

BASIC ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING CONCEPTS



Council of Europe TRAINING
in cooperation with the
European Studies Institute ESI
MGIMO University, Moscow
Russian Federation

PROGRAMME

26-30 October 2015





FOREWORD

The Council of Europe promotes the **fight against corruption and money laundering** as one of its priorities. In this regard, diverse cooperation activities with member-states and other interested countries have been developed (see www.coe.int/corruption).

Among these activities, **awareness-raising** has proven to be one of the genuine tools to promote efficiently the anti-corruption agenda across society.

Based on the Council of Europe’s pool of expertise, a **week-long training seminar** has been developed, covering anti-corruption and anti-money laundering standards, measuring and monitoring mechanisms, ethical values and principles in the public service, best practices and international success stories. The training has been designed as a “continuous education” programme for civil servants, legal and law enforcement professionals, and other interested categories, and it is taught by international and national trainers and practitioners.

As a country tailored training, it has been delivered annually since 2012 in Moscow, in cooperation with the European Studies Institute at MGIMO University, and this cooperation will continue (see [AC activities in Russia](#)).

Since 2016, responding to a growing demand, the training will be provided to new audiences in Europe and its neighbourhood.



**COUNCIL OF EUROPE training on “Basic
Anti-corruption and Anti-money laundering Concepts”
at ESI/MGIMO of the Russian MFA
Moscow, 26-30 October 2015**



SPEAKERS

- Aive Pevkur, Ethics Trainer, University Lecturer, Estonia
- Andrei Gasanov, Economic Advisor, Central Bank, Russia
- Anton Pominov, Director, Transparency International Russia Chapter, Russia
- Aslan Yusufov, Deputy Head, Directorate for Countering Corruption at the Prosecutor General’s Office, Russia
- Dina Krylova, Lecturer at the Moscow Higher School of Economics, Public Ombudsman on Entrepreneurial Rights, Russia
- Elena Panfilova, Vice Chair of Transparency International, Russia
- Elina Sidorenko, Lecturer of Criminal Law at MGIMO, Russia
- H.E. Boyko Kotzev, Ambassador of Bulgaria in the Russian Federation
- H.E. Vasile Soare, Ambassador of Romania in the Russian Federation
- Irina Talianu, Anti-money laundering expert, Economic Crime and Cooperation Unit, Council of Europe
- Ivan Koedjikov, Head of the Department of Information Society and Action against Crime, Council of Europe
- Muthupandi Ganesan, Council of Europe anti-money laundering expert, United Kingdom
- Petr Sich, Head of the Council of Europe Programme Office in the Russian Federation
- Tilman Hoppe, Council of Europe anti-corruption expert, Germany
- Valentin Mikhailov, Deputy Head, Anti-Corruption Directorate of the President of the Russian Federation



AIVE PEVKUR

Aive Pevkur is a researcher, trainer and lecturer in professional and public ethics in Estonia. Her main areas of expertise are anti-corruption, professional ethics and integrity. As a certified philosopher, she holds a Master's degree from the Moscow State University and a PhD from the University of Tartu.

Her experience includes developing the Estonian public service ethics management system, participation in drafting national anti-corruption strategies and preparation of ethics and integrity training programs and materials at the Training and Development Centre of Estonian Academy of Security Sciences. She has participated in various national and international studies of public ethics, integrity, values and ethics management.

As a qualified expert, she has taken part in several cooperation projects promoting good governance in Estonia, Russia, Kyrgyzstan, Ukraine, Moldova, Armenia, Azerbaijan, Georgia and other countries and authored a number of publications promoting morality and ethical behaviour in public service.

Ethics: values and principles in public service

Professional ethics is concerned with the justified moral values which should govern the work of professionals, from personal to corporate standards. These values emerge in principles upheld by Codes of Ethics, promulgated by professional societies, as well as in the beliefs and conduct of professionals. Public service ethics is concerned with the use (and abuse) of power by public officials when they decide and act on the name of the State.

