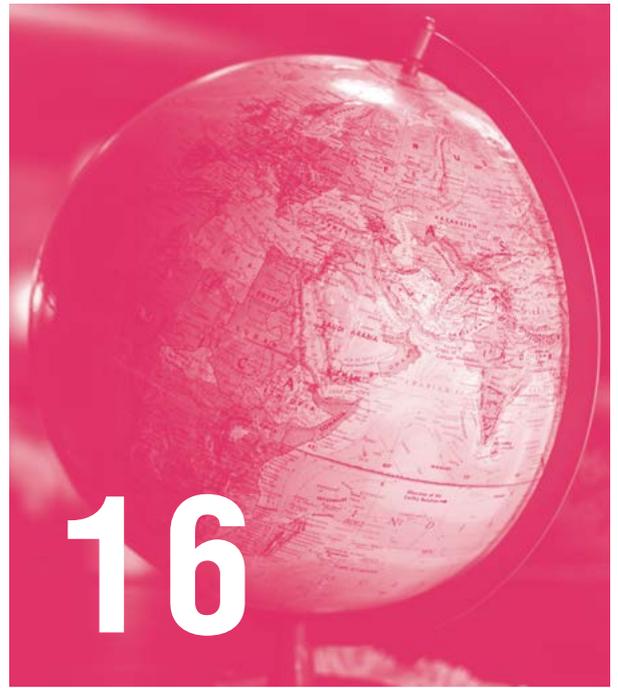




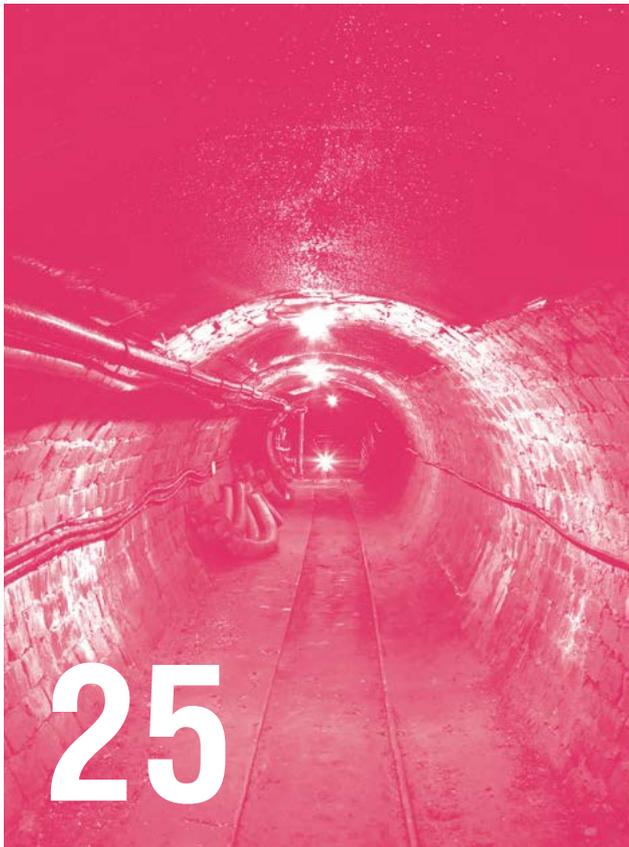
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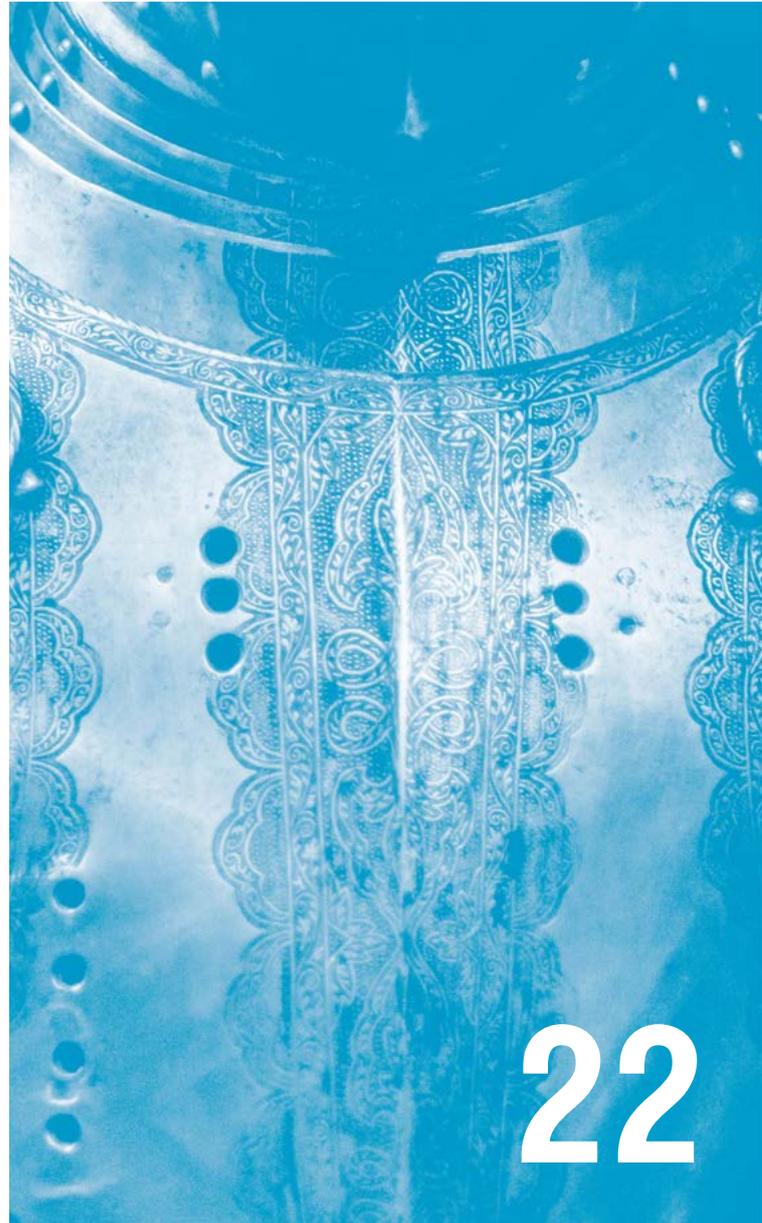
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A portrait of Ilya Shumanov, a middle-aged man with short brown hair and blue eyes, wearing a blue and white checkered shirt under a dark jacket. He is looking slightly to the right of the camera with a neutral expression. The background is a light-colored brick wall.

