

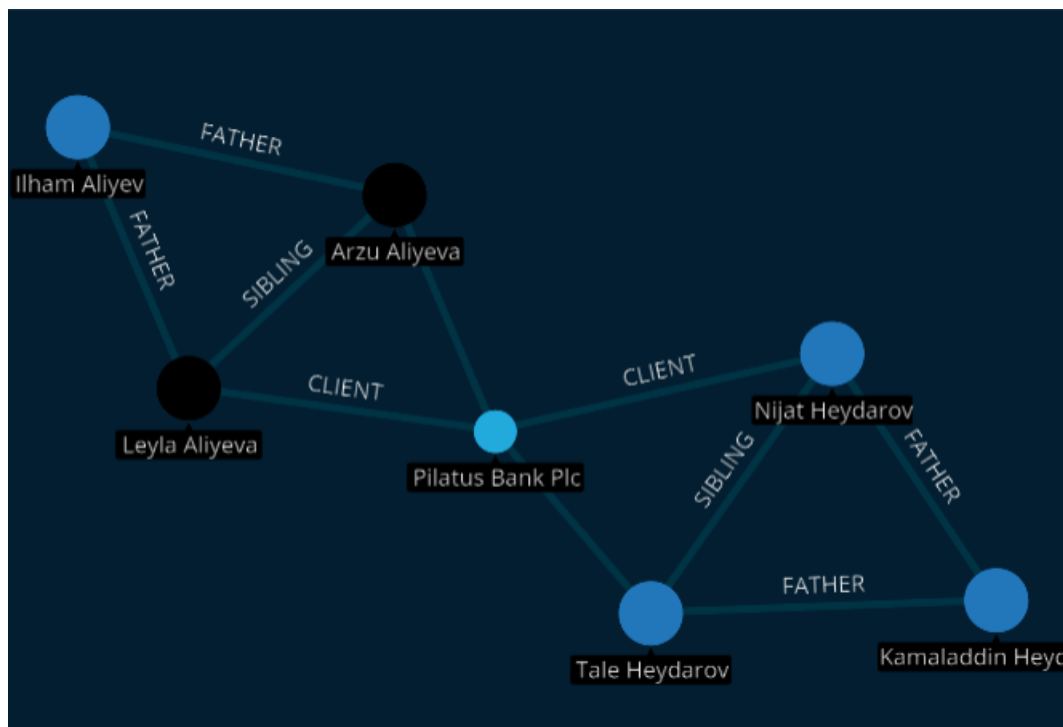
Network Insight: The Sofitel Hotel in Dubai

The bankers who facilitated \$177 million in payments for the sisters

Leyla and Arzu Aliyeva used a network of private banks and associates to move vast sums of money around the globe, according to a confidential report by New York-based investigators Duff & Phelps into alleged money laundering at Pilatus Bank, a private bank headquartered in Malta.^{[11] [341]}

