

White House accused of blocking information on bank's Trump-Russia links

New commerce secretary Wilbur Ross's response about possible links between Bank of Cyprus, Russian agents and Trump officials wasn't released to Senate



Wilbur Ross arrives for a meeting with Trump at the White House in Washington on 23 February 2017. Photograph: Michael Reynolds/EPA

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The White House has been accused of withholding information from Congress about whether Donald Trump or any of his campaign affiliates have ever received loans from a bank in Cyprus that is partly owned by a close ally of Russian president Vladimir Putin.

A group of Democratic senators have been waiting for two weeks for Wilbur Ross, a billionaire investor who has served as vice-chairman of the Bank of Cyprus since 2014, to answer a series of questions about possible links between the bank, Russian officials, and current and former Trump administration and campaign officials. Ross also received a second letter on Friday from Senator Cory Booker of New Jersey with more detailed questions about possible Russia links.

But in a speech on Monday night, just before the Senate voted to approve Ross's nomination as secretary of the commerce department, Senator Bill Nelson of Florida said the White House "has chosen to sit on" a written response by Ross to some of those questions even though Ross told the senator he was eager to release his response.

Nelson, the top Democrat on the Senate commerce committee, said in a speech on the Senate floor that other senators were "troubled and frustrated" by the White House move. Nelson said it had been "verbally reiterated" to him by Ross that the commerce department nominee was not aware of any "loans or interactions" between the Bank of Cyprus and the Trump campaign or Trump Organization.

Ross, a private equity investor who has said he would step down from the bank after his final confirmation, had also been asked to provide more details about his own relationship with previous and current Russian investors in the bank, including Viktor Vekselberg, a longtime ally of the Russian president, and Vladimir Strzhalkovsky, the former vice-chairman of Bank of Cyprus who is also a former KGB agent with a close relationship to Putin.

Ross also told Nelson that he had one meeting that lasted about an hour with a Russian investor in the bank in 2014, but no other details were provided.

"I believe him in what he has told me, that it is true to his belief," Nelson said in a speech on the Senate floor. "I want to say, at the same time, the White House and the way they have handled this matter is not doing Wilbur Ross any favors."

An attorney for Ross said he was not handling the matter and referred questions about the issue to the commerce department, which declined to respond.

The senators' scrutiny of Ross's ties to Bank of Cyprus comes as the Trump administration faces several investigations, including by the FBI, into possible links between Trump campaign officials and Russia.

The first letter, sent on 16 February, was led by Senator Bill Nelson of Florida, the top Democrat on the Senate commerce committee, and was co-signed by Cory Booker of New Jersey, Ed Markey of Massachusetts, Tom Udall of New Mexico and Tammy Baldwin of Wisconsin.

Details of the letter were first reported by McClatchy, the US news organisation.

Among other questions, the letter asked Ross if he was "aware of any contacts between any individuals currently or formerly associated with the Bank of Cyprus and anyone affiliated with the Trump presidential campaign or the Trump Organization". It also asked whether Ross was "aware of any loans made by the Bank of Cyprus to the Trump Organization, its directors or officers, or any affiliated individuals or entities".

A second letter sent by New Jersey senator Cory Booker said the list of Russian businessmen with ties to both Putin and the Bank of Cyprus was "startling".

"The American public deserve to know the full extent of your connections with Russia and your knowledge of any ties between the Trump administration, Trump campaign or Trump Organization and the Bank of Cyprus," Booker wrote. "Americans must have confidence that high-level officials in the United States government are not influenced by, or beholden to, any foreign power."

Among Booker's list of 11 questions was a demand to know more about if - and when - Ross first learned about Strzhalkovsky's ties to the KGB, and whether the former KGB official ever met Trump.

Booker also asked Ross whether he had any knowledge about the 2008 purchase of Trump's Palm Beach home by Dmitry Rybolovlev, a Russian billionaire and investor in Bank of Cyprus. The beach house was reportedly sold for \$95m.

Ross's nomination to lead the commerce department has so far been relatively uncontroversial, in part because Ross is liked by Democrats and labour unions who credit the private equity investor with saving tens of thousand of jobs in the steel industry after buying up bankrupt steel companies in 2002.

But Ross's 2014 investment in the Bank of Cyprus has received little public attention amid the broader concerns in Washington over the Trump administration's potential ties to Russia.

During a nearly four-hour confirmation hearing in January before the Senate commerce committee, Ross was not asked any questions about his involvement in a €400m (\$424m) investment in the bank in 2014, which gave Ross's investment group an 18% stake in the bank.

Ross recruited a high-profile banker with close ties to Russia, former Deutsche Bank chief executive Josef Ackermann, to serve as chairman of the bank. In a 2015 interview with the New York Times, Ackermann suggested his work for the Bank of Cyprus was an effort to "give something back to the people".

In his letter, Booker asked Ross to explain why he had appointed Ackermann as chairman of the bank, noting that Deutsche Bank is the Trump Organization's largest creditor.

Ross's investment followed a controversial 2013 bailout of the bank at the height of the European debt crisis that was agreed by the EU, IMF and European Central Bank. At the time, the deal was scrutinised by German politicians who expressed concern that taxpayer funds were being used to bail out a money laundering haven used by Russian oligarchs. A German intelligence report cited by Der Spiegel at the time suggested that Russian deposits in Cyprus banks were worth between €8 to €35bn (\$8.5 to \$37bn).

This article was amended on 27 February 2017 to correct a misspelling of the word "Cyprus", which was written as "Cypress" in a letter from senators

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