Chairs Maloney and Lynch Launch Inquiry into Credit Suisse's Compliance with Sanctions on Russian Oligarchs

Mar 28, 2022

Washington, D.C. (March 28, 2022)—Today, Rep. Carolyn B. Maloney, Chairwoman of the Committee on Oversight and Reform, and Rep. Stephen F. Lynch, Chairman of the Subcommittee on National Security, sent a letter to Credit Suisse CEO Thomas Gottstein requesting information and documents about the bank's compliance with international economic sanctions imposed due to Russia's war of aggression against Ukraine. The letter follows reports that Credit Suisse instructed investors to "destroy and permanently erase" certain information related to the bank's $2 billion portfolio of loans backed by clients' yachts and private jets, potentially including the assets of sanctioned Russian oligarchs close to Vladimir Putin.

"We are writing to seek information about a recent report that Credit Suisse asked hedge funds and other investors to destroy documents regarding yachts and private jets owned by Credit Suisse's clients. This report raises significant concerns about Credit Suisse's compliance with the severe sanctions imposed by United States and its allies and partners on the architects and enablers of Russia's brutal and unprovoked invasion of Ukraine, including Russian President Vladimir Putin and oligarchs in his inner circle," wrote the Chairs.

At the end of 2021, as part of an $80 million synthetic securitization deal, Credit Suisse sold off risk related to a $2 billion portfolio of loans backed by yachts, private jets, and other assets owned by the bank's wealthiest clients. In an investor presentation, Credit Suisse disclosed that in prior years, borrowers defaulted on these loans due to "US sanctions against Russian oligarchs," an apparent reference to Russian oligarchs Oleg Deripaska and Arkady and Boris Rotenberg, who were forced to sell their jets as a result of U.S. sanctions.

According to press reports, Credit Suisse sent a letter to hedge fund managers and other investors instructing them to "destroy and permanently erase" any confidential information Credit Suisse provided in relation to the securitization deal transaction. Credit Suisse's directive coincided with Switzerland's announcement that it would join the United States, the European Union, and countries around the world in imposing economic sanctions on Russia in response to its unprovoked and unjustified invasion of Ukraine.

The Chairs requested that Credit Suisse produce information and documents related to the securitization deal by April 11, 2022

Click here to read the letter.

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