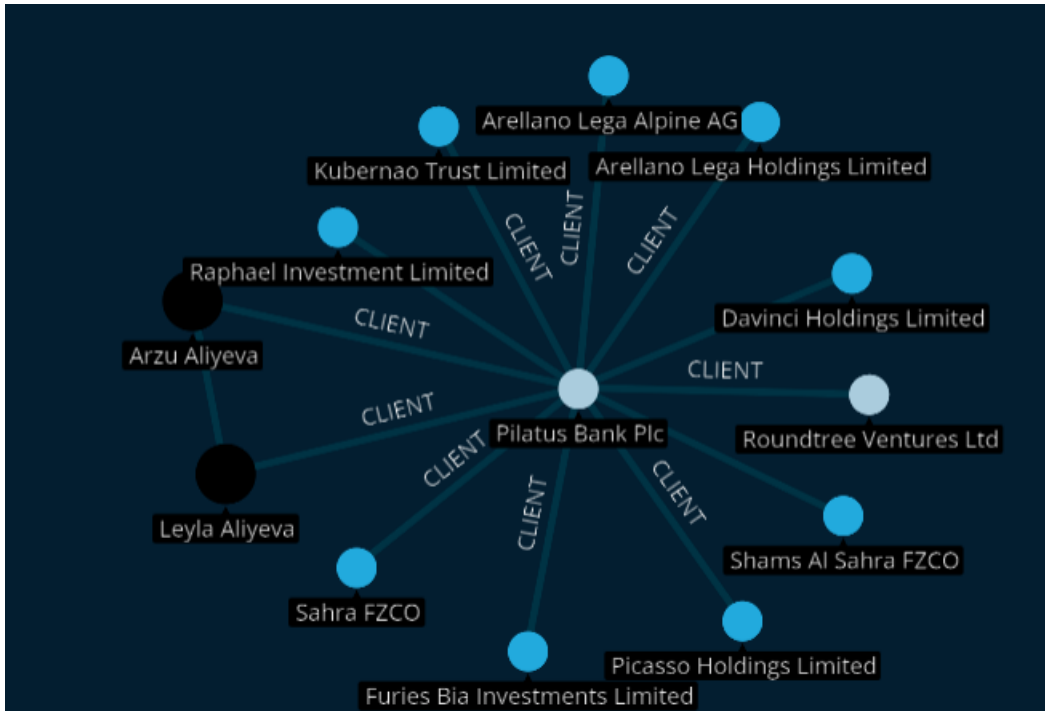
In 2015, Leyla and Arzu Aliyeva opened accounts at Pilatus Bank.^[11] Between 2013, when the bank was set up,^{[149] [150]} and 2018,^[612] when the bank was shuttered over systemic failures to comply with anti-money laundering regulations,^[612] Pilatus Bank processed payments worth 1.7 billion euros (\$2 billion).^{[341] [936] [945]} A large portion of these were on behalf of high-risk and politically connected customers from Azerbaijan,^[11] including the Aliyeva sisters and their business partners Tale and Nijat Heydarov, sons of Azerbaijan's Emergency Situations Minister Kamaladdin Heydarov.

Over an 18-month period between 2015 and 2017, Leyla and Arzu Aliyeva's accounts at Pilatus Bank, the National Bank of Abu Dhabi, and Emirates NBD in Dubai transferred a total of \$177.2 million on behalf of the Aliyeva sisters and companies under their control, according to the reports of several investigators, including Duff & Phelps.^[341]



Pilatus Bank also opened accounts for a web of anonymous shell companies, some of which, investigators suspected, may have been ultimately owned by the sisters or their business associates.^[341]

The Financial Action Task Force (FATF) notes that the use of corporate structures to obscure ownership by politically exposed persons (PEPs) is a red flag for suspicious activity,^[1294] * as is the use of private banks, which heightens their risk profile.^[1294] According to money laundering investigators, Pilatus Bank repeatedly overlooked these and other red flags and instead processed multiple transactions on behalf of the sisters and their associates without taking appropriate steps to mitigate the risks.^[341]