MESSAGE FROM OUR CEO

Hello! This is Ilya Shumanov. You're reading the annual Transparency International Russia report. It's the short review of everything we achieved in 2021.

With every year, we sink into the kind of uncertainty we've never experienced before. People who are change-oriented and strive to contribute to a better future for Russia are facing global challenges, as well as the ever-growing, ever more powerful state apparatus.

Time and time again we can see that we are right when we say that the world today is volatile, uncertain, complex and ambiguous. In a world like this, no one can afford to stand still and wait for the reality they're used to and comfortable with to come back.

Hope for positive change is fruitless if it doesn't involve moving forward and finding answers to new challenges. One of our team's main achievements in 2021 was the fact that we learned to adapt to constant changes. Apart from anti-corruption investigations, research, lectures and public campaigns, we worked hard to develop our long-term organizational Strategy until 2026. We have every intention to keep on moving towards our goal, which is to decrease people's tolerance for corruption by educating them and by making institutions more transparent.

As I'm assembling these thoughts into a finished text in 2022, I understand how little we have accomplished; right now we're watching not just fruits of human labor, but even the very human lives being destroyed by Leviathan that consumes both us and our neighbors. However, we are certain that a world free of corruption cannot be achieved without Russia in which civil servants, businessmen and third sector people recognize and share the principles of transparency, accountability and integrity.

This can be achieved only if anti-

corruption education on all levels and in all spheres of life becomes a norm. If the first day of school all around Russia starts with a lesson in honesty. If stable and active communities of citizens can shake off the chains that are being put on them. If regional and municipal initiatives can use efficient anti-corruption mechanisms, and Russian businesses can realize their potential by relying on ethics and honesty.

Right now it might seem impossible. However, we feel strong enough to achieve this, and our goals are not only ours. We still have many friends and partners among journalists, civil society activists and others who share our values. Over the past year we did a lot to unite people who think like us into the Transparency community: a group consisting of those who care about what's going to happen to our country, and who feel like they're ready to change the world here and now.

We know that no change can be achieved without your support. This is why we tell you of our victories and ask you to [support](#) us so that we can achieve more victories, and know that we're not alone.

