

English version

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Tsuneo Morita



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Hungarian Bank Financed Ms. Le Pen's Election -The Orbánization of Hungarian Society

Birds of a feather flock together. Prime Minister Viktor Orbán (Hungary) made his support for Trump clear in the U.S. presidential election the year before last, has close ties to Putin and Xi Jinping, and is close to Erdogan (President of Turkey). The one-time activist for liberalism has become a politician with access to tyrannical powers in the East and West and has been called a "dictator" in the EU.

As an anti-establishment activist during the socialist era, he became a politician by advocating the withdrawal of Soviet troops and upholding liberalism, but after winning the general election in 2010, he dropped the banner of liberalism and worked hard to stay in power on the principles

of nationalism and familyism, and through populism and media domination maneuvers. After he had established his absolute position within the party by demonstrating his excellent political sense (sense of power) thoroughly, he succeeded in uplifting Hungarian nationalism and consolidating his power base by intentionally creating an axis of opposition to the common policies of the EU, even though the country is a member of the EU. As a result, in the general election of 2022, the ruling party again secured two-thirds of the seats in the Diet and established a long-term government for four consecutive terms of 16 years.

Indeed, looking back at the history of the 20th century, the fate of Eastern Europe has been at the mercy of the West and Russia (the Soviet Union): the 1920 Treaty of Trianon reduced Hungary's land area to one-third of its original size, the Yalta Conference brought Hungary into the Soviet bloc, and the 1956 Hungarian uprising left the country without the support of Western powers. Given the bitter history of the 20th century, it is not possible to take the Western powers at their word. The Western powers know that Hungary, which has no natural resources, cannot stop importing Russian natural gas and oil. So, while the EU is not pressing Hungary to abandon energy imports from Russia, criticism of Prime Minister Orbán, who is not afraid to say or do anything that would be considerate of Putin, is deep-rooted. In fact, the assets of Russian politicians and businessmen who are supposed to be in Hungary and the status of their golden visas remain secret. Although the government is verbally sympathetic to sanctions against Russia, in reality, it has been extremely passive in its response. Domestically, the administration has won support, but internationally, it has been forced into a difficult situation.

How will the Hungarian regime, which is regarded as being considerate of Putin, be treated once the Russian aggression is over? Once Putin is removed from power, a completely different political phase will unfold. As Putin's ally, the EU may be forced to deal with Orbán harshly. The V4 (Czech Republic, Slovakia, Poland, and Hungary), which have been fighting together on policy toward the EU, will lose their joint stance, and there is a great possibility that Hungary will be isolated within the V4. The Ukrainian government will also be forced to take tough measures.

MKB Bank Became a Political Bank

In February of this year, it was reported that French presidential candidate Le Pen had received a loan from a Hungarian bank. Of course, this type of news is never reported on public broadcasting, but independent and anti-government media reported the fact.



October 2021. Ms. Le Pen visiting Prime Minister Orbán ([index.hu](#))

It seems that Ms. Le Pen was unable to obtain new loans from French banks. On the other hand, French laws and regulations make it illegal to raise election funds from outside the EU. Therefore, Ms. Le Pen turned her attention to Hungary, a country that has close ties to right-wing forces within the EU. Last October, Ms. Le Pen visited Prime Minister Orbán, one of her objectives being to secure bank loans. The Orbán administration has embarked on a restructuring of the banking sector, transferring banks to businessmen with the administration's backing and placing people close to the administration on the board of directors, thereby expanding its influence in the banking sector. The ownership of MKB Bank was given to Mészáros, a close ally of Prime Minister Orbán's, who had risen from the small business of gas piping contractor to the top of Hungary's billionaire list by winning a public works projects and subsidies in succession (he is from the same prefecture as Prime Minister Orbán).

Originally, MKB Bank functioned as a bank that exclusively undertook foreign trade transactions during the former regime, and after the regime change, the bank was sold to Bavarian State Bank. However, after the collapse of Lehman Brothers, the bank was sold to the Hungarian government and nationalized due to its declining profitability. The governing party, Fidesz, took this opportunity to bring the banking sector under its control. In addition to Prime Minister Orbán's ally, Lőrinc Mészáros, László Szíjj (president of Duna Aszfalt Ltd.) was appointed to take over the ownership of the MKB Bank. As Mészáros, Szíjj also has accumulated a tremendous wealth by acquiring public works of road construction. By the way, the luxury yacht

(Lady MRD), registered in Malta and owned by a subsidiary of Szíjj's company is commonly shared in use by politicians and businessmen around executives of the ruling party.



