

Testimony of Robert Karofsky, President of UBS Americas

Before the Senate Judiciary Committee

“The Truth Revealed: Hidden Facts Regarding Nazis and Swiss Banks”

February 3, 2026

Chairman Grassley, Ranking Member Durbin, Acting Ranking Member Whitehouse, and Members of the Committee, thank you for the opportunity to testify.

My name is Rob Karofsky, and I am the President of UBS Americas and the Co-President of our Global Wealth Management Division. Previously, I was the President of UBS’s Global Investment Bank division. I am a member of UBS’s Group Executive Board and report directly to our Group CEO.

I am here today with Barbara Levi, UBS’s Group General Counsel.

As many of you know, UBS took on responsibility for the matter before us in 2023 when, in response to the request of Swiss authorities and with the cooperation of regulators around the globe, including U.S. regulators, it acquired Credit Suisse to help prevent a systemic financial crisis.

We approach today’s topic with solemn respect: the Holocaust perpetrated by the Nazis is the darkest chapter in human history and continues to be felt to this day. Although more than 80 years have passed since the fall of Nazi Germany, we can never let ourselves forget the systematic murder of six million Jews and the horror experienced by survivors.

I appear before you as the most senior Americas executive of the world’s largest wealth manager, and as a proud Jewish American. Today’s topic is something that has the profoundest of meaning to Barbara and me personally. My parents raised me with a deep awareness of the gravity and impact of the Holocaust, and the most heart-felt sympathy for its victims. Although my grandparents were fortunate to have left Europe before the Second World War, fleeing to Massachusetts and making a life in this great country, I am acutely aware of the millions who were not so fortunate and perished at the hands of the Nazis. And Barbara’s family was tragically affected by the Holocaust.

We are also gravely concerned about the rise of Holocaust denial and anti-Semitism here and elsewhere.

UBS accepts and deeply regrets that the World War II era was a dark period in the history of Swiss banking. UBS and Credit Suisse, and their predecessors were part of this chapter and history rightly has judged them. Both banks have apologized and taken responsibility for their actions. A global Settlement was reached in 1999, the proceeds of which were distributed to Holocaust victims and their heirs. Both UBS and Credit Suisse were instrumental parties to the Settlement.

We would not be able to represent UBS here today, or indeed day-to-day, if we did not unequivocally believe that the Bank is dedicated to Holocaust remembrance, education, and the search for historical truth to ensure that nothing like the Holocaust can ever happen again.

Historical Investigations of Swiss Banks in the 1990's

Today, you will hear about Credit Suisse's current voluntary investigation into its World War II-era conduct. This multi-year effort entails production of more than 16.5 million documents consisting of 44 million pages and four terabytes of data; responds to more than 1,700 requests for archives visits, documents, and meetings; currently involves approximately 85 people working full time; and has produced several public reports. To support these efforts and to demonstrate our unflinching commitment to finding the truth, we have spent hundreds of millions on this investigation.

In his testimony before you today and previously, Neil Barofsky has praised UBS's extraordinary cooperation. In fact, we have undertaken an extraordinary private-sector effort to diligently review any relevant source existing in the Credit Suisse archives. The investigation also has involved research in 18 public archives in seven countries. Our objective has been to undertake all measures to identify truly new information. We believe this is what Chairman Grassley refers to as "leav[ing] no stone unturned."

To put the current review of Credit Suisse into perspective, it is important to understand the broader historical landscape, including the scale of the effort put forth over the last 30 years.

In the 1990s, thanks in part to the efforts of people in this chamber, the U.S. administration, Jewish NGOs including the Simon Wiesenthal Center, Switzerland, and its banks, led by UBS and legacy Credit Suisse, embarked on an unprecedented series of measures to examine their history and to achieve justice for victims of Nazi persecution and their heirs.

The findings of this intense scrutiny of Switzerland's and Swiss banks' World War II-era history in the 1990s painted a deeply troubling picture that included many previously unreported and shameful aspects that were exposed, documented, acknowledged, and addressed.

In 1996, following a hearing before the Senate Banking Committee, the Swiss banks and leading Jewish organizations established what was known as the Independent Committee of Eminent Persons chaired by former U.S. Federal Reserve Board Chair Paul Volcker. The members of the Committee included prominent representatives of the Jewish community. The Volcker Committee ordered a first of its kind audit of Swiss banks, including Credit Suisse and UBS, by four of the then "Big Five" accounting firms. The banks were required to provide full, unfettered access to their records. The Volcker Committee's main goal was to identify dormant accounts of Nazi victims, while also reviewing looted assets and Nazi-linked accounts. While the Volcker auditors identified the four individual accounts at Credit Suisse that involved forced transfers mentioned in the Ombudsperson's testimony and three were published as part of the court-administered settlement distribution process, the Ombudsperson's work has been able to identify specific transactions that occurred in accounts held at Credit Suisse that facilitated these forced transfers.

