



**TRANSPARENCY
INTERNATIONAL**

R U S S I A

ANNUAL REPORT

2022

In 2022, the whole world learned how atrocious and irreversible the consequences of unchecked corruption can be. The day of 24 February 2022, when Russia launched its “special military operation” in Ukraine, divided the lives of millions of people into before and after.

Within Russia the beginning of this full scale war brought about a wave of repression against the civil society, curtailing of transparency and accountability in government and growth of budget expenses out of control.

During the whole year of 2022, Transparency International Russia has been reorganizing its operations in the face of sharply increasing risks of persecution. On 6 March 2023, the Office of the Prosecutor General of the Russian Federation declared the global movement Transparency International, which is registered in Germany, an ‘undesirable organization’. After this, the Board of TI Russia [decided](#)* to close down the legal entity of the Russian organization, ANO Center TI-R.

In September 2023, we [announced](#) that we would continue our work outside of Russia as the national chapter of the global TI movement in exile.

We believe that corruption must be investigated and fought back on all levels from global to local. And we keep proving that it is possible even in dire circumstances.

Ilia Shumanov, director of Transparency International Russia:



2022 was a year of losses and defeats for everyone who worked in Russia for its future. Our previous accomplishments have proven to be tragically insufficient to avert the catastrophe — a war which continues to bring death to thousands and suffering to millions.

Furthermore, times of war became a pretext for an attack on the civil society within Russia, which is at risk of getting canceled with all of its achievements erased.

Transparency International Russia is no stranger to these threats. We and our work are getting pushed out of Russia and wrenched out of Russian society, part of which we are and will remain.

Our efforts will still be devoted to one goal: bringing about the future where Russia will be free from corruption. We will support civil anti-corruption within Russia and global cooperation in this sphere. We persist as a bridge between those who share the values of transparency, accountability, integrity and honesty within Russia and in the whole world.

Support us — stay tuned and stay in touch:

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Subscribe to our social media:

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* The archives of TI Russia's website transparency.org.ru are in the process of moving; the links within the text of this report are to the archived versions of its pages at web.archive.org.

INCOME & EXPENDITURES

(in EUR average rate of 2022)

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|---|--|--|--|--|
| | | | | |
| <p>balance as of 01.01.2022 €146,776</p> | <p>Transparency International e.V. (Secretariat) €426,771</p> <p>Transparency International UK €56,971</p> <p>Transparency International Czech Republic €23,009</p> <p>NGO RELEARN Suderbyn €7,246</p> <p>Foundation for Democratic Development €5,422</p> <p>The embassy of the Kingdom of the Netherlands in the Russian Federation €27,720</p> <p>Financial support from founders and private persons for statutory activities €8,995</p> <p>Profit from income-generating activities €1,594</p> <p>Other income €26,527</p> | | | |
| <p>TOTAL INCOME €584,255</p> | | | | |

TOTAL EXPENDITURES €608,254

Expenditure on statutory activities
€440,556
including:

| | | | | | |
|---|--|---|--|--|--|
| | | | | | |
| <p>Translation €693</p> <p>Events & staff training (including catering & rent for events) €28,797</p> <p>Employee salaries, including payments to funds, taxes, and medical insurance €411,066</p> | <p><u>Expenses for maintenance of management staff</u> €167,698 <i>including:</i></p> <p>Salaries of administrative staff (including payments to funds and taxes) €105,972</p> <p>Services of IT specialists, software & databases €17,910</p> <p>Maintenance of offices (rent, Internet, stationery, etc.) €8,874</p> <p>Banking expenses €3,203</p> <p>Audit and legal services €15,983</p> <p>Employee traveling €15,756</p> | <p>balance as of 01.01.2023 €122,777</p> | | | |

CONTEXT

After the beginning of Russia's invasion into Ukraine, TI Russia supported Rapid Response Unit, the initiative which helps civil activists, journalists and civil rights defenders leave Russia. In 2022, this program received 320 applications. With help from the Rapid Response Unit, 83 people (civil activists and journalists, as well as members of their families) moved from Russia to one of two countries where there was no immediate threat to them.