Ilya Shumanov,

Chief Executive Officer of Transparency International Russia

2021 CORRUPTION PERCEPTIONS INDEX

Corruption takes place everywhere; however, measuring its extent is even more difficult than unmasking and stopping it. Corrupt officials keep their deeds under cover. Those who suffered from corruption often fail to report it, fearing vengeance. This is why the cases of corruption that were solved and the corrupt officials that were convicted are merely the tip of the iceberg.

For many years, the [Corruption Perception Index \(CPI\)](#) has been one of the most credible studies in the field of anti-corruption. The index is published annually by the global Transparency International movement. It is based on expert assessments of corruption perception levels in the public sector of various countries. These assessments are provided by organizations independent of Transparency International.

[2021 Corruption Perceptions Index](#) is based on 13 sources. 180 countries and territories are ranked on a scale of 0 to 100 points;

0 stands for the highest level of corruption perception, 100 stands for the lowest. In 2021, Russia received 29 points, which is 1 point less than a year earlier, and was ranked 136th.

Russia has been showing a high level of corruption perception for 10 years without demonstrating significant change. This means lack of any systemic improvements in counteracting corruption. The CPI results show that countries that protect individuals' civil and political freedoms are also the best at combating corruption.

Systemic fight against corruption is only possible when it involves active citizens who are well-informed about the negative effects of corruption and share values of transparency and accountability. One of Transparency's goals is to unite active representatives of Russian civil society in combating corruption.

RUSSIA

Points

29/100

Place

136/180

Angola, Liberia and Mali scored the same number of points

2019

28/100

2020

30/100

“NEIGHBORS”

30/100

Azerbaijan, Bolivia, Djibouti, the Dominican Republic, Laos, Paraguay, Togo, Kenya.