That same year, Switzerland enacted legislation establishing the Bergier Commission, composed of a panel of independent international historians and staff, to examine Switzerland's World War II-era history, including activities of Swiss banks. All Swiss companies, including Credit Suisse and UBS, were required by law to provide full access to their records. Following its investigation, the Bergier Commission published 25 volumes on topics such as looted assets, dormant accounts,

Nazi ties, and gold transactions. The Bergier Commission reported on many of the topics covered by the Ombudsperson's investigation including, the Argentine ratlines (where the Ombudsperson has found links to Credit Suisse) and the DWB / Kurzmeyer account. Some of the other Nazi-affiliated entities and issues that the Ombudsperson discusses also were extensively examined in the 1990's.

In addition, under the auspices of then-Under Secretary of State Stuart Eizenstat, the U.S. State Department published two reports that highlighted the relationships with Nazi Germany of six different countries, including Switzerland. The reports also included a detailed study of gold transactions and a critical assessment of our own country's post-World War II handling of heirless Holocaust victim assets.

Congress held numerous hearings on this topic and conducted its own investigations including into documents that the National Archives recently had declassified.

Litigation and the 1999 Global Settlement

In addition to these investigations and reviews, beginning in October 1996, several class action lawsuits were filed in New York federal court against Swiss banks by classes of Holocaust victims who had deposited assets in the banks, or had assets looted by the Nazis or proceeds of their slave labor performed for the Nazis, trafficked by the Nazis through accounts held by Nazis and their supporters at Swiss banks. The cases were consolidated and eventually resulted in the 1999 landmark, court-approved settlement that was agreed to and endorsed by Jewish NGOs.

Under the Settlement, Credit Suisse and UBS agreed to pay \$1.25 billion, an extraordinary amount at the time that was subsequently distributed by the court and court-appointed special masters to Holocaust survivors and heirs of Holocaust victims.

Agreement on the settlement figure was based on the sum of two roughly equal components:

- The first component of the settlement amount was the projected amount needed to compensate claimants to bank accounts that had been held at Swiss banks and identified through the Volcker process. These claims were based on information on specific accounts and had a clear legal basis.
- Importantly, the second component of the settlement amount covered all other possible types of claims related to Nazi Germany, the Holocaust, and World War II, its prelude and aftermath and included looted assets, slave labor, and transactions and relationships with the Nazi Regime and any individuals or entities affiliated with it. Such claims, which included potential claims based on facts discovered in the future, lacked a clear legal basis and were not possible to accurately quantify. This also represented a moral component that addressed all bad acts committed by the banks, regardless of whether they could give rise to legal claims.

The Settlement was intended by all parties and the presiding U.S. District Judge, Edward R. Korman, to achieve global resolution through a conclusive end to the controversy that went beyond legal and financial closure. It was not limited to the facts known at the time. Accordingly, the

scope of the Settlement is extremely broad and involves release of all claims whether known or unknown in any way associated with Nazi Germany and all individuals and entities associated or affiliated with it, the Holocaust, World War II, and its prelude and aftermath. As part of its comprehensive scope, the Settlement explicitly included “Nazi assets” — those belonging to Nazi companies and individuals.

This was much more than the typical class action settlement. It had an essential moral dimension that brought global peace, complete closure, and an end to confrontation. As evidence of this, major NGOs, including the Simon Wiesenthal Center, embraced the Settlement and agreed in writing to be bound by its terms. In its written endorsement (attached to my testimony), the Simon Wiesenthal Center, among other things:

- agreed that the Settlement was “fair, adequate, and reasonable,”
- “affirm[ed] [that the Settlement] brings about complete closure and an end to confrontation with respect to the issues dealt with in the settlement,”
- “agree[d] not to make any public statement or take any action that would violate or be inconsistent with [its] endorsement,” and
- agreed not to sue, threaten to sue or support suits against the banks, based on “conduct covered by the settlement.”

Because the parties to the Settlement recognized that, notwithstanding the many facts that had come to light, not all the facts could be known at the time (and some would never be known), the Settlement did not include any factual representations or further recitation of facts. In other words, it was the parties’ judgment that, notwithstanding necessarily incomplete knowledge, a final and binding settlement that brought complete closure and an end to controversy was in everyone’s interest. To further reinforce this, the Settlement expressly includes in the “Settled Claims” “. . . any claims . . . hereafter arising or discovered . . .” Importantly, given that the Parties and the Court were aware that not all the facts could be known at the time, the Settlement was structured in a way that permitted continuing voluntary research to bring new information to light, without undermining or calling into question its binding finality and end to confrontation.

The Settlement distribution process, in which the banks had no say, was overseen and implemented by the court and court-appointed special masters. When it concluded in 2018, nearly \$1.3 billion had been distributed to Holocaust victims and their heirs, including claimants to bank accounts, slave laborers, and needy survivors. Although the banks had no say in the Settlement distribution process, we are thankful that the settlement amount was dedicated so meaningfully to so many individual Holocaust survivors and heirs of Holocaust victims.

