

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-5074
<https://oversight.house.gov>

March 28, 2022

Mr. Thomas Gottstein
Chief Executive Officer
Credit Suisse AG
Paradeplatz 8
8070 Zurich
Switzerland

Dear Mr. Gottstein:

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.¹ 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.

As part of these sanctions, the United States and other countries have taken actions to identify and freeze the assets of these oligarchs, including "their yachts, luxury apartments, money, and other ill-gotten gains."² The Committee is particularly concerned that Credit Suisse's directive to destroy documents regarding its clients' yachts, private jets, and other assets coincided with Switzerland's announcement that it would join the United States, the European Union, and countries around the world in imposing sanctions on Russia.³

According to a recent report, 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 "ultra-high net worth" clients.

¹ *Credit Suisse Asks Investors to Destroy Documents Linked to Oligarch and Tycoon Yacht Loans*, Financial Times (Mar. 2, 2022) (online at www.ft.com/content/bfea0069-4143-4e4b-accb-9712ce95a282); Credit Suisse Group, *Press Release: Credit Suisse Group Statement* (Mar. 3, 2022) (online at www.credit-suisse.com/about-us-news/en/articles/media-releases/csg-statement-media-202203.html).

² The White House, *Fact Sheet: The United States Continues to Impose Costs on Russia and Belarus for Putin's War of Choice* (Mar. 2, 2022) (online at www.whitehouse.gov/briefing-room/statements-releases/2022/03/02/fact-sheet-the-united-states-continues-to-impose-costs-on-russia-and-belarus-for-putins-war-of-choice/).

³ *In Move to Sanction Russia, Switzerland Breaks from Long Tradition*, Washington Post (Feb. 28, 2022) (online at www.washingtonpost.com/world/2022/02/28/switzerland-neutral-ukraine-russia-sanctions/).

Although the report did not provide any information about the identity of these bank clients, it stated that, according to an investor presentation, “in 2017 and 2018, Credit Suisse experienced 12 defaults on its yacht and aircraft loans, with a third of these ‘related to US sanctions against Russian oligarchs.’” This appears to be a 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.⁴ Credit Suisse has explained that the documents it “shared with investors did not contain any client names and/or asset identifiers by the blind pool nature of the transaction.”⁵ If correct, this raises additional questions about how investors who participated in the deal can ensure their own compliance with U.S. and international sanctions.

We understand that Credit Suisse sent a letter to non-participating investors who received information about this loan portfolio instructing them to “destroy and permanently erase” any confidential information Credit Suisse provided in relation to the transaction.⁶ Although some investors described this request as unprecedented, Credit Suisse has insisted it is merely “good housekeeping” that is “in no way linked to the recent implementation of additional sanctions” and “entirely unrelated to the ongoing conflict in Eastern Europe.”⁷

Given the timing of this request and its subject matter, Credit Suisse’s action raises significant concerns that it may be concealing information about whether participants in the securitization deal, including both Credit Suisse and investors, as well as owners of underlying assets, such as yachts and private jets, may be evading sanctions imposed by the United States and the international community in response to Russia’s unprovoked and unjustified invasion of Ukraine.⁸

⁴ *Credit Suisse Securitises Yacht Loans to Oligarchs and Tycoons*, Financial Times (Feb. 6, 2022) (online at www.ft.com/content/1a09d4e6-e3d6-40f9-903f-2771ad7e4e0a); *Credit Suisse Caught Trying to Shred Evidence of Loans to Russian Oligarchs Backed by Superyachts and Private Jets*, Fortune (Mar. 2, 2022) (online at <https://fortune.com/2022/03/02/credit-suisse-shred-evidence-loans-to-russian-oligarchs-superyachts-private-jets/>).

⁵ Credit Suisse Group, *Press Release: Credit Suisse Group Statement* (Mar. 3, 2022) (online at www.credit-suisse.com/about-us-news/en/articles/media-releases/csg-statement-media-202203.html).

⁶ *Credit Suisse Asks Investors to Destroy Documents Linked to Oligarch and Tycoon Yacht Loans*, Financial Times (Mar. 2, 2022) (online at www.ft.com/content/bfea0069-4143-4e4b-accb-9712ce95a282); Credit Suisse Group, *Press Release* (Mar. 3, 2022) (online at www.credit-suisse.com/about-us-news/en/articles/media-releases/csg-statement-media-202203.html).

⁷ *Id.*

⁸ See e.g., *How Western Firms Quietly Enabled Russian Oligarchs*, New York Times (Mar. 9, 2022) (online at www.nytimes.com/2022/03/09/business/russian-oligarchs-money-concord.html); International Consortium of Investigative Journalists, *How a Network of Enablers Have Helped Russia’s Oligarchs Hide Their Wealth Abroad* (Mar. 2, 2022) (online at www.icij.org/inside-icij/2022/03/how-a-network-of-enablers-have-helped-russia-s-oligarchs-hide-their-wealth-abroad/); *Russian Oligarchs Move Yachts as U.S. Looks to “Hunt Down” and Freeze Assets*, CNBC (Feb. 28, 2022) (online www.cnbc.com/2022/02/28/russian-oligarchs-move-yachts-as-us-moves-to-hunt-down-and-freeze-assets.html); see also, e.g., *Iranian Dealings Lead to a Fine for Credit Suisse*, New York Times (Dec. 15, 2009) (online at www.nytimes.com/2009/12/16/business/16bank.html); *FINRA Fines Credit Suisse Over Anti-Money Laundering Policies*, Reuters (Dec. 5, 2016) (online at www.reuters.com/article/us-credit-suisse-finra/finra-fines-credit-suisse-over-anti-money-laundering-policies-idUSKBN13U22K); *Vast Leak Exposes How Credit Suisse Served Strongmen and Spies*, New York Times (Feb. 20, 2022) (online at www.nytimes.com/2022/02/20/business/credit-suisse-leak-swiss-bank.html).

To assist the Committee in our review of this matter, by April 11, 2022, please produce the following documents from January 1, 2017, to the present:

1. All communications relating to the storage, retention, safe handling, disposition, or destruction of confidential information related to loans backed by yachts and private jets, including but not limited to the letter sent to investors and “non-participating” investors during the week of February 28, 2022, telling them to “destroy and permanently erase” confidential information;
2. All documents, information, and investor presentations provided to investors and “non-participating” investors in the securitization deal related to Credit Suisse’s portfolio of loans backed by yachts, private jets, and other assets, including the information that Credit Suisse instructed its investors to “destroy and permanently erase;”
3. A list of all participating investors in the securitization deal;
4. All Know Your Customer and Customer Due Diligence documents related to any portfolio of loans securitized as part of this deal or any underlying assets, including yachts, private jets, and other assets, related to such portfolio of loans;
5. All documents related to Credit Suisse’s due diligence in ensuring the securitization deal complied with applicable sanctions; and
6. All communications with investors and “non-participating” investors in the securitization deal related to compliance with applicable sanctions, including any communications related to the owners of any underlying assets, including yachts, private jets, and other assets.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. An attachment to this letter provides additional instructions for responding to the Committee’s request. If you have any questions regarding this request, please contact Committee staff at (202) 225-5051.

Mr. Thomas Gottstein
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Sincerely,



Carolyn B. Maloney
Chairwoman
Committee on Oversight and Reform



Stephen F. Lynch
Chairman
Subcommittee on National Security

Enclosure

cc: The Honorable James Comer, Ranking Member
Committee on Oversight and Reform

The Honorable Glenn Grothman, Ranking Member
Subcommittee on National Security

James Walker, Interim Chief Executive Officer
Credit Suisse Holdings (USA), Inc.