28/100

Mauritania, Myanmar, Pakistan, Uzbekistan

6-7

LEADERS

88/100

Denmark, Finland,
New Zealand

85/100

Norway, Singapore,
Sweden

84/100

Switzerland

OUTSIDERS

14/100

Venezuela

13/100

Syria, Somalia

11/100

South Sudan

MOST SIGNIFICANT CPI CHANGES AMONG THE POST-SOVIET STATES

compared to 2020

41



47

Belarus

36



34

Moldova

27



31

Kyrgyzstan

28



26

Uzbekistan

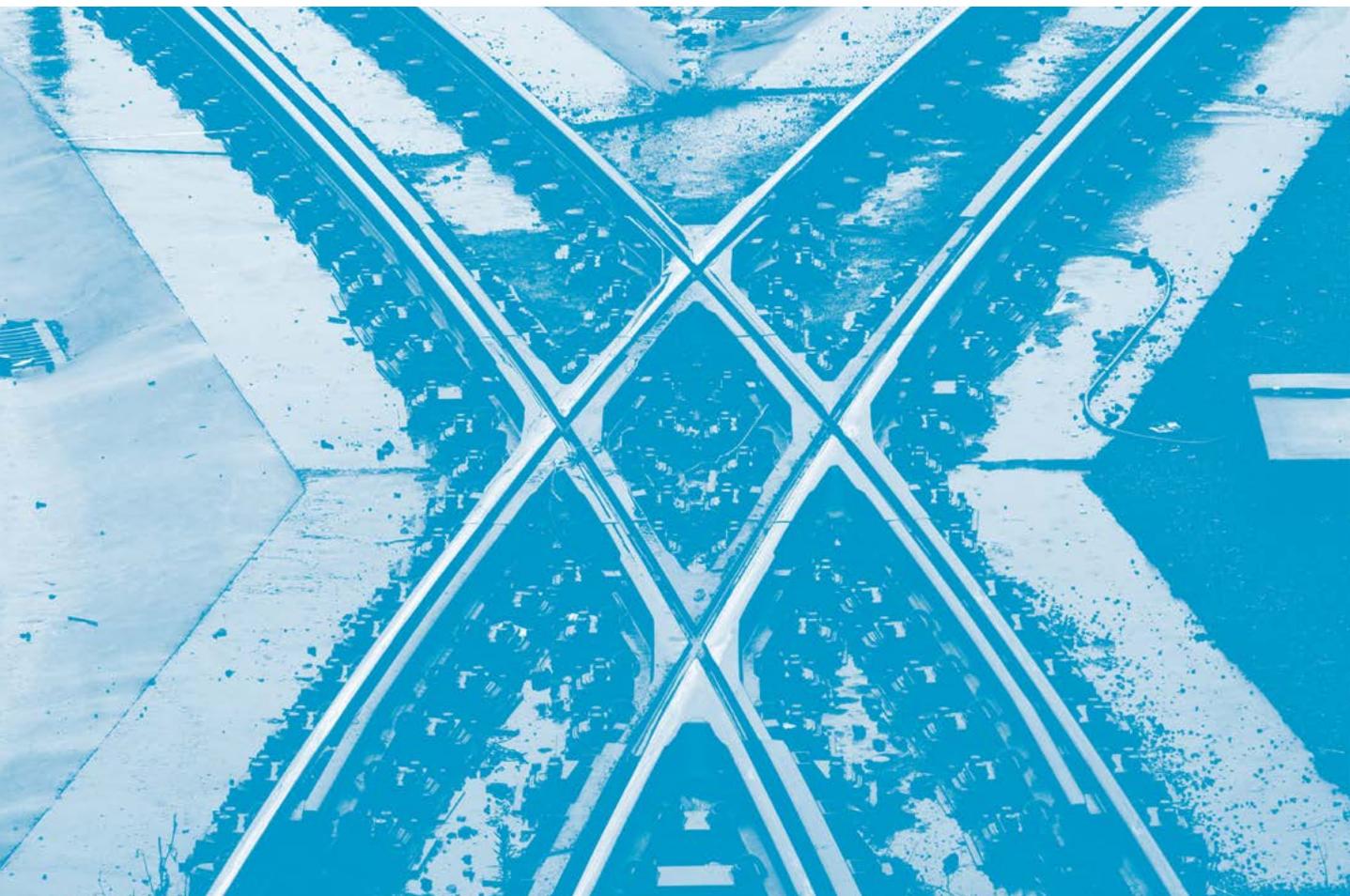
TI RUSSIA STRATEGY FOR 2022-2026

The modern world has been described as VUCA, i.e. volatile, uncertain, complex and ambiguous. Developing technologies, social mobilization, changing values and increasing public demand for fairness and equality — all that creates new possibilities for combating corruption. However, in Russia the increasing role of the state in all areas, progressive political corruption and increasing isolation from the outside world create new challenges and difficulties in fighting corruption.

In 2021, Transparency International Russia developed its own [Strategy](#) for fighting

against corruption for the next five years. For the first time in the history of our organization, such basic document was developed as a joint effort by our entire team, as well as our supporters, and coordinators from the Transparency International Secretariat.

Analyzing the contemporary context of anti-corruption helped us discover new opportunities that arise due to changes in the country and in the world, and formulate our strategic goal for the next five years: to reduce tolerance for corruption by increasing the transparency of institutions and by



educating citizens. The Strategy lists all the actions needed to achieve this goal, and establishes benchmarks for increasing the financial and organizational stability of the organization.

TI Russia's team gained experience in gathering and analyzing the context of our activities. Our experts conducted more than 70 interviews with representatives of various target groups. Understanding their needs and problems helped us establish a realistic goal for the future until 2026.

The experience we gained is especially valuable in the context

of global instability. It is already being used in new projects and in evaluating the changes that happen with our participation. This experience has become much more relevant after the beginning of the Russian "special military operation"¹ in Ukraine. TI Russia's work has changed in many areas, but the goals established in the Strategy have remained relevant. We expect to continue moving towards our goal and uniting everyone who shares the values of fighting corruption and wishes to one day see Russia and the world free of corruption.

A new phase of our team's work has begun after the Strategy was established. The Strategy has inspired us; it's helped us understand what is important and what is necessary, it's shown us the way into the future free of corruption. ”

Maria Pshenitsyna,

TI Russia associate director for strategic work



¹ The report uses terminology consistent with the military censorship established in Russia starting March 2022.