Current Credit Suisse Investigation

As I have explained, even though the Settlement provided finality from claims and closure of controversy, nothing in it stops any party from voluntarily deciding to take steps to examine its own history.

Following the 2020 Simon Wiesenthal Center press release, alleging Credit Suisse maintained accounts for Argentine Nazis that likely held assets looted from victims of the Holocaust, Credit Suisse agreed to voluntarily investigate these allegations and retained a leading forensic firm, AlixPartners, to conduct the review. Credit Suisse subsequently decided to engage Neil Barofsky as an independent ombudsperson to oversee the voluntary review into its past. Credit Suisse's agreement was neither required nor prohibited by the Settlement and did not affect the Settlement in any way.

I will not go into a step-by-step description of the investigation that has occurred over the past several years, except to say that the scope of the investigation has increased significantly, pursuing any new lead that the investigative team has found and covering more topics than contemplated by the original scope of the SWC's inquiry. Since the acquisition of Credit Suisse we have hired and put at the Ombudsperson's unlimited disposal an external investigative team of forensic accountants, historians, and an anti-Semitism expert; we have expanded our team of archivists to ensure a prompt review of the historical records; we have procured any necessary equipment to facilitate the scanning and indexing of any record and when this was not possible, we have hired vendors to scan and index on our behalf. Overall, as I mentioned earlier, we have, thus far, dedicated immense resources to this review.

The Ombudsperson and his team have had unfettered access, without any screening for relevance, to whatever information they have requested from Credit Suisse's electronic and physical archives, including privileged information from before the 1990's. I also note that, as further demonstration of our transparency, we provided a tour of Credit Suisse's archives to one of the Chairman's staff when she was in Zurich.

Since we rehired him, the Ombudsperson continuously and appropriately has praised our level of cooperation with his work. We would have it no other way. To be absolutely clear: with the exception of one narrow class of privileged documents, the Ombudsperson will continue to have access to any information he seeks through the completion of his investigation on the current timetable.

It is unfortunate that the resources and efforts that Credit Suisse has dedicated to this review to take all reasonable and timely measures to identify truly new information have been obscured by the Ombudsperson's request that Credit Suisse provide communications between Credit Suisse and its counsel in the 1990's. It is important to understand the context and the proportion of this compared to the totality and comprehensiveness of the review. It is also important to understand the steps we are taking to provide the Ombudsperson access to this information.

The dispute is over a limited set of attorney communications between Credit Suisse and its attorneys and attorney files in the 1990's. These communications have not been provided because the Simon Wiesenthal Center and others have threatened litigation over this matter, which makes it of paramount importance to protect those specific attorney communications. The confidentiality of communications between clients and their lawyers is time-honored and long recognized in our jurisprudence, and this Committee, in particular, can appreciate its foundational importance to our legal system.

It also is important to put the size of the attorney communications into context. While our review remains ongoing, these documents amount to fewer than 150 documents, versus more than 16.5 million documents provided to the Ombudsperson, at this time. For context, Credit Suisse also has voluntarily provided all materials for which it could have claimed the attorney-client privilege for pre-1990's documents and gave the Ombudsperson full access to those documents.

Materials from the 1990's are not within the scope of the Ombudsperson's oversight, which is meant to be focused on Credit Suisse's history and World War II-era conduct. This investigation was never meant to be focused on whether and how to reopen the 1999 Settlement Agreement. And yet, that is the subject on which the documents the Ombudsperson is seeking is most relevant.

Notwithstanding our position and after a lengthy mediation, we have requested that Judge Korman issue an order to clarify and reaffirm the scope of the Settlement, which could have the added benefit of permitting UBS to provide Mr. Barofsky with access to the privileged materials he seeks. Let me be clear: any suggestion that we have sued or are attempting to silence today the Simon Wiesenthal Center is false.

You also have heard that the Ombudsperson and UBS are constrained by Swiss law from disclosing certain individual and corporate names implicated by the investigation. I hope the Committee can understand that UBS wants to be able to disclose the relevant information in a meaningful way and is doing everything possible to be in a position to do so, while still complying with Swiss law, which we of course are obliged to do.

We recognize the Ombudsperson's efforts over the last several years and commend the instances of new historical discoveries that he has described, for example, the additional information on the ratlines that showed that Credit Suisse rented office space to the Argentine Immigration Office adjacent to its Bern branch and that certain individuals who worked with that office had accounts at Credit Suisse. When we took over Credit Suisse almost three years ago, UBS fully committed to getting the Ombudsperson's work back on track so that it could be completed, according to the agreed-upon scope and in a reasonable amount of time. At the time, we at UBS did not have a clear understanding of this matter and how it was playing out. Now, with three years of experience, our priority is to complete this review so that the world can benefit from the findings in the coming final report at the end of this year. UBS will continue to follow the facts. Thank you again for permitting me to testify today. Ms. Levi and I would be pleased to address the Committee's questions.