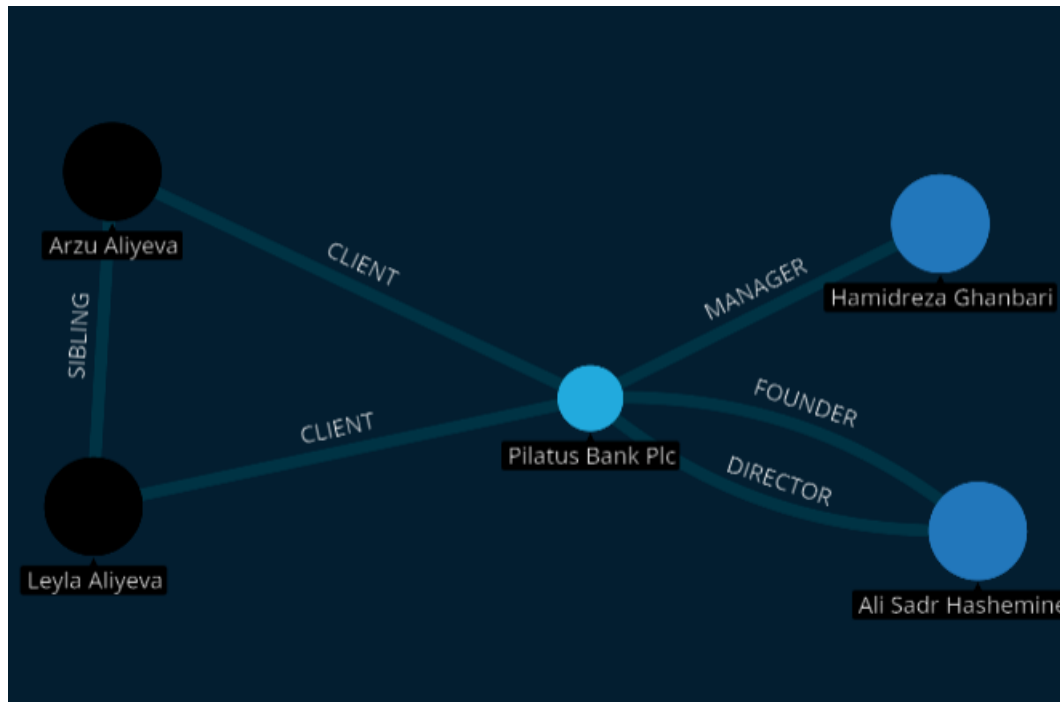


Pilatus Bank was founded in Malta in 2013 by American-Iranian businessman Ali Sadr Hasheminejad as a rebranding of his Swiss asset manager, Perse Swiss.^{[149] [150] [341]} Pilatus was used to manage the money of several politically connected clients from Azerbaijan, Iran, and Venezuela.^{[341] [894]} In 2014, Sadr hired fellow Iranian émigré Hamidreza Ghanbari to serve as the bank’s chief executive and, later, as its head of private banking.^[341]

After Pilatus was shuttered in 2018,^[587] the net closed in on Sadr and Ghanbari, who are wanted by police in Malta for their activities while at the helm of the bank.^{[598] [590]} Sadr is believed to be based in the US, where he is working to reestablish his reputation after an attempt by US authorities to prosecute him for bribery and

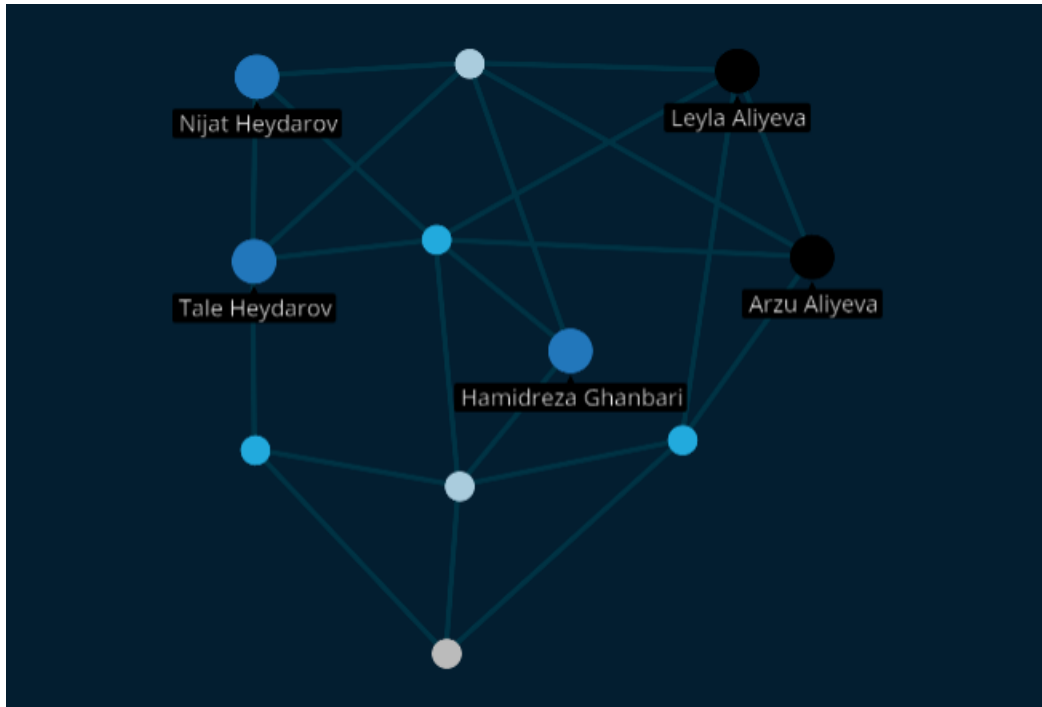
* The Financial Action Task Force (FATF) is an international body that develops and promotes policies to protect the global financial system and sets standards for money laundering controls.