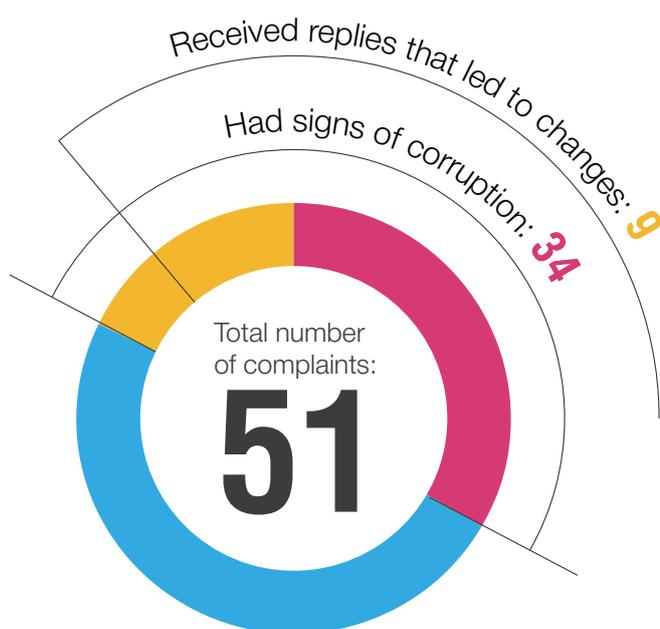
THE BOOK OF COMPLAINTS ABOUT CORRUPTION

[The Book of Complaints about Corruption](#) kept on working in 2021. This service by Transparency International Russia helps victims of corruption.

Citizens can inform our experts about cases of corruption; our experts then verify this information. If we detect signs of corruption, we demand adequate response from government agencies. We also draw public attention to newly discovered cases of

corruption, giving them coverage by working together with media outlets.

We stay in touch with users of the Book of Complaints about Corruption. To them, our help is free of charge, and it's confidential. In 2021, we provided free legal advice to 25 claimants, helping them learn of efficient ways to protect their rights when faced with corruption.



Sakhalin Oblast	1
Republic of Tatarstan	1
Penza Oblast	1
Ivanovo Oblast	1
Tver Oblast	1
Voronezh Oblast	1
Lipetsk Oblast	1
Chechen Republic	1
Belgorod Oblast	1
Perm Krai	1
Rostov Oblast	1
Kaliningrad Oblast	1
Krasnodar Krai	1
Republic of Kalmykia	1
Nizhny Novgorod Oblast	1
Altai Krai	2
Ryazan Oblast	2
Moscow Oblast	6
Saint Petersburg	6
Moscow	11

The goal of the book of complaints is to prove that you can achieve results in fighting corruption, even if it won't be easy!

Maria Logvinova,

lawyer for the Book of Complaints about Corruption.



In July 2021, Leonid Belyaev, the head of the Saint Petersburg Rescue and Fire Fighting College, resigned. In February, the Book of Complaints about Corruption experts discovered procurement violations at that college. The college accepted a delivery of exercise machines at an inflated price, paid for non-existing lawn and bad quality asphalt laying.

In 2017, TI Russia [told the story](#) about how Belyaev's relatives purchased luxury real estate that they wouldn't have been able to afford with their official income. Meanwhile, companies affiliated with Mikhail Mikhaltsev, Belyaev's son-in-law, received more than 2000 fire safety-related state contracts in a few years for a total of 224 million rubles (approx. 3,8 million US dollars at the time of publication in 2017). At the time, Belyaev was the head of the Ministry of Emergency Situations of Russia's main directorate in Saint Petersburg.



ANTI-CORRUPTION EDUCATION

Information closure and lack of reliable sources is one of the reasons why corruption remains a serious threat. Lack of anti-corruption education leads to high levels of tolerance towards corruption in Russian society.

In 2021, anti-corruption education remained a high priority for Transparency International Russia. Our experts were disseminating anti-corruption knowledge and skills during self-organized events and in partnership projects. All in all, 959 people took part in various formats of educational anti-corruption events; these people included school and university students and teachers.

In 2021, 39 people participated in Transparency International Russia's internship programs.

Transparency's interns took part in [studying](#) 1467 court cases involving violations of the sanitary regime that were ruled on in April to December 2020.

By law, an organization's official (its employer or top management) is subject to administrative liability. However, TI Russia's study showed that staff was also punished for violating COVID-19 rules both in private and public institutions (such as hospitals).

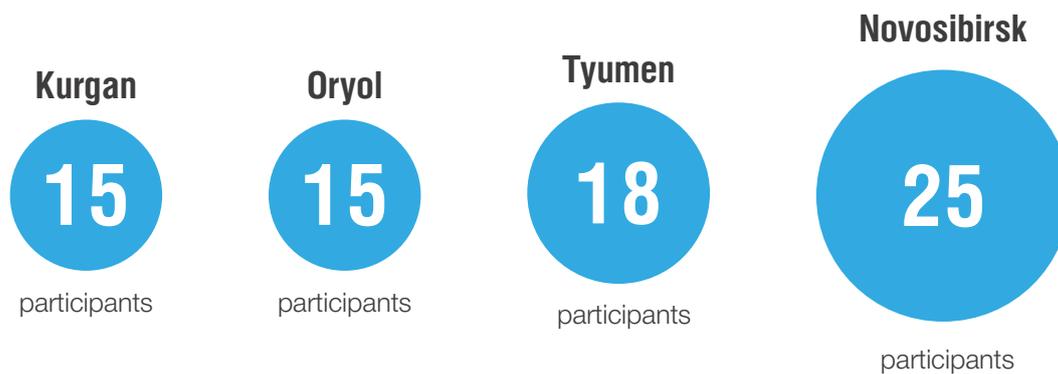
Health workers turned out to be held liable in 18.5% of cases studied; all in all, courts fined 118 medical institutions and 150 health workers; the total amount of these fines was 14 million rubles (approx. 198,5 thousand US dollars at the time of publication in 2021). In 17 of the cases, the activities of the hospital or some of its departments were suspended. Surveyed experts mentioned lack of funding for healthcare as one of the reasons for this, and said that the severity of the punishment was due to the need to find a scapegoat for coronavirus outbreaks.

