

## **Response to Questionnaire**

**Submitted by Howard Wilkinson**

**Before the European Parliament  
Special Committee on Financial Crimes,  
Tax Evasion and Tax Avoidance**

November 21, 2018

1. *Could you tell the committee who made your name public as a whistle-blower in the case of the Estonian branch of Danske Bank?*

In November 2017, Danske Bank stated in the media that there had been a whistleblower in respect of the activities that had taken place in the Estonia Branch. This appeared to stimulate efforts by a number of media organisations to identify who the whistleblower was – by mid-2018, there were at least two such organisations that had identified me (one Danish and one Estonian) but neither revealed my name. In September 2018, a second Estonian newspaper wrote that the name of the whistleblower was one of the “key” open questions. Later that month, a third Estonian media organisation - the Estonian weekly magazine Eesti Ekspress - identified me publicly, including comments from four current or former employees of Danske Bank Estonia Bank

2. *Have you experienced any reprisal from Danske Bank on account of your disclosures regarding alleged money-laundering activities in the Estonian branch of Danske Bank? What was the initial reaction of Danske Bank to your whistleblowing?*

The initial reaction in January 2014 appeared to be one of concern. However, by March 2014 it was clear that the bank had no intention of doing anything material in respect of my disclosures, with an email from two senior executives of the bank to me in April 2014 stating that “no breaches of Estonian law had been indicated” and that there was merely the need to “correct any ...shortcomings in customer documentation.” This was apparently the result of “the highest attention” at Danske Bank headquarters.

I voluntarily resigned from the bank due to my ethical concerns in April of 2014. At that time there were no adverse actions pending against me, and I had been an exemplary employee. I noted in an e-mail to an Executive Board member: “Sad to day it seems to be that things are totally broken here. That is why I tendered my resignation yesterday although of course I will be around for my notice period to assist as need be.”

Because the Bank failed to take adequate corrective action in light of my well documented and verified concerns, I consider that I was compelled to resign. I am informed that this is known as a “constructive discharge.”

The Bank also required me to sign a highly restrictive nondisclosure agreement in order to obtain a severance payment (it should be noted that I had no contractual right to such a payment). This NDA prohibited and restricted my communications with law enforcement, among other persons. I am informed that such NDAs are unenforceable in the United Kingdom and illegal in the United States, where they constitute an adverse action and a regulatory violation.

The leaking of my identity, and my loss of privacy, constitute retaliation. The Bank knew who I was based on my internal disclosures. The Bank was under an obligation to ensure that my identity was protected. Although we do not know who leaked my name to the press, we know that in 2014 my identity as the whistleblower had been passed on by one of the recipients of my whistleblowing report to at least one employee in the Estonia Branch. It is therefore clear that the Bank failed to have adequate controls to protect my identity, with current or former employee or employees being the ones leaked my name, and so placed me in harm's way.

3. *Were there in place, at the time you disclosed money-laundering activities in the Estonian branch of Danske Bank, internal procedures within the Bank of which you were aware for reporting your suspicions internally? If so, did you follow those procedures? If no, why not?*

There were no such procedures that I could identify. Indeed, my 27 December 2013 whistleblowing report started: "I have been unable to find any whistleblowing procedure locally in Estonia branch in English; therefore I am applying a common-sense approach by disclosing to you, as senior executives ....."

4. *In connection to the above and in case there were internal procedures in place within the Bank for reporting money laundering suspicions, how were employees made aware of the existence of those procedures?*

Neither I nor, to my knowledge, my team were ever made aware of any such procedures.

5. *Did you report your suspicions of money laundering in the Estonian branch of Danske Bank to any law enforcement agency before whistleblowing them? If so, which was the reaction of the law enforcement agency or agencies you address? If you did not, what were the reasons?*

No. I did not even consider it as I expected that, in a Nordic bank with an excellent reputation, my report would be treated seriously and acted on as a matter of urgency.

6. *What impact has had your whistleblowing in your professional career and in your life in general terms?*

I resigned on 28 April 2014 and wrote, in an email to a senior executive the following day: "Sad to say, it seems to me that things are totally broken here. That is why I tendered my resignation yesterday..."

There was no chance to find a similar position in Estonia, given its specialist nature and the small size of the market. My family and I subsequently left Estonia in 2015 and moved to the United Kingdom, where I no longer work in the financial services industry and my annual income is a small fraction of what it was in Estonia.

While the bank's failure to respond to my reports appropriately has left me disenchanted, there was otherwise no particular adverse impact on my general life up to September 2018, when I was named initially in an Estonian magazine. Thereafter, my name has appeared in media globally, with the Estonian media producing further intrusive and, in some cases, totally false reports based on so-called "sources" that appear to be disgruntled current and former bank employees.

This has left my family and I feeling violated and that my human rights have been seriously breached.

7. *Danske Bank acquired the Estonian branch of Sampo Bank in 2006. In case you were already involved with Danske Bank or Sampo Bank at that time, did you experience a change in the corporate culture on account of the change of ownership, in particular in the field of Consumer Due Diligence and transparency?*

I joined Sampo Bank in December 2006 and worked out of Helsinki, Finland as Head of Markets Baltics, visiting Tallinn frequently. In April 2007, the acquisition by Danske Bank was consummated and I continued in the same role but moving as an ex-pat to Tallinn.

I noted no changes whatsoever in respect of corporate culture after the merger, and specifically no changes in respect of CDD and transparency.

It is worth highlighting that management both at a Baltic level and in Estonia remained totally unchanged after the merger, even after the 2007 warnings from the Russian Central Bank and the Estonian FSA.

8. *Were there training and raise awareness initiatives and policies in Danske Bank on Anti-Money laundering legislation during your years working at the Bank?*

In my more than seven years with the bank, I never received any training on AML or noted any 'awareness raising' initiative.

9. *Could you briefly describe the business model of the Estonian branch of Danske Bank? Was it mainly based on a non-resident portfolio?*

An unprofitable bank serving resident customers concealing a massively profitable non-resident business.