As the law cannot realistically intervene in all ethically questionable situations, officials must be ethically competent and able to recognise

and avoid ethically questionable practices. Moreover, they must be able to analyse and resolve these kinds of issues as and when they arise.

Codes of conduct and other measures to strengthen ethics in the Russian Federation

Integrity policies include Codes as normative expectations on the members of a professional community. Codes of Conduct prescribe good behaviour and Codes of Ethics state an ideal which professionals should pursue.

Corruption is usually embedded in a general culture of lack of service, disrespect or disdain for citizens and oblivion of the public good. Codes of ethics are guides for users in support to day-to-day decision making, meant to support the fulfilment of the organisation's mission, values and principles.

The key public service ethics principles for public servants in the Russian Federation are embedded in its *Code of conduct*.

Resolution of ethical dilemmas

Sometimes the norms of ordinary morality and professional morality suggest different answers to moral questions. The resolution of ensuing ethical dilemmas relies on knowledge of ethical codes and conflicts of interest, ethic training and practice. Conflicts of interest often entail a contradiction between the public duty and the private interest of a public official.

To examine ethical dilemmas in public administration, it is necessary to understand the various administrative roles as they relate to the social and cultural context in which civil servants work.



ANDREY GASANOV

As the economic adviser of the Department of financial monitoring and currency control of the Russian Central Bank, Andrey Gasanov is responsible for international cooperation, cooperation with FIU and other relevant authorities, participation in the FATF plenary meetings and co-chairing the working group on supervision and risks of the Eurasian group on combating money laundering and the financing of terrorism (EAG).

His experience includes legal and financial advice for The Federal Financial Monitoring Service (Rosfinmonitoring), preceded by studies at the MGIMO University.

Anti-money laundering policies and combating terrorism financing system of Russia: legislation and practice

The Russian Federation is part of a number of international AML/CFT agreements concluded within the United Nations, FATF and the Council of Europe framework. Based on national priorities and international standards, Russian public authorities have put in place targeted legislation and regulations in this field.

Rosfinmonitoring (FIU) is the key institution coordinating the implementation of the AML/CFT legislation and overseeing its performance. Moreover, it is mandated to receive and review reports relating to financial monitoring. The Bank of Russia is the main supervisory bodies which has become a mega-regulator in 2013.

The monitoring and enforcement system includes Rosfinmonitoring, Bank of Russia, Roskomnadzor, Assay Office, Ministry of Internal Affairs, Federal Service of Security, Federal Drug Control Service, the General Prosecutors Office, and so on.

Under the Russian AML/CFT law, Central Bank has the right to revoke the banking license if the credit organization breaches regulations more than one time in a year.

Since 2013, Credit organisations have been entitled to refuse to open a bank account or rescind that of a person on ML/TF suspicions.



ANTON POMINOV

As Director of Transparency International Russia Chapter, Anton Pominov is in charge of risk assessment, awareness-raising, methodology development and media outreach areas.

Since 2009, Anton Pominov has been running projects and campaigns at the Laboratory for anti-corruption policy of the Russian Higher School of Economics. He has conducted several research projects, including: “How much corruption does a litre of milk contain?” - a qualitative assessment of the influence of corruption on retail price of milk in the Moscow region, demonstrating that corruption, as an implicit tax, may constitute 30 to 50 per cent of the retail price.

Anton Pominov holds a Master’s degree in Economics from the Moscow Higher School of Economics and has participated in student associations promoting democracy and human rights.

Measuring corruption and corruption risks in Russia

Since corruption is a hidden activity, its measurement focuses on proxies and risks. A comprehensive analysis of the phenomena includes sociological surveys, criminal statistics, media review and institutional risk analysis. In Russia, the TI Corruption Perception Index and TI Bribery Index are currently the most relevant indicators. Specialised studies offer useful information as well: for example a recent analysis of petty corruption indicated Evreiskiy autonomous region as the list affected by corruption, while Krasnodarskiy krai, whose capital is Sochi, as the most affected.

