The Swiss financial market supervisor has extended an enforcement procedure against Julius Baer. The role of a former relationship manager is the focus of the probe by Finma, according to reports in the media.

Finma seems to have pounced as early as October: the Bern-based authority ordered a widening of an enforcement procedure against Julius Baer in the autumn of 2018, according to a report in «Neue Zuercher Zeitung». Finma asked the bank to provide more information about the role which Matthias Krull, an ex-relationship manager at the bank, played in a money-laundering scandal involving the Venezuelan oil producer PDSVA.

The Latin America specialist was convicted to ten years’ imprisonment in the U.S. in October on counts of money-laundering offenses. Julius Baer has never confirmed that Finma had initiated an enforcement procedure against the bank and the authority isn’t commenting either.

Julius Baer: No Criminal Acts Identified

An internal report by the bank released in September was the reason why the enforcement procedure was widened, according to the newspaper. Julius Baer had identified 700 accounts which were linked to the previous activities of Krull. He left the bank Swiss bank in May 2018.

The bank has not committed any criminal activities itself and its accounts were not used for any of Krull’s «improper» transactions, «NZZ» reported. The U.S. also seems not to have launched any type of investigation against the bank, the paper added.