In March 2022, the Government of Russia [allowed](#) issuers of securities not to publish their business reports if such disclosure could lead to the imposition of foreign sanctions against any entity. At the same time, regional and municipal authorities [were given](#) the right to independently decide which goods, works and services they could procure without competition. By mid-September of 2022, the total amount of such non-competitive procurements made under the pretext of "protecting national interests" exceeded RUB 666 bn (over USD 11 bn).

On 21 September, the 'partial mobilization' was declared in Russia. TI Russia launched a Telegram bot for reports of corruption taking place during mobilization activities and cases of petty corruption in the context of mobilization.

On 21 October, the Russian Ministry of Justice declared TI Russia's director general Ilya Shumanov a 'person serving as foreign agent'. The next day, a note was delivered into a mailbox at Ilya's address with a summons to attend "on the basis of the President of Russian Federation's order and the decision of the draft board". TI Russia [considers](#) this another instance of administrative pressure on Ilya personally and on the organization as a whole.

In November 2022, the authorisation for procurement from a sole supplier was extended until 31 December 2023, and access to information on such contracts was closed. Neither the contracts themselves nor documents on their execution are no longer posted on the website of the unified procurement information system.

On 29 December 2022, a presidential decree [stopped](#) the publication of declarations of income and property of public officials. Officers which take part in the "special military operation" and persons seconded because of it were allowed to stop filing these declarations with the state supervisory bodies. The same categories of officials were exempted from filing declarations of conflict of interest, while at the same time, they were allowed to accept gifts and payment from charitable organizations. The new procedure was set to remain in force "until the issuance of relevant normative acts".

EVENTS

- **1,278 people took part in TI Russia's educational events in 2022,**
- **47 graduates of the courses are actively engaged in anti-corruption projects**

In 2022, TI Russia continued its series of workshops for women entrepreneurs. Participants from all over the world could join the events which took place in Saint Petersburg, Kaliningrad and Yekaterinburg via Internet. Our experts passed on the knowledge of anti-corruption policies in business to the entrepreneurs. As a result of the project, 15 companies received advice on development of their own anti-corruption policies. In total, 87 women took part in these workshops, and 13 participants stood ready to apply best practices of anti-corruption in their work.

In February 2022, TI Russia launched its own *Practical Anti-Corruption* course in the Free University (Moscow). Of 28 students who started this course, 17 successfully graduated. In October, one more enrollment for this course in the Free University followed, we received 75 applications, selected 30 of them, and in December, 17 more students successfully finished the course.

From February to April TI Russia held a series of public discussions in the Russian cities. Participants of gatherings in Yaroslavl, Kaliningrad, Yekaterinburg, Novosibirsk, and Vladivostok discussed what opportunities remain at the disposal of civil society to counter corruption, and the experience of different countries around the world in their fight against corruption and its applicability in Russia.

In order not to expose participants to risks, we have switched some of our meetings to an on-line format and held five more meetings of our Discussion Club, where our experts discussed with the audience: how cryptocurrencies get used to circumvent sanctions, the work of Russian medicine under sanctions, the link between corruption and gender discrimination, what an "inoculation" against corruption could look like at the level of school education, and how parents can avoid getting caught up in corruption at school or children's clinic. In total, 156 people took part in these events.

On 21 April, voting started at the [on-line exhibition](#) of our Fighting Corruption with Art contest. The artists submitted their works on the theme of corruption, and the visitors and an expert jury chose the best among these works. More than 50% of visitors to the on-line exhibition said that their understanding of corruption had changed after viewing the entries. A total of 124,468 people in Russia and the US learnt about the competition, 5,708 people visited the exhibition, and 60% of them voted.

Together with our partners in the Baltic Sea Transparency project, TI Russia held three workshops on investigation of corruption for environmental activists and journalists. On 21 October, at the final conference of this project in Tallinn, 28 people from several countries including Russia discussed main problems of the region's environment. During the course of the project, an informal network of NGOs and civil activists that are interested in studying and reducing 'green corruption' emerged. The manifesto developed by the project's participants is [open for signing](#).