The Russian Government provides recommendations concerning appointments to corrupt-prone positions and indicators of corrupt behaviour and monitors risks related to large projects with state participation.



ASLAN YUSUFOV

As the Deputy Head of the Directorate for Countering Corruption at the Prosecutor General's Office of the Russian Federation, Aslan Yusufov is responsible for conducting analytical studies, monitoring the implementation of relevant legislation and drafting amendments. Moreover, he is also involved in coordinating law-enforcement agencies fighting corruption.

As a national expert, he represents Russia at GRECO, serves as a national focal point for the UNCAC review mechanism and participates in peer reviews on compliance to anti-corruption and anti-money laundering conventions and mechanisms. An experienced trainer, he holds a PhD in Economics from the Moscow State University.

Prosecution's control over the implementation of anti-corruption norms in the Russian Federation: case studies

The legal base for prosecution's control are the laws on counteracting corruption, civil service, lifestyle monitoring of public dignitaries and the ban for certain categories of persons to hold accounts in foreign banks. In 2014 alone, over 380,000 infringements of anti-corruption laws were detected by prosecutors across the Russian Federation. The anti-corruption evaluation of legal acts and regulations identified 43,000 corruption risks, 90% of which concerning local administration.

The Russian anti-corruption system includes income, assets and expenditures declarations, filtering access to certain public offices, and specific interdictions for civil servants. Overall, anti-corruption measures by prosecutors lead to confiscations, disciplinary measures, and dismissals of civil servants as well as corporate fines.



DINA KRYLOVA

As an expert and Lecturer at the Moscow Higher School of Economics, Dina Krylova is involved in a number of public and private initiatives focused on improving relations between state and business. Her main areas of expertise are state regulation of business and anti-corruption measures, activity of business associations and lobbying issues.

She is currently holding several essential offices: Chief expert of the Institute of State Administration, President of the Interregional Public Fund "Business Perspective", Executive secretary and member of the Expert Council under the Commissioner of the President of the Russian Federation to protect the rights of entrepreneurs, Business Ombudsman in anti-corruption and teacher at the Higher School of Economics, where she was awarded her MBA from.

Corruption affecting the business sector and the Business

Ombudsman: case studies on collusion

Business corruption occurs in the interaction between business and public authorities, other businesses or individuals. It may be initiated by the business itself or result from pressure by the public authority or other subjects. Bribery, extortion, elimination of business and raiding may be counteracted by corporate integrity programs, state business ombudsmen activities and pro bono services.

Collusion is an agreement between two or more parties, sometimes illegal and therefore secretive, to limit open competition by deceiving, misleading, or defrauding others of their legal rights, or to attain an objective forbidden by law, typically by defrauding or gaining an unfair market advantage.



ELENA PANFILOVA

Vice Chair of Transparency International and Chair of TI Russia, Elena Panfilova is an inspiring activist and well-established researcher in charge of the Laboratory for Anti-Corruption Policy. She was elected to the Transparency International's International Board of Directors for the first time in 2011. She is also the chair of the Centre for Anti-corruption Research and Initiative Transparency International, TI's Russian chapter, which she founded in 1999.

As an academic, consultant and activist, she has held positions in the OECD and the Institute for Economy in Transition, and has become a member of the Russian Governmental Commission on Open Government. Since August 2014 she heads the Laboratory for Anti-Corruption Policy, working to promote transparency and civil society. She has an equally long-standing experience teaching anti-corruption at the Moscow Higher School of Economics.

Anti-corruption framework and tools in Russian Federation

Anti-corruption policies can be real or imitational. If there are insufficient resources and political will, but experts nonetheless depict the implementation of a sometimes excellent anti-corruption policy document, such a policy should be considered imitational or declarative. Russian anti-corruption policy, endowed with a multi-annual strategy and biannual action plans, could be considered one of the best in Europe - on paper! In reality this policy lies midway between a declarative and real one.