Fotó: Németh Dániel / Átlátszó

In August 2020, it was revealed that Foreign Minister Szijjártó was aboard this yacht with his family. At the time, the Foreign Minister kept his yacht boarding secret by posting on Facebook that he was working in his office at the same time. It was not reported where he boarded the yacht from, but it might be sure that he took a shared private jet even to the place of embarkation.

Now, the presidential campaign financing form submitted by candidate Le Pen to the electoral commission (signed on March 3) has been released, in which she states that she received a loan of 10.69 million euros (€10,691,775) from Hungary's MKB Bank.

MKB Bank Nyrt [redacted] Hungary	Financement campagne présidentielle française	10 691 775 euros	Durée 16 mois	10 691 775 euros
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Report on the assets of candidate Le Pen (Déclaration de patrimoine de Marine Le Pen, signed March 3, 2022, p. 12)

Of course, there is nothing wrong with financing on a commercial basis. The problem is that this loan is political. After the Hungarian government sold (re-privatized) the nationalized MKB Bank to a well-heeled political businessman, Prime Minister Orbán has begun to use it for political purposes. No commercial bank would finance the election of a foreign politician without being approached by Prime Minister Orbán. If Le Pen were to win the presidency, the funds

might be repaid, but if she were to lose the election, the funds would never be returned. Le Pen has not repaid the money she borrowed from a Russian bank in the Czech Republic during the last presidential election, and, surely, MKB Bank's loan will eventually be written off as a bad loan. However, none of the politicians or managers will ever take responsibility for this improper loan. All they will do is make up for it with the profits they made from their exorbitant interest margins. This is why it is a political bank. Prime Minister Orbán treats the commercial bank as if it were his pocket.

Czech Bank Provided Financing for the Last Presidential Election

The First Czech Russian Bank (FCRB), founded in 1996, went bankrupt in 2016, but many of the bank's key documents were destroyed and an effort was made to conceal its banking operations over nine years beginning in 2007. A report examining this reality is *A Case Study of the First Czech Russian Bank*, December 28, 2018, by the Alliance for Securing Democracy (ASD). The bank was established under the guise of brokering trade between the Czech Republic and Russia, but in reality, it functioned as an intermediary for Russian businessmen and companies laundering money and handling military supplies for Iran and other countries.

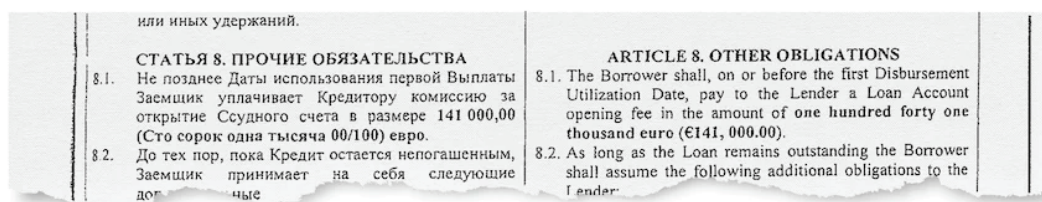
The FCRB loaned Le Pen candidate National Front €9.4 million in September 2015; the Washington Post (September 27, 2018) details how the loan was made and what followed.

1. Marine Le Pen looked for a bank that would finance her party and asked Jean Luc Schaffhauser, a far-right politician and member of the European Parliament from Strasbourg, to broker the loan. Schaffhauser then turned to Russian MP Alexander Babakov (2014).

договору.	СТАТЬЯ 2. ПРЕДМЕТ ДОГОВОРА	ARTICLE 2. SUBJECT MATTER
	2.1. Кредитор предоставляет Заемщику Кредит в форме кредитной линии с лимитом выдачи в размере 9 400 000,00 (Девять миллионов четыреста тысяч 00/100) евро с Датой окончательного погашения Кредита - «23» сентября 2019 г., если иная дата не установлена Кредитором в соответствии с условиями Договора, с погашением на условиях, изложенных в п. 5.5 и п. 5.6 Договора, уплатой Процентов, начисленных в соответствии с условиями статьи 6 Договора.	2.1. The Lender shall grant the Loan to the Borrower in the form of a facility with a disbursement limit of nine million four hundred thousand Euro (€9,400,000.00) with a Final Loan Repayment Date of 23 September 2019, unless any other date determined by the Lender pursuant to the terms and conditions of this Agreement, to be repaid on the terms and conditions set out in clause 5.5 and 5.6 and of this Agreement and with payment of Interest calculated pursuant to article 6 of this Agreement.
	2.2. Кредит предоставляется Заемщику на следующие цели: ...	2.2. The Loan proceeds shall be applied by the Borrower to: replenishment ...