In 2022, TI Russia held Dirty Money School — an on-line course for journalists on investigation of money laundering schemes. The course participants studied OSINT instruments, developed projects of their own investigations and pitched them to potential partners in Russian and global media. 25 journalists took part in classes at Dirty Money School, and 18 of them successfully passed the final exam. Three of the school graduates joined an anti-money laundering project.

MEDIA PUBLICATIONS

In 2022, the media issued 1,887 publications about our work, which is 89% more than in 2021.

However, this growth is due to fragmentation of the media field in Russia. Over the course of 2022, the authorities declared most of the independent media outlets 'foreign agents' and/or 'undesirable organization', effectively prohibiting their work within Russia.

On January 25, the [2021 Corruption Perception Index](#) was published. Russia lost one more point and seven positions, landing on 136th place with a score of 29 out of 100.

On 2 February, TI Russia [presented its study](#) of promotion of interests in government bodies by the 20 largest Russian public companies. 15 of 20 boards of directors included acting or former public officials, as did 13 out of 20 management boards studied. Half of the sampled companies had links with at least one member of Russian federal parliament.

Besides that, representatives of big business take part in advisory and consultative parliamentary boards, councils and collegiums. There is very little information which is publicly available considering the work of these bodies, while they can significantly influence the legislation and regulation. Meanwhile in 2020–2021, Sberbank, Rusal, and Gazprom summarily spent about RUB 528 mn (over USD 7 mn) on lobbyism in the US, and the 6 sampled companies spent on lobbying in the EU up to RUB 243 mn (over USD 3,2 mn) a year in total.

The findings of the study and our recommendations for increasing transparency and accountability of GR specialists in business were presented at the [Compliance & Risk Management in GR](#) conference in Moscow on 27 April. One of the partners proposed that our recommendations be included into its internal documents for corporate clients.

On 27 May, TI Russia in partnership with Meduza published an [investigation](#) of litigation between the VEB state corporation and the company of film director Andrey Konchalovskiy which considered repayment of debt on loans for shooting *The Nutcracker* movie. This film became the most expensive in the history of Russian film-making, but managed to collect less than a third of its budget of USD 90 mn at the box office. The litigation took place at the High Court of the Cayman Island, the offshore territory where Konchalovskiy opened a company specifically to obtain financing for filming his movie. By 2022, the debt has reached USD 127.8 mn, which is as much as the whole yearly sum of state support for the Russian film industry.

In June, together with the Mozhem Obyasnit we [analyzed](#) state procurements linked with St. Petersburg Economic Forum. The biggest sponsors of the event turned out to be the Government of Bashkortostan and JSC Bashkir Soda Company controlled by the regional government. Together they spent more than RUB 400 mn (over USD 6.7 mn) on the design of exhibition stands.

Also together with Mozhem Obyasnit we published an [investigation](#) on the 'double immunity' bill proposed by State Duma deputy Vadim Belousov. According to the proposition by the member of parliament, who by then stood accused of taking a RUB 3.2 bn bribe, the prosecution will have to obtain State Duma's agreement not only to open a criminal case against a deputy, but also to file the case in court.

On 7 July, TI Russia together with six partners, the Russian and global media and organizations: [Meduza](#), [Novaya Gazeta Europe](#), [The Insider](#), [Eesti Paevaleht](#), Transparency International's chapters [in the United Kingdom](#) and the Czech Republic, published the [Bottle Laundromat](#), an investigation of a scheme which was used to illegally siphon RUB 41 bn (USD 820 mn) from Russia from 2014 to 2016.

The money was moved abroad, including into offshore territories, through inflated prices on imported machines for molding plastic bottles. The scheme of such scale could not have operated

without complicity from the banks and customs officers.

On 27 August, the Bottle Laundromat investigation [was awarded](#) a renowned journalist prize Redkollegia. In total, 484 publications on this investigation were issued in the media with an aggregate audience of more than 3 mn people.