A comprehensive anticorruption system includes, beyond the state policy and its mechanisms, investigative journalism, the civil society at large and the electorate, exercising its voting rights. They are jointly responsible for efficiently preventing and prosecuting corruption.



ELINA SIDORENKO

As an academic, Elina Sidorenko teaches criminal law at MGIMO, after having successfully developed her career at Stavropol University and the Russian Law Academy. She specialises in anti-corruption legislation, international human rights standards, personal security issues and armed crime.

As a well-reputed national expert, she is a member of the Presidential Anti-corruption Council and heads the working group for improving legislation in the field of arms trade of the Parliamentary Security and Anti-corruption Committee. She holds an LL.D degree in Criminal Law and Criminology, and has authored over 160 academic publications.

Adaptability of international AC standards in Russian law

The adaptability of international standards in national legislations depends on a number of factors, such as openness to change, legal and cultural heritage, political irritability, systemic homeostasis etc. The Russian Federation is party to a number of global and regional anti-corruption treaties which require the following: criminal liability for legal entities, criminalisation of promises and offers of bribes and of bribing abroad, as well as application of exponential fines for corrupt acts.

Russian legislators have enacted administrative liability for legal entities. They have, however, refrained from approving corporate criminal liability, arguing that international conventions do not expressly indicate which form of “specific liability” states should enact when choosing between, criminal, civil or administrative one.



H.E. BOYKO KOTZEV

Boyko Kotzev, ambassador of Bulgaria to the Russian Federation, is an expert in International Law and European affairs. He served as a permanent representative of Bulgaria to the European Union in 2007-2012, previously accomplishing a number of diplomatic missions in Brussels, Harare and Vienna. Author of numerous publications, he earned a LL.M. in International Law from the MGIMO University.

Anti-corruption reforms in Bulgaria: challenges & solutions

A wave of scepticism concerning the results of anti-corruption reforms has recently swept some Eastern European countries. This is related to exaggerated expectations for quick results and the adaptation of formerly corrupt subjects to the general EU standards for transparency and accountability in the public sector. While it is accepted that legal and institutional reforms are the most efficient anti-corruption measures, the proliferation of loosely coordinated anti-corruption agencies has proven to be an easy but inefficient path.

One of the key issues is the lack of appropriate evaluation of anti-corruption measures. To address this challenge, a joint Bulgarian-Italian expert team has developed a System for Monitoring of Anti-Corruption (SMAC) capable of assessing both the design and implementation of AC policies. It covers recruitment and procurement, licencing and registrations, financial and accounting services. Its application has identified the following key offences: abuse of office, nepotism and clientelism. As remedies, SMAC experts have recommended internal rules of procedure, internal complaints systems, information management systems, labour codes and access control systems.



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PROGRAM

Monday 26 October

Corruption

Moderator: Tamara Shashikhina

Panel of speakers: Tilman Hoppe, Anton Pominov, Elena Panfilova

09.00-09.20 **Opening** (Petr Sich) **Overview of the training** (Octavian Sofranksy)

09.20-10.50 **Anti-corruption policy of the Russian federation** (Valentin Mikhailov)

10.50-11.10 Coffee break

11.10-12.30 **International Anti-corruption standards** (Tilman Hoppe)

12.30-13.30 Lunch

13.30-14.30 **Measuring corruption and corruption risks** (Tilman Hoppe)

14.30-15.30 **Measuring corruption and corruption risks in the RF** (Anton Pominov)

15.45-17.00 **Anti-corruption framework and tools in the RF** (Elena Panfilova)

Tuesday 27 October

Money laundering

Moderator: Octavian Sofranksy

Panel of speakers: Irina Talianu, Aslan Yusufov, Muthupandi Ganesan

10.00-11.20 **Relation between money laundering and corruption** (Irina Talianu)

11.20-11.40 Coffee break

11.40-13.00 **International cooperation against money laundering** (M. Ganesan)