First Czech loaned 9.4 million euros, about \$12.2 million at the time, to Le Pen's party at a rate of 6 percent per year. The final loan repayment date is Sept. 23, 2019. (Mediapart/The Washington Post)

2. Babakov introduced Schauhauser to FCRB, a Russian joint venture bank established in the Czech Republic, whose then-president, Roman Popov, and the treasurer of the Le Pen party signed the loan agreement (September 2014). Under the agreement at that time, the intermediary Schaffhauser obtained a brokerage fee of €141,000, and the loan was executed in September 2015.



Jean Luc Schaffhauser, a member of the European Parliament, says he received a roughly 140,000-euro fee, about \$181,000, for negotiating the loan. (Mediapart/The Washington Post)

3. After 2000, this Russian joint venture bank became owned by Stroytransgaz, a pipeline company owned by Putin ally and oligarch Timchenko, and was purchased by Popov, a Stroytransgaz board member, in 2007. At the time, Popov was chairman of the Russian-Iranian Business Council and held various business interests in the Middle East and Southeastern Europe. His acquisition of the bank was reportedly to engage in the business of money laundering and sanctions evasion using the only Russian bank operating in Europe at the time.

4. However, the bank's outflow of bank assets through various unexplained transactions became problematic, and the Czech Republic (Czech branch) and Russian financial authorities (Russian head office) conducted an audit of FCRB in 2015-2016. As a result, the bank's license to operate within Europe was revoked and FCRB went bankrupt (March 2016).

5. Shortly before the bank's bankruptcy, FCRB sold its loan receivables against Le Pen to the Russian company Konti (operating an equipment rental business outside Moscow). Konti then, through a mysterious transaction, reassigned this loan to Avizapchast (a military-industrial company operating an aircraft business in Moscow and engaged in arms sales to Syria). It is unclear why the loan to Le Pen was sold to a Russian company and purchased by a Russian military-industrial company.

Aside from this, the Russian Deposit Insurance Corporation (DIC) has taken issue with the loan and has filed charges against Popov, claiming that it is the property of the Russian government, and is still wanted internationally (not only on this charge but also on various other charges of asset misappropriation).

6. The loan repayment trial against the National Front, of which Le Pen is the leader, concluded in May 2018, and the National Front is obligated to repay the Russian military-industrial enterprise, and a new repayment agreement was signed between the two parties, but it is unclear whether this will be carried out. It should be considered that for Russian military-industrial enterprises, the debt to Le Pen is only a fraction of money, and this debt is being used as a tool to keep Le Pen on the Russian side.

OLAF Requests Investigation for Misuse of EU Funds

This week, just a few days before the French presidential runoff election, the French press reported that the OLAF (European Anti-Fraud Office) had sent a report on the misuse of EU funds by candidate Le Pen to the French prosecutor's office and requested an investigation. This report, which was sent to the French prosecutor on March 11, was widely reported in the media just before the presidential election runoff. This was a final blow to Le Pen, who has repeatedly made pro-Russian statements.

According to reports, Ms. Le Pen is being asked to return a total of 617,000 euros, including 140,000 euros as an individual and the misuse of other party members, for misappropriation of public funds that she diverted to companies supporting her party which she obtained during 2004-2017 when she was a member of the European Parliament. OLAF has been investigating Ms. Le Pen's use of funds since 2017 for this and other charges.

The scandalous reports just before the vote are fatal, even if she is already outnumbered. However, the French government will subsidize nearly 10 million euros for bringing it to a decisive vote. However, she is so occupied with covering the expenses of her campaign that she will not be able to repay the bank loans until later.

We have no way of knowing what kind of loan agreement MKB Bank has signed, but PM Orbán knows from the beginning that the money will not be repaid. However, it is a breach of trust and an act of joint defrauding to provide a loan knowing that the money will not be repaid. Nevertheless, in Hungary today, neither bank managers nor politicians are held accountable for

their illicit loans. A strong defense that they did nothing illegal will suffice. The public media never report any facts inconvenient to the government. Not only is the supervision and regulation of the banking industry weak, but prosecutors will not act in cases involving politicians, much less the prime minister. This is why the Prosecutor General, appointed in 2010, was appointed for another nine years in 2018 and has remained in the position of Prosecutor General for 18 years, until 2028.

Even under the Putin administration, Russian financial authorities are pursuing loans to Ms. Le Pen as a crime. By contrast, in Hungary under the Orbán administration, the credit is treated generously as a gift from Prime Minister Orbán. If an ally is an owner, the bank must think of it as if it were in his pock. The surveillance of Hungarian society is so lax that the people think nothing of it.

After a long period of de facto one-party dictatorship and personal tyranny, this kind of fraud is committed with impunity and no one is blamed for it. Prosecutors, the media, politics, and public opinion, even the President of Hungary are simply indifferent because they are all subordinate to the secular king. This is precisely the Orbánization (treasurization) of Hungarian society!