A project team of TI Russia interns [analyzed](#) how transparent and accountable catering was in Moscow's educational complexes. Open data taken from the websites of Moscow's 58 big educational complexes and 12 administrative districts was evaluated based on four parameters. Not a single educational complex managed to receive the maximum grade. The best result, 11 points out of 17, was achieved by four complexes; the average result was 6.24. The main problem revealed was the lack of transparent information about how catering was organized.

School of Local Anti-Corruption

In 2021, the [School of Local Anti-Corruption](#) continued working. It's a joint project by Transparency International Russia and Zhivye Proekty. During the school's lessons

in Kurgan, Tyumen, Oryol and Novosibirsk, regional activists and leaders of local communities learned how to monitor, counteract and prevent corrupt activities.



The school's graduates conduct and publish their own anti-corruption investigations, and achieve results.

In July 2021, journalist Anna Zuyeva, together with the School of Local Anti-Corruption and the 7x7 news website, released [an investigation](#) of businesses owned by heads of municipal unitary enterprises in Buryatia. By law, heads of unitary enterprises are not allowed to own businesses. However, seven directors of republican municipal unitary enterprises in Buryatia turned out to have broken this rule. After the investigation was released, [contracts were terminated](#) with six of them; after TI Russia's interference, the court ruled that another one of them should be fired.

[The investigation](#) by Anna Yarovaya called Best Contractors of Tyumen Oblast: Which Companies Get the Most Lucrative Procurements talked about companies that make billions of rubles on state contracts in the region. The "highest ranked" company was the one that belonged to the regional department of property relations. It was followed by the company headed by a deputy of the State Duma, and one of Rostec's companies.

In 2021, [an investigation](#) by Yaroslavl graduates of the School was continued. It concerned Dmitry Stepanenko, the head of the regional government, his connection with local hotel business and his involvement with sons of Yuri Chaika, former Prosecutor General of Russia. A new [publication](#) made together with Novaya Gazeta and 7x7 revealed the connections of Igor Chaika, whose company Khartiya controls the entire garbage market of Yaroslavl Oblast, with business interests of the Oblast's prosecutor's former wife.

In July, a new [investigation](#) based on the results of the Penza cycle of the School of Local Anti-Corruption lessons was published. It told a story of how Natalia Kantserova, the Oblast's prosecutor, received a 115 square meter apartment as official housing. A little earlier, Kantserova sold her share in another apartment. Judging by circumstantial evidence, she sold it to her daughter. After this, the prosecutor had no right to official housing. In October, it was revealed that Kantsetova was [relieved](#) of her duties.

Krasnodar graduates of the School [published](#) an investigation jointly with several media outlets; it concerned Andrey Votinov, former vice president of Rosneft. It turned out that

the businessman was a resident of Monaco and a citizen of Cyprus, and that he owned real estate in both of these countries. Also, Votinov was a suspect in a fraud case in Russia. He currently lives in the UK and owns a mansion there. However, he initiated a lawsuit in a Russian court to force the media to remove all the materials about him.

University Transparency Laboratory

In 2021, the [University Transparency Laboratory](#) (LOUPE) continued working. It offers a course developed by TI Russia and Zhiviye Proekty. Within that course, students learn to conduct transparency research and assess corruption-related risks in universities, and personally take part in changing university policies to improve the quality and conditions of their education.

In September 2021, LOUPE, DOXA and 7x7 published [an investigation](#) of the problem with distributing places in dormitories. In five years, the number of full-time students of top 100 Russian universities grew by 10%, while the number of available places in dormitories stayed the same. As a result, many students can't find lodgings.