13.00-14.00 Lunch

14.00-15.00 **Asset recovery: international standards and case studies** (M. Ganesan)

15.00-16.00 **Prosecution's control over implementation of AC norms in RF**
(Aslan Yusufov)

16.10-17.30 **Adaptability of international AC standards in Russian law**
(Elina Sidorenko)

Wednesday 28 October

Reforms

Moderator: Octavian Şofransky

Panel of speakers: Krylova Dina, Tilman Hoppe

09.30-10.00 **Liability of legal persons in the Russian Federation**
(Valentin Mikhailov)

10.00-11.20 **Liability of legal persons / Political Finance** (Tilman Hoppe)
11.20-11.40 Coffee break

11.40-13.00 **Anti-corruption reforms in Bulgaria** (H.E. Boyko Kotzev)
13.00-14.00 Lunch

14.00-15.00 **Corruption affecting the business sector** (Dina Krylova)

15.00-16.00 **Success stories** (Tilman Hoppe)

Thursday 29 October

Ethics

Moderator: Octavian Şofransky

Panel of speakers: Ivan Koedjikov, Aive Pevkur, Tilman Hoppe

10.00-11.20 **The work of the Council of Europe in fighting corruption** (I. Koedjikov)
11.20-11.40 Coffee break

11.40-13.00 **Ethics: values and principles in public service** (Aive Pevkur)
13.00-14.00 Lunch

14.00-15.00 **Measures to strengthen ethics in the RF and internationally** (A. Pevkur)

15.00-16.00 **Anti-money laundering policies and practice in the RF** (Andrei Gasanov)

Friday 30 October

Conclusions

Moderator: Tamara Shashikhina

Panel of speakers: Ivan Koedjikov, Aive Pevkur, Tilman Hoppe

10.00-11.20 **Resolution of ethical dilemmas** (Aive Pevkur)

11.20-12.30 **Anti-corruption reforms in Romania** (H.E. Vasile Soare)

12.30-13.00 **Concluding remarks / Delivery of Certificates** (Ivan Koedjikov)
13.00-14.00 Final reception and group photo



H.E. VASILE SOARE

Vasile Soare, ambassador of Romania to the Russian Federation, is an expert in Eastern European and Eurasian affairs. He has served as Ambassador to Kazakhstan, Kyrgyzstan and Tajikistan in 2002-2008 and later headed the Department for Eastern Europe and Central Asia of the Romanian Ministry of Foreign Affairs. He earned a Ph.D in Mongolian Studies from the Mongolian Academy of Science and is currently a Ph.D candidate at the Faculty of History and Philosophy of the Cluj-Napoca University in Romania.

Anti-corruption reforms in Romania: challenges & solutions

In recent history, Romania has made clear progress in fighting corruption, which has propelled it to a position among the leading countries in Europe in this field. The creation of the National Anti-corruption Direction in 2006 accelerated the transformation in this field. The agency was tasked with preventing, investigating and prosecuting corruption-related offenses (such as bribery, graft, patronage and embezzlement) that caused a material damage higher than €20,000 or when the value of the amounts or goods involved is higher than €10,000. Currently, the Romanian National Anti-corruption Direction is rated among the top-five similar agencies in the European Union.

Joining the EU in 2007 provided a new impetus to fighting corruption in the country and intensified anti-corruption reforms. Firm anti-corruption actions in the recent period have raised support and recognition both inside and outside the country. According to recent opinion polls, 55% of Romanians support the reform agenda while Romanian anti-corruption experts are often invited to share their experience abroad.



IRINA TALIANU

As an administrator of the Economic Crime and Cooperation Unit at the Council of Europe, Irina Talianu manages cooperation activities in the field of prevention and combating money-laundering, having previously also worked as an expert for MONEYVAL.

