling the potential misuse of corporate vehicles.⁴⁶ The Vicpart website is currently inaccessible to the public. Prior to its shutdown, the website stated that the purpose of the company is the management of financial, industrial, and commercial participation, as well as real estate operation.⁴⁷ Separately, a global business registry indicates that Vicpart is registered as a joint stock company whose primary line of business is investment management.⁴⁸ However, Credex is listed as its only holding.⁴⁹

⁴¹ “Unauthorized firms/individuals,” Financial Services Authority, November 4, 2010 (<http://www.fsa.gov.uk/pages/Doing/Regulated/Law/Alerts/unauthorised.shtml>).

⁴² “What We Do,” Financial Services Authority (<http://www.fsa.gov.uk/pages/about/what/index.shtml>).

⁴³ “Warnings & alerts,” Financial Services Authority, November 4, 2010 (<http://www.fsa.gov.uk/Pages/Doing/Regulated/Law/Alerts/index.shtml>).

⁴⁴ Bankers Almanac (2012).

⁴⁵ Analyst Search of Dun & Bradstreet, Global Reference Solution (2012). (www.dnb.com) (search for “Rue St Pierre 18 Fribourg Switzerland”).

⁴⁶ “The Misuse of Corporate Vehicles, Including Trust and Company Service Providers,” FATF (<http://www.fatf-gafi.org/media/fatf/documents/reports/Misuse%20of%20Corporate%20Vehicles%20including%20Trusts%20and%20Company%20Services%20Providers.pdf>), p. 33.

⁴⁷ See Vicpart website (<http://vicpart.ch/en/about>) (accessed 1/19/12, but no longer accessible as of 5/21/12).

⁴⁸ Dun & Bradstreet, Global Reference Solution (2011) (www.dnb.com).

⁴⁹ See Vicpart website (<http://vicpart.ch/en/about>) (accessed 1/19/12, but no longer accessible as of 5/21/12).

Adding to these concerns are allegations of criminal involvement by Vicpart's management. According to information made available to the USG, two former Vicpart board members were charged with criminal activity, including document forgery. These individuals may have used companies registered to Vicpart's current address as part of their alleged criminal activity. Meanwhile, aside from the listing of a single individual as both a Vicpart director and the sole authorized signatory for the company, there is no other publicly available information on the current composition of Vicpart's board of directors.⁵⁰

Although the Credex website currently states that the single individual listed as a Vicpart director is also the "beneficial owner" of the company,⁵¹ the USG has concerns about the accuracy of this information. According to publicly available information, the individual named as Vicpart's beneficial owner has also been identified by global business registries as being involved with at least 30 different companies, many of which are in liquidation and list the individual's personal residence as their address.⁵² This involvement with a large number of companies, many of which are in liquidation and/or share the same address, raises concerns that the individual may function purely as a formation agent or nominal owner whose identification as a company's owner in public sources may be intended to shield the true beneficial owners from scrutiny.

The ambiguity surrounding Vicpart's ownership is particularly concerning because the company also exhibits several indicators of typical shell corporation activity,

⁵⁰ Dun & Bradstreet, Global Reference Solution (2012) (<http://www.dnb.com>).

⁵¹ "Business Card," CredexBank website (<http://www.en.credexbank.by/bank/general/businesscard>). See also Dun & Bradstreet, European Report (2012) (<http://www.dnb.com>), which does not provide any indication that the single individual is the company's beneficial owner but indicates that he has been the sole authorized signatory since June 2009.

⁵² Dun & Bradstreet, Global Reference Solution (2012) (<http://www.dnb.com>). See also "Moneyhouse" (<http://www.moneyhouse.ch/en>).

and owns a bank that has been engaged in highly questionable patterns of transactions that are indicative of money laundering. For example, while Vicpart's website states that the company was incorporated in 1999,⁵³ it does not appear to have been active until June 2009—four months prior to acquiring Credex from another shell corporation, Ximex in October 2009.⁵⁴ This long period of dormancy followed by involvement in a major transaction bears the hallmark of Vicpart being a “shelf company.”⁵⁵ Additionally, Vicpart's financial statements at the time of acquisition showed no balance sheet assets except for 100,000 Swiss Francs (estimated \$108,000) in share capital.⁵⁶

III. Finding

Based on the foregoing factors, the Director of FinCEN hereby finds that Credex is a financial institution of primary money laundering concern.

Dated: 5/22/2012

/s/

Peter S. Alvarado
Deputy Director
Financial Crimes Enforcement Network

⁵³ See Vicpart website (<http://vicpart.ch/en/about>) (accessed 1/19/12, but no longer accessible as of 5/21/12).

⁵⁴ *Id.*

⁵⁵ The term “shelf company” is typically applied to a company which, among other things, has inactive shareholders, directors, and secretary; and is left dormant—that is, sitting “on a shelf”—for the purpose of being sold. See “Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It,” The World Bank and UNODC, 2011, p. 37. (www.worldbank.org).

⁵⁶ See Vicpart website (<http://vicpart.ch/en/about>) (accessed 1/19/12, but no longer accessible as of 5/21/12).