money laundering offences collapsed.^{[598] [599] [590] [600]} Ghanbari's whereabouts are unknown.



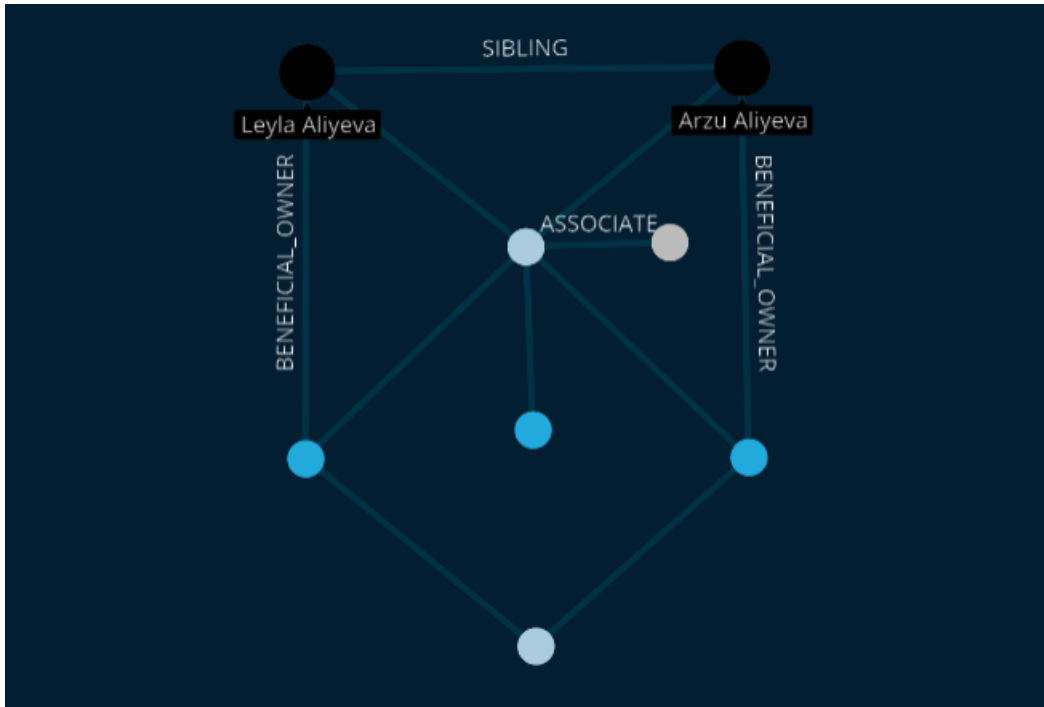
As head of private banking at Pilatus, Ghanbari had direct and sole contact with high-risk clients, including Leyla and Arzu Aliyeva and Tale and Nijat Heydarov.^[341] All four were clients of Ghanbari's in a previous role at the Dubai state-controlled bank Emirates NBD, where he was part of a team that arranged financing for one of the Aliyeva sisters and Heydarov brothers' luxury hotel projects.^{[341] [619] [620]}