Her experience includes heading the Financial Analysis Department of National Office for the Prevention and Control of Money Laundering of Romania and advising the CEO of the National TV. She holds an International Business degree from the Academy of Economic Studies and a Law degree from Spiru Haret University, both in Bucharest. She equally obtained a PhD on “Vulnerabilities of accounting systems to money-laundering” from Târgoviște University, Romania.

Relation between money laundering and corruption

Money laundering describes attempts to transform illegal profits and unexplained wealth into assets of a different shape, the latter seeming justified and legal. This phenomenon was criminalised by the United Nations Vienna Convention of 1988, by the Council of Europe Warsaw Convention of 2005 and other international treaties. As corruption is primarily about obtaining illegal wealth, it necessarily involves money-laundering in order to transform illegal wealth into legal assets.

Preventive measures rely on national systems tasked to protect the financial sector (banks, security intermediaries, insurance companies), and designated non-financial business and professions (casinos, notaries, advocates, real estate intermediaries, accountants). These include customer due diligence measures, record keeping, suspicious transaction reporting and supervision. On the international stage, specialised institutions, such as FATF, MONEYVAL and EAG, contribute to the monitoring of anti-money laundering regime.



IVAN KOEDJIKOV

As Head of the Department of Information Society and Action against Crime, Ivan Koedjikov's responsibilities cover standard-setting, technical co-operation and monitoring in the fields of criminal law, prison and police reform, countering terrorism, fighting corruption and money-laundering and promoting criminal assets recovery.

His political experience includes negotiations on the Gagauz autonomy in Moldova, the EU-led attempt to negotiate with President Lukashenka of Belarus the restoration of a democratic Constitution after the 1996 "referendum", and the establishment of the Council of Europe's presence in the Chechen Republic in 2000.

As a diplomat, he took part in negotiating several landmark international agreements and represented Bulgaria in Paris and at the United Nations in New-York. He studied international law at MGIMO.

The work of the Council of Europe in fighting corruption

To efficiently address the economic crime issues, the Council of Europe has developed a three-tier mechanism including standard setting, monitoring and technical cooperation activities.

In terms of [standards](#), CoE member-states have adopted four conventions and a number of targeted political documents covering corruption and money-laundering offences. Two specialised bodies are responsible for monitoring the implementation of these conventions: [GRECO](#) and [MONEYVAL](#). A number of technical cooperation projects covering multiple countries are being implemented by the Economic Crime and Cooperation Unit ([ECCU](#)).



MULTHUPANDI GANESAN

As an international expert, Multhupandi Ganesan, a Barrister-at-Law, works for several institutions in the field of civil and criminal asset recovery involving off-shore companies, anti-money laundering, anti-bribery and anti-corruption.

His experience includes both civil and criminal confiscation of crime proceeds, “GAP” analysis in relation to confiscation legislation, cybercrime and substantive litigation experience in the fields in numerous jurisdictions.

He has trained judges, prosecutors, investigators, defence advocates and civil servants on these matters in multiple countries.

As a lawyer, he has undertaken cases in a number of jurisdictions in countries including England and Wales, India, Seychelles, Grenada, Libya, Kenya, Isle of Man, Spain and Estonia. He has earned academic credits at the University of Wales (Bachelor of Laws), the Inns of Court School of Law (Master of Laws) and has passed the Bar Professional exams in London, UK.

International cooperation against money laundering

Successful anti-money laundering investigations and prosecutions require well-planned and coordinated efforts by internal law enforcement agencies in multiple jurisdictions. The success of prosecutions such as *James Ibori* in London and the *Silk Road 1.0* and *2.0* trials in the USA demonstrates that international cooperation is the most effective weapon against money laundering with relation to bribery and corruption by public officials and politicians.

Asset recovery

The cases such as *HP Russia* bribery case and *The Queen v Suhhareva* in London demonstrate how effective international cooperation can be in recovering substantial crime proceeds through timely exchanges of financial information and intelligence, exchanges of evidence and effective use of mutual legal assistance legal processes to trace, seize, freeze and confiscate assets.



