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Global laundromat Azerbaijan

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UK at centre of secret \$3bn Azerbaijani money laundering and lobbying scheme

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Explainer

Everything you need to know about the Azerbaijani Laundromat

How did the scheme work, who benefited, and how did it come to light?



More than 16,000 transactions adding up to \$2.9bn were made between 2012 and 2014. Photograph: Justin Mims/Alamy

What is the Azerbaijani Laundromat?

A scheme to curry influence, pay lobbyists, apologists and European politicians and to launder cash. The \$2.9bn (£2.2bn) operation ran between 2012 and 2014 - meaning that on average \$3m was channelled out of Azerbaijan every day.

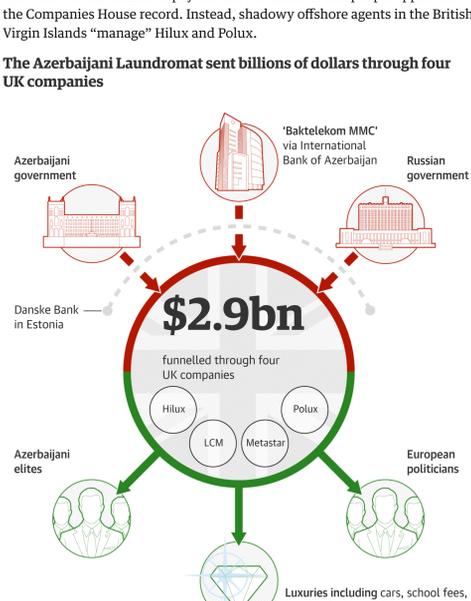
How was it done?

By clever use of the west's financial system. Danske, Denmark's largest bank, handled the payments via a small branch office in Estonia. It noticed nothing amiss.

Why Scotland?

Two of the firms used in the Azerbaijani Laundromat were Scottish limited partnerships, known as SLPs. There is evidence that money launderers are using SLPs for international fraud.

The Azerbaijani Laundromat sent billions of dollars through four UK companies



Guardian graphic | Source: Organised Crime and Corruption Reporting Project & The Guardian

Is the government doing anything about this?

Yes, belatedly. In June the government brought in new laws forcing SLPs to reveal their real or beneficial owners or pay daily fines of up to £500.

Who were the beneficiaries?

Several prominent Europeans. One of them is Luca Volontè, the Italian former chair of the centre-right European People's party group in the parliamentary assembly of the Council of Europe (Pace).

Other high-profile beneficiaries include Eduard Lintner, a former German MP with the Christian Social Union, the Bavarian sister party to Angela Merkel's ruling Christian Democrats.

Cash was also sent to Bulgarian and Swiss bank accounts belonging to Kalin Mitrev, who was then a private consultant, but now works for the European Bank for Reconstruction and Development in London.

What about Azerbaijanis?

Most of the beneficiaries are from Baku, Azerbaijan's capital. They include a diplomat at the Azerbaijani embassy in London, Orkhan Sultanov, who has reportedly been named as the country's foreign intelligence chief.

The Trump Tower in Baku. Donald Trump's business partners in the project - the Mammadovs - also appear in the Laundromat scheme. Photograph: NurPhoto via Getty Images

How do we know if this is money laundering?

Danske admits that controls at its Estonian branch to detect and stop money laundering were not good enough. It discovered the scheme in 2014.

Additionally, the suspicious nature of some of the source transactions rings alarm bells. One firm - Baktelekom MMC - paid more than \$1.4bn into the bank accounts.

Where does the data come from?

An anonymous source leaked the data to the Danish newspaper Berlingske in Copenhagen. The paper shared it with the Organized Crime and Corruption Reporting Project (OCCRP), the Guardian, and other media partners.

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