In 2010, the UAE company Sofitel Dubai The Palm Resort & Spa FZCO—or Sofitel FZCO—secured financing from Emirates NBD for a hotel development in Dubai.^{[341] [517] [5]} Sofitel FZCO was ultimately owned by Leyla and Arzu Aliyeva and Tale and Nijat Heydarov, according to records in Pilatus Bank's files.^[341] The financing was in relation to “the purchase of the land and the development for the Sofitel Project,” a reference to the five-star Sofitel hotel and spa located on Dubai's man-made Palm Jumeirah islands.^[341] The hotel is owned by Leyla and Arzu Aliyeva; when they became clients of Malta's Pilatus Bank, the hotel was described as part of their source of wealth.^{[341] [517] [5]}

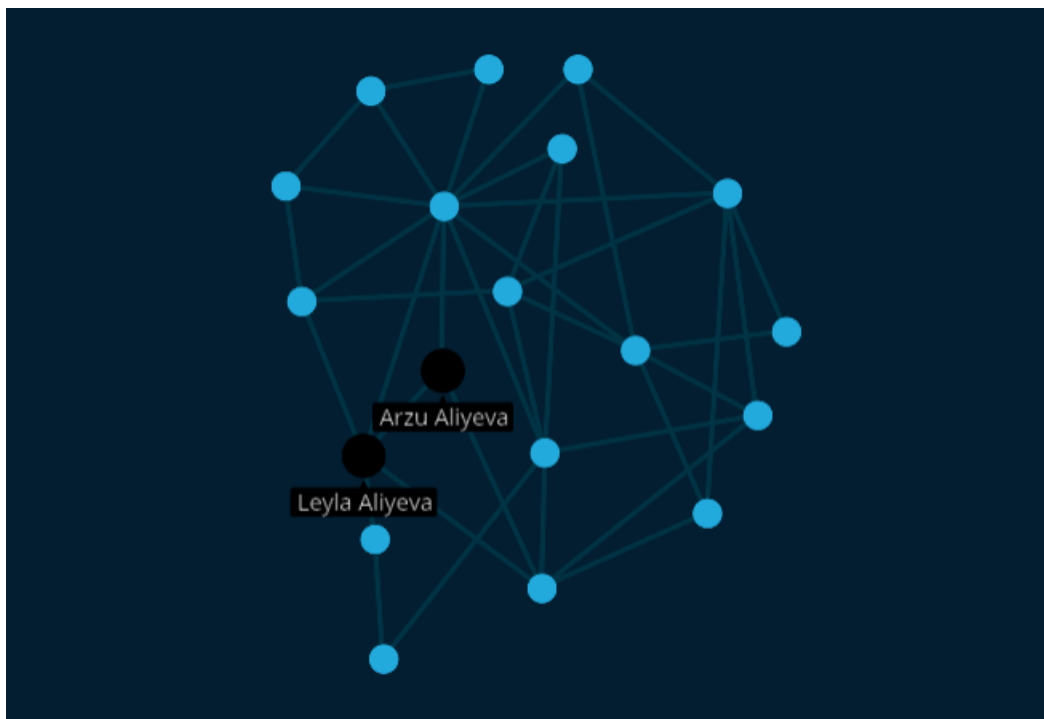


Emirates NBD played a further role in the sisters' cross-border money movements. Between March 2015 and February 2017, Sofitel FZCO sent a total of 163 million AED (\$44.5 million) from its account at Emirates NBD to accounts at Pilatus Bank belonging to two UAE companies: Davinci Holdings Limited and Picasso Holdings Limited.^{[341] [432] [433]} According to Pilatus Bank's due diligence files, Picasso Holdings was owned by Leyla Aliyeva, while Davinci Holdings was owned by her sister, Arzu Aliyeva.^[341] The transfers were recorded as "OWNER PROFIT SHARE" and "OWNERS DISTRIBUTION" in transaction records.^{[341] [432] [433]}

Emirates NBD told The Sentry: "The bank is unable to provide any comment to confirm or deny any client relationships due to our internal policies and our regulatory obligations."^[1400]



A web of offshore companies facilitated suspicious financial flows into and out of Malta's Pilatus Bank on behalf of Leyla and Arzu Aliyeva, according to investigators. Eight of these companies can be directly linked to the sisters.^[341]



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