PETR SICH

Head of the Council of Europe Programme Office in the Russian Federation since September 2013, Petr Sich studied law at the Charles University in Prague and the University of Social Sciences in Toulouse. After working in an international law firm in Paris, he joined the Council of Europe in 1992, where he held positions in the Parliamentary Assembly, including the Head of the Office of the Secretary General (2003-2005) and Head of the Office of the President of the Parliamentary Assembly (2005-2008, 2009-2013). In 2008-2009, he worked as Deputy Head of the Representative Office of Lukoil Oil Company in Brussels.

Current Council of Europe activities in Russia

The Council of Europe Programme Office in the Russian Federation is responsible for the implementation, in cooperation with Russian authorities, of a number of [projects](#) to promote democracy, human rights and the rule of law—key values of the Organisation.

In the field of economic crime, ECCU has been implementing a project for the Protection of the Rights of Entrepreneurs in the Russian Federation from Corrupt Practices – [PRECOP RF](#) (2013-2016). The project supports the business ombudsmen of the Russian Federation in promoting pro bono legal assistance and in strengthening measures to prevent the misuse of public authorities in corporate conflicts, eliminating competition and forced takeovers.

Another project was successfully implemented in 2003-2007: the project Against Money Laundering [MOLI-RU](#) addressed the issues in the AML/CTF system of the Russian Federation.



TILMAN HOPPE

As an anti-corruption expert, Tilman Hoppe is involved in a number of Council Europe cooperation projects throughout the continent and beyond. He has published about 60 law review articles and book chapters, and he co-authored a training manual on “Basic Anti-corruption Concepts”. For several years, he taught law at the Berlin School of Law and Economics, and he regularly gets involved again as a speaker in national and international conferences.

After completing his Ph.D in 2000 at the Berlin Humboldt University, he worked as a judge in civil and criminal matters. For six years, he reorganized a corrupt state-owned bank at the Ministry of Finance and at a private financial firm in Berlin. From 2007 to 2011, he worked for three inquiry committees of the German Parliament.

International anti-corruption standards

Some key international anti-corruption conventions include the United Nations Convention against Corruption, the OECD Anti-Bribery Convention and the Council of Europe Criminal and Civil Law Conventions on Corruption. In and of itself, the ability to reach such an international consensus on fighting corruption is a success story.

Member States did not want conventions to be empty promises on paper. They have therefore set up monitoring mechanisms to achieve satisfactory implementation of these international standards in each country. For instance, since 1999, the Group of States against Corruption (GRECO) has been monitoring the implementation of the Council of Europe’s conventions on corruption in its member States.

A historical comparison shows how the gradual application of international standards in national systems has produced significant effects.

Defining and measuring Corruption and Corruption Risks

A number of international institutions, most notably Transparency International, the UN, and the World Bank, have developed tools to measure corruption and rank countries accordingly. In addition, countries themselves are applying tools to measure corruption and corruption risks.

There are many aspects in measuring corruption: Which aspects of corruption do we measure – bribery, nepotism, or other forms – and how do we define it? How do people perceive corruption, and how do they experience it? What is their attitude towards corruption and towards fighting it? What are good practices in measuring corruption, and what are the risks and limits? Similar questions arise when it comes to assessing corruption risks: Which factors contribute to corruption? Which factors prevent it?

Liability of Legal Persons

Many bribes and large-scale corruption schemes involve big corporations. Prosecuting only the responsible employees will not be enough for several reasons. First of all, it is often not clear which employees exactly committed the corruption offence. Secondly, individual persons are not able to pay large scale fines that reflect the damage done by the criminal act. Therefore it is an international standard to make the corporation behind the employees liable for the crime as well. This session explains this tool, which is still new to many countries around the world.

Money in Politics

Political parties and election campaigns need money to exist. At the same time, the flow of money in the political sphere has the potential to corrupt it, and often does so. This session explores good practices for limiting the potential for money corrupting politics.