The system of distributing places in dormitories and waiting lists is frequently non-transparent. Students can't obtain information on how to get a place and on living conditions, which violates the About Education law of Russia. Downright corruption such as listing non-existent tenants in documents also takes place at dormitories.

Two universities, Siberian Federal University and Moscow State Linguistic University, answered LOUPE's questions by promising to add necessary information on dormitories to their websites. The LOUPE team used best available practices to compile a checklist that universities can use to lower risks of corruption and increase transparency levels while distributing places in dormitories.

The experience that Transparency International Russia has gained throughout the years of anti-corruption education, as well as our expertise in counteracting corruption, allowed us to launch our own course at Free Moscow University, which is the largest online education initiative in Russia. The first enrollment of students for TI Russia's course [took place](#) in January 2022.



INTERNATIONAL COOPERATION

Russia becomes increasingly isolated, which leads to its exclusion from international decision-making. These processes prevent the Russian civil society from using the newest international developments, and increase the gap between Russia and the rest of the world.

In 2021, Transparency International Russia became a member of the UNCAC Civil Society Coalition. It unites civil society organizations from more than 100 countries around the world. The UNCAC Coalition supports NGOs that monitor compliance with The United Nations Convention against Corruption. It's the only legally binding international document on combating corruption.

Interaction with colleagues from around the world helps organizations mobilize the civil society resources to support the Convention on international, regional and national levels and efficiently implement the anti-corruption measures specified in the Convention. In December 2021, Transparency International Russia participated in a regular Conference of the States Parties to the United Nations Convention against Corruption.

Also in 2021, our experts, together with colleagues from the Uzbek Forum for Human Rights, authored [a report](#) on how the Convention is used in Uzbekistan, which shows the recognition we're enjoying abroad.

We are the only Russian NGO in the UNCAC Civil Society Coalition. This coalition is, along with Transparency International, one of the chief associations of anti-corruption NGOs of the world. Right now we are the only anti-corruption NGO (other than state-controlled fake NGOs) that legally operates in Russia. We are a bridge between international organizations and Russia, and we're free of government interference.

Grigory Mashanov,

senior legal officer at Transparency International Russia



Together with colleagues from Transparency International Slovensko, we managed to get the full version of government contracts for deliveries of the Sputnik V COVID-19 vaccine to Slovakia. When requested to publish this contract in Russia by Transparency International Russia and Novaya Gazeta, the supplier, the Russian Direct Investment Fund, refused, citing protection of trade secrets.

The Ministry of Health of the Slovak Republic also refused to publish the document, calling it “classified information”. However, the request from our colleagues from Transparency International Slovensko incited a discussion in the society, and after a few days the Russian Direct Investment Fund agreed to publish the contract on the official Sputnik V Twitter account.

In March 2021, the global Transparency International movement called for fair, transparent and equal access to COVID-19 vaccines and treatment, and formulated five questions that each country’s government must answer to its citizens. Among them is the issue of procurements, and costs, of various COVID-19 treatments.

DECLARATOR

By law, more than six thousand Russian government agencies are supposed to publish data on income of public officials. Each agency's data is made available on the agency's own website; formats vary. The government has not created a unified database for such information that would make it available for public monitoring. This makes the job of journalists and civil society activists more difficult. Meanwhile, the amount of published data gets smaller and smaller every year.

Declarator is the only unified open database of anti-corruption declarations. It includes a database search function; information from separate declarations is consolidated into profiles of public officials. In 2021, this service created by Transparency International Russia celebrated its 10th anniversary. It's still being actively developed.

3 783 052

declarations in the database
by 31 December, 2021

1.73 million

total number
of unique visitors in 2021

3.272 million

total number
of page views in 2021

Due to [smart parser](#), the number of declarations in the database increased sixfold in 2021. Declarator now has new functions as well.

- [Declarator Index](#) is now available. It's based on 25 indicators. Profiles of officials with high Index value are especially interesting for investigative journalists and civil society activists; this indicator "reacts" to the number and size of houses, apartments and land lots, the number of vehicles, planes, real estate abroad etc.
- Information on officials' profiles [now includes](#) data from the Rupep.org portal;
- a [script](#) has been developed that can find spouses of declarants based on data in their declarations;
- we added users' personal accounts, as well a system for analyzing users' activities;
- users now can subscribe to changes in the profiles of officials they're interested in, merge profiles into [users' lists](#) and [supplement](#) the service with information from open sources;
- we launched a system of gathering information about errors found by the users, which helps keep the service's information consistently free of inconsistencies.