The Bottle Laundromat investigation was a launch point for a study conducted by TI Russia together with the Prague Center for Civil Society. The result of this work was the analytical report [published](#) in September, in which specific schemes of money laundering and withdrawal of funds from Russia to the Czech Republic were described, and loopholes in legislation and legal practice which made money laundering possible were highlighted. In one of the discovered schemes, Russian and Czech companies made fictitious contracts to buy promissory notes and Eurobonds, and then started to litigate between themselves. Rulings issued in such processes by the courts in Russia and Cyprus allowed for withdrawal of more than EUR 35 mn from Russia from 2014 to 2015. In another scheme, more than EUR 32 mn and USD 41 mn were illegally withdrawn from Russia through TBML.

Licenses of several banks involved in this scheme were later withdrawn by the Bank of Russia. Both schemes involved the same individuals and legal entities as intermediaries, and at least one of these companies and two of these natural persons were also parts of the Bottle Laundromat.

On 9 September, TI Russia together with Vyorstka [published](#) research on the growth of earnings in the Presidential Administration of the Russian Federation. Over the previous four years, the compensation of lower-level officials of the Presidential Administration has grown by 40–50% and has caught up with the income of State Duma deputies. The salaries of more senior employees of the Presidential Administration turned out to be even higher and were growing faster than those of the State Duma deputies.

On 3 November, TI Russia presented its study of budget procurements conducted directly from a supplier chosen without bidding over the course of 2022. In the seven months since such an order of procuring was authorized, the total amount of purchases made non-competitively under the pretext of "protecting national interests in connection with unfriendly actions of foreign states and international organizations" exceeded RUB 666 bn (over USD 11 bn).

On 15 November, TI Russia jointly with Meduza published an [investigation](#) of the Novye Lyudi party faction in the State Duma and of the party's sponsors who made more than half of all donations to its Duma campaign. 65 people who were associated either with a faculty of the Plekhanov Russian Economic University and/or with the party itself donated more than RUB 107 mn (over USD 1.4 mn), and more than half of these donations exceeded RUB 500,000 (USD 6,800). It is likely that these people were used as nominees.

On 12 December, TI Russia celebrated the work of our volunteers in an [on-line Hall of Fame](#). More than 130 people took part in the work of TI Russia's projects over the course of 2022. 23 of them shared their experience in TI Russia on the pages of the Hall of Fame, telling about their work alongside the like-minded people, the interesting challenges they met and the opportunities for self-development they found.

IMPACT

In 2022, the full names of the participants in trials began to appear on the websites of Moscow courts, which increased the transparency of the court procedures. This happened after TI Russia's request was supported by Moscow City Duma deputy.

On 26 January, Sergei Nikitin, the deputy head of Rostekhnadzor's department for supervision in the coal industry, [said](#) that the preliminary cause of the accident at the Listvyazhnaya mine, where 51 people died in December 2021, was established as the gross violations of safety rules.

In December 2021, TI Russia together with Novaya Gazeta released an [investigation](#) into a possible conflict of interest which Aleksandr Mironenko, the head of the agency's Siberian territorial department, had. Mironenko was supposed to carry out inspections at Listvyazhnaya.

On 10 February, Aleksandr Mironenko was [dismissed](#). On 8 June, Dmitry Meshcheryakov, head of the expert group investigating the causes of the accident, [said](#) that Listvyazhnaya had been operating with numerous serious violations for a long time. In particular, the methane content there exceeded the norms long before the accident.

TI Russia's expert [co-authored](#) a report assessing the implementation of the UN Convention Against Corruption in Uzbekistan. The Convention is the only legally binding international instrument to fight corruption. The UN Convention Against Corruption Coalition (UNCAC Coalition) includes more than two hundred civil society organizations from more than 100 countries. TI Russia joined the UNCAC Coalition in September 2021.

The report highlights both the progress made by Uzbekistan and the challenges hindering the success of anti-corruption reforms in the country. It also offers recommendations to advance the implementation of the UN Convention Against Corruption.