Success Stories

A number of countries, previously plagued by endemic corruption, have put in place legislation and institutions and have seen a significant decrease in corruption: Hong-Kong, Estonia, or Georgia. This session tries to answer the following questions: What was the recipe for their success? Was their achievement unique or could other countries copy this success?



VALENTIN MIKHAILOV

Valentin Mikhailov is the Deputy Head of Anti-Corruption Directorate of the President of the Russian Federation. He has 15 years of experience in the field of anti-corruption, having directly participated in the creation of UNTOC, UNCAC and the Council of Europe Conventions on the Prevention of Terrorism; and on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime. He also authored the majority of anti-corruption laws in the Russian Federation since 2008.

As a leading anti-corruption expert, he is a Member of the Russian delegations in the UNCAC Conference and the Working group of the OECD on combating bribery of foreign public officials. An Honoured Lawyer of the Russian Federation, with a PhD in Law, he has authored over 200 publications in the fields of anti-corruption and criminal law.

Anti-corruption policy of the Russian Federation

The Russian Federation's National Anti-corruption Policy (NAP) is a complex system including specific legislation, qualified personnel, dedicated financial resources as well as targeted "coercive" measures. It accounts for the national and international environment for anti-corruption and major current corruption-related risks.

NAP includes preventive, punitive and damage-control measures; combining moral persuasion with cohesive measures. Its key tools are income declarations, conflicts of interest solving mechanisms, whistleblowing, specific job restrictions, gifts policy, sanctions etc. In addition there are specific prohibitions, such as the general ban on entrepreneurial activity for civil servants.

The implementation of this policy currently relies on an army of about 41,000 anti-corruption officers spread through all levels of public

administration and state-owned corporations. Specialised Anti-corruption entities within federal agencies, local and regional government, the National Bank and state corporations coordinate the implementation of the NAC policy and undertake analytical studies.

Anti-corruption officers' main task is to verify correctness of asset declarations, personal data at public employment, and respect of prohibitions and restrictions.

In 2014 alone, 218 large scale controls were carried out resulting in sanctions concerning 11,500 civil servants. Out of those, 339 public servants, including two regional governors, were fired as a result of their loss of credibility, while 594 job applicants were denied office.

The financial penalty is gathering momentum. During the first nine months of 2015, court rulings ordered the confiscation of illegal assets worth some 89 million roubles (€1,3M). In 2014, 717 million roubles (€10m) were recovered from fines, that is, 2,7 times more than in 2013.

Corporate liability in the Russian Federation

The Russian Federation has ratified a number of international conventions covering corporate liability for bribery, including the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Criminal Law Convention on Corruption and UNCAC. Russian legislators, however, refused to criminalise corporate liability, providing instead administrative sanctions. In contrast, corporate convictions do not constitute a waiver for individual responsibility.

Russian law provides for corporate fines in the amount of up to a hundred times the value of the bribe, coupled with legal assistance and a six-year limitation period. In 2014 alone, 297 firms were convicted of bribery, a seven-fold increase as compared to 2011. The fines recovery rate was however modest in 2013-2014: only 18%-14%.

Firms are equally obliged to enact compliance chapters, which consist of special internal corruption-prevention measures.

The Economic Crime and Cooperation Unit at the Directorate General Human Rights and Rule of Law of the Council of Europe is responsible for designing and implementing technical assistance and co-operation programmes aimed at facilitating and supporting anti-corruption, good governance and anti-money laundering reforms in the Council of Europe member states, as well as in some non-member states.

www.coe.int/corruption

The European Studies Institute at MGIMO was founded in 2006 as part of the implementation of an agreement between the EU and Russia to improve the education of Russian civil servants on European issues. Within the framework of the EU/Russia Common Space of Science and Education, the aim of the Institute is to encourage the study of EU law, economy and politics, including postgraduate training and retraining of government officials and businessmen.

www.mgimo.ru



The Council of Europe is the continent's leading human rights organisation. It comprises 47 member states, 28 of which are members of the European Union.

www.coe.int

