

ACT NOW TO TRACE ASSETS OF RUSSIA'S KLEPTOCRATS AND DETER PRIVATE SECTOR INTERMEDIARIES WHO ENABLE THEM

Transparency International's open letter to governments

23 March 2022

Dear Heads of State and Government,

Along with much of the rest of the world, we have followed Russia's invasion of Ukraine with alarm. One thing that has become ever clearer is the horrifying danger of transnational, globalised corruption that has thrived on the complicity of leading economies.

For years, Transparency International has been calling for an end to international flows of dirty money. Despite our best efforts, progress has been slow. Western nations have continued to allow kleptocrats and corrupt individuals from across the world to abuse the global financial system to pay bribes, launder ill-gotten gains and escape justice. Authoritarian regimes have [exploited these very same gaps](#) to undermine democracy, at home and abroad.

Russia is the most acute example of this. The vast amounts of dirty money [Russia's kleptocrats](#) have amassed – and still maintain – has helped President Vladimir Putin tighten his grip on power, exerting influence and military force over other nations.

Western governments finally seem to understand this now. In efforts to hold President Putin and complicit Russian elites accountable, they have focused on imposing a new wave of targeted sanctions. But experience shows that such sanctions may prove toothless, as authorities face significant difficulties in locating, identifying and freezing sanctioned individuals' wealth. Effectively detecting and tracing these assets requires the adoption of key transparency measures, intelligence-sharing, and cooperation among a diverse group of countries and an accountability-focused civil society. That is why [we commended the governments](#) who created and joined the Russian Elites, Proxies and Oligarchs (REPO) Task Force to specifically trace and freeze kleptocrats' assets for taking an important first step.

And now, our global movement urges you to support these international efforts to identify and freeze the assets of Russian kleptocrats hidden behind anonymous companies, luxurious real estate properties, yachts and jets, or invested in hedge funds, private equity and shares of large conglomerates. Transparency International's [new petition](#) aims to show to you that the public stands with us in this call.

We would also like to alert you to a very real risk that Kremlin-linked individuals and political elites will take advantage of the time that you need to track down their dirty money as a window of opportunity to sell or move assets to secrecy jurisdictions. To disguise their wealth and keep them out of the reach of law enforcement authorities, kleptocrats will turn to lawyers, real estate agents, banks, crypto-service providers and banks in your countries. You must redouble your supervision efforts over the gatekeepers of the financial sector, allocating all the necessary resources to scale up this work.

Now is the time for extensive oversight of these professions and to disrupt the systems and networks that have long enabled abuses of power – the devastating impacts of which we are seeing in Ukraine.

Our global movement urges you to do your part in ending the international community's complicity – either thanks to lax rules or rogue private sector intermediaries – in enabling Russia's kleptocrats.

Cross-border crimes require cross-border responses. This is a defining moment for multilateral action.