Also as part of our membership in the UNCAC Coalition, we provided our comments to the summary of Russia's report on the implementation of the UN Convention Against Corruption, and submitted them for consideration by members of the Implementation Assessment Group.

On 12 May, a [bill](#) was introduced in the State Duma that would make the process of selection for targeted higher education enrollment programs public. "The current system of targeted enrollment violates the enshrined principles of the legislation: targeted education is not available to all citizens of the Russian Federation on a competitive basis," the explanatory note to the document reads. This fully coincides with the conclusions of the [investigation](#) which TI Russia released together with partners in 2020, thereby launching a discussion in the public field about the non-transparency of targeted enrollment into universities.

On 24 May, the European Court of Human Rights accepted TI Russia's complaint against a Russian court decision that refused to oblige the Ministry of Justice to provide us with a plan for the application of the Council of Europe Civil Law Convention on Corruption. For many years we have been seeking to introduce into Russian law the requirements of the Convention that would allow citizens to retrieve compensation for the harm caused by corrupt decisions of officials. Our complaint has passed the serious screening process to which all complaints to the ECHR are subjected.

On 11 August, the UN Office on Drugs and Crime notified TI Russia that one of the parties to the UN Convention Against Transnational Organised Crime opposed our participation as an observer in the next COP11 Conference. On 17 October, Mikhail Ulyanov, Russia's permanent representative to UN organizations, objected to our participation at the COP11 in Vienna. He argued that the work of TI Russia was irrelevant to countering transnational crime, that the international TI movement was already represented as an observer at COP11, and that NGOs should not be considered equal to states which

are parties to the Convention. Representatives of the European Union, supported by Switzerland, called for a vote on our admission to the conference, which was in our favor.

On 1 November, the Office of the Prosecutor General of the Russian Federation issued an [order](#) instructing the prosecutors to "protect persons reporting corruption from harassment and infringement of their rights and legitimate interests". TI Russia has repeatedly called for instituting the protection of corruption whistleblowers from retaliation into Russian law, as well as for providing those who have suffered from corrupt actions with a legal way to obtain compensation for damages in court.

On 10 November, the Basmanny Court of Moscow [placed in custody](#) Ikhtiyar Mirzoyev, a deputy of the Kostroma Regional Duma, on charges of violating fire safety requirements resulting in loss of life (part 3 of Article 219 of the Criminal Code of the Russian Federation). Earlier, Mirzoyev promised to provide financial support to the families of 13 victims of the fire that occurred in the Polygon night club on 5 November. However, in court Mirzoyev denied his involvement in the work of this club. TI Russia [drew](#) attention to the inconsistency of information about the club with the data in Mirzoyev's declarations of property.

On 28 November, the Federal Antimonopoly Service found a violation of the law on the contract system on the appeal of Transparency International Russia. The matter in question were the construction works at the perinatal centre in Kommunarka, the contract for which cost more than RUB 103 mn (over USD 1.3 mn) and was awarded without a tender to OOO Monarkh. The procurement was conducted with the "sole supplier" under the pretext of "extraordinary circumstances", namely the COVID-19 pandemic, although this work had nothing to do with it.

In November 2022, the Main Directorate of the Ministry of Internal Affairs of Russia for the North Caucasus Federal District [declared](#) former Deputy Minister of Health of Dagestan Mazay Ramazanov on suspicion of exceeding his official powers (part 3 of article 3 of the Criminal Code of the Russian Federation) during the purchase of eight ventilators worth RUB 24 mn (more than USD 0.3 mn). The purchase price for these devices, which had already been in use and were partially defective, was overestimated almost twofold. The team of investigative partners of Transparency International Russia published a [report](#) on this purchase in 2020. The report also mentioned two other procurements of ventilators for a total of RUB 90 mn (over USD 1.2 mn) from Aleksandr Ivanov, a businessman from Shchyolkovo, Moscow Oblast, who is also currently under investigation for this deal by the Ministry of Internal Affairs.



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