Development of new functions of the Declarator, and growth of the declarations database, helped realize several new change-oriented projects:

- Yesli Byt Tochnym project by the Help Needed foundation used data from Declarator in two projects: [the first one](#) was dedicated to the Federal Penitentiary Service, [the second](#) to gender inequality. We provided the data on request in both cases.

The team addressed their suggestions and recommendations on improving the declaration system to the Ministry of Labor and Social Protection of Russia: to increase the number of declarants; to publish declarations in the open data format; to publish not just last names of declarants, but their full names, including first names and patronymics. The Ministry replied that the suggestions would be reviewed during the planned development of a new procedure for publishing declarations.

17 people participated in the Declarator project as volunteers. They helped by filling the Declarator database with information from declarations by members of regional parliaments, and released an [analytical material](#) based on declarations that were entered into the database.

Throughout 2021, Transparency released information materials based on Declarator's data. The [news](#) that attracted the most media attention concerned the income of top officials compared to the median income of Russians. The information that the nationwide median income of officials that were supposed to declare their earnings was 3 times higher than the median income of Russian citizens was distributed by 54 media outlets.

The Federal Accreditation Service of Russia did not publish the anti-corruption declarations of their employees by June 2021. By law, the deadline was 31 May. Declarator [contacted](#) the Prosecutor's Office of Russia, asking to react to this situation. After this, the missing declarations appeared on the institution's website.

In 2021, Declarator defended its right to inform people about data in declarations. A court in Volgograd Oblast dismissed the claim which demanded that data published by the service were refuted. The claim concerned data in the declaration file from the official Federal Penitentiary Service website; the file was later corrected on the official source without offering an explanation. The claimant reimbursed our expenses in this case.



LOBBYING IN THE FEDERATION COUNCIL

In Russia, lobbying is still unregulated. The authorities merely pretend that this phenomenon does not exist. However, there are always attempts to influence state officials, political leaders and their representatives to impact the administrative decisions they make to suit influences of certain groups. When not regulated, this kind of activity remains in the shadows, which creates risks of corruption: members of parliament might either become “targets” for lobbyists, or they can themselves promote initiatives of interest groups they’re connected with.

In 2021, the Barnaul Transparency International Russia team continued developing the [Dumabingo](#) service. This is the database that lists connections between members of parliament with interest groups. Their interactive map now has an inlay about members of the Federation Council (the upper house of the Russian parliament). Also, TI Russia’s experts ranked Russian senators’ influence after studying more than 11 thousand open sources.

Although the Federation Council is supposed to be the “house of regions”, only 34.7% of the senators defend the interests of the

federal subjects. Their initiatives are often not connected in any way with the interests of the regions they represent. The largest “sectoral” interest group was the interest group of the federal authorities: 32 senators (19.1%). Within it is the interest group of law enforcement agencies: 22 senators (13.1%).

The results of [the study](#) and suggestions on how to regulate the activities of lobbyists in Russia [sparked](#) a widespread debate among experts. The value of our expertise was confirmed during discussions at conferences and forums on GR. TI Russia’s experts partook in them because they were, in some cases, invited by organizers of these events.

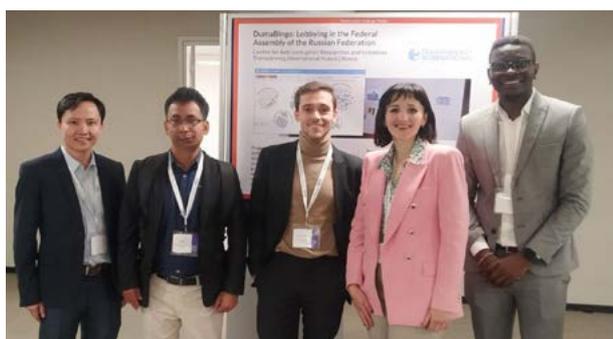
This study is highly important to start public and non-public discussions on regulating lobbying in Russia, to get lobbying out of the shadows and to increase transparency of political decision making.

Svetlana Telnova,

head of the Barnaul Transparency International Russia team in 2021

TI Russia will continue working towards change needed to create the situation when not only law enforcement agencies, state corporations and big business can efficiently defend their interests in the parliament.

In 2022, the Dumabingo service was praised at the international level. The project [made](#) the shortlist of the World Justice Challenge 2022 award in the Anti-Corruption and Open Government category and was represented at World Justice Expo in The Hague.



