

Credit Suisse Faces Russian Flood

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A Geneva court is poised to convict a former Credit Suisse banker over dealings with a billionaire ex-prime minister of Georgia. The move opens the floodgates for Russian claimants to seek remands from the Swiss bank.

The past two weeks, **Patrice Lescaudron**, a 54-year-old ex-Credit Suisse private banker, has stood trial on charges of fraud, forgery of document and corporate fraud in Geneva. The Frenchman stands accused of cheating **Bidzina Ivanishvili**, an oil magnate and former prime minister of Georgia, out of more than 100 million Swiss francs.

The banker will almost certainly be convicted – he confessed guilt on the first day of his trial – but the plaintiffs failed in efforts to draw Credit Suisse into the trial for allegedly neglecting to properly monitor its employee's behavior.

«They're Going To Pay»

As the «rogue banker» trial concludes, probably on Friday, lawyers for six claimants are preparing further lawsuits – this time against the bank itself. **Alexander Lindemann**, a lawyer who represents two Russian claimants, told [«Bloomberg»](#) that the bank «made a big mistake and they're going to pay for it.» Lescaudron's conviction «will be a wonderful starting point for a lot of civil proceedings,» Lindemann said. Credit Suisse didn't comment, but the bank's strategy

has been clear from the onset: the erstwhile private banker acted alone, and the bank didn't know that he used client money to cover trading losses, its lawyers argued.

«I Can't Explain It»

Lescaudron's supervisor at the time, **Basile Samarine**, testified that he could not explain how Lescaudron's scam went undetected, including hidden accounts to cover losses, or why the bank's controls had failed.

For its part, Credit Suisse prefers to see itself as the injured party as well: Lescaudron embezzled roughly 45 million francs in commissions and fees, spending more than 1 million francs on jewelry and gemstones, it emerged during the trial. Prosecutors asked for property assets in Switzerland as well as Sardinia be seized.

The claimants argue that the the private banker had little to no financial experience when he joined Credit Suisse, and that it was reckless of the bank to entrust their money to someone whose sole qualification was a stint in Moscow.

Arrogant, Unapologetic

Lindemann says his clients are also angry at what he termed Credit Suisse's arrogance: «They never apologized for what they did, engaging someone with no experience, and within a few years giving him a portfolio of more than 1 billion. Who created the chaos, they did.»

Vitaly Malkin, a Russian financier and former senator, who lost 15 million francs on one trade and wants to take Credit Suisse to court, echoed this sentiment. «The idea at the time, that the bank could cheat its clients through the actions of one of its employees, struck me as absurd,» he said.