



Reasoning with Ethics

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Ethics in action creates character.

Use this blog to:

1. Lead class discussions in social studies, civics, ethics or advisory classes.
2. Teach students skills to analyze cases with core ethical values.
3. Recognize skills in support of SEE's Tri-Factor Model of ethical functioning.

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Money Laundry for Hire

Howard Wilkinson was a British employee of Danske Bank working in Estonia in 2013. CBS 60 Minutes reports that Wilkinson uncovered a money laundering operation where Danske Bank was converting large transactions of Russia rubles into American dollars. Banks are supposed to know their customers, know where money comes from and where it goes. In the current case, Danske Bank did not know answers to any of these questions and failed to investigate when alerted to the suspicious activity.



Wilkinson learned that Danske Bank was sometimes moving \$20 million/day for a company where its public records indicated the company was dormant. His personal research in public records indicated multiple Danske bank clients were exchanging Russian rubles for US dollars and had shell-company offices in Britain, banked in Estonia, were run by Russians with partners listed in the Marshall Islands. One of the Russian owners was a first cousin to Vladimir Putin.

Wilkinson alerted the bank of the suspicious activity and was told by executives, it was just a "simple paperwork screwup that would be fixed." Wilkinson than made a whistle-blowing report to Danske's headquarters while noting that 16 Estonia Danske Bank accounts appeared to be involved in money laundering. When no apparent action was taken, Wilkinson resigned from the bank. Subsequently, 18 senior Danske executives have come under investigation in what is now considered the largest money laundering scheme in history involving possibly \$230 billion.

SEE asks students, if you found yourself in a profitable, but illegal line of business, would you resist the illegal activity or compromise your integrity as part of the cost of doing business? Are there decisions you are making now that might strengthen your commitment to future integrity? In addition, what core value would you need to become a whistle blower in a corrupt business? Finally, who might be harmed by big-bank money laundering?

Regarding this archived post, the video link to this case can be found at:
<https://www.cbsnews.com/video/how-the-danske-bank-money-laundering-scheme-involving-230-billion-unraveled-60-minutes-2019-05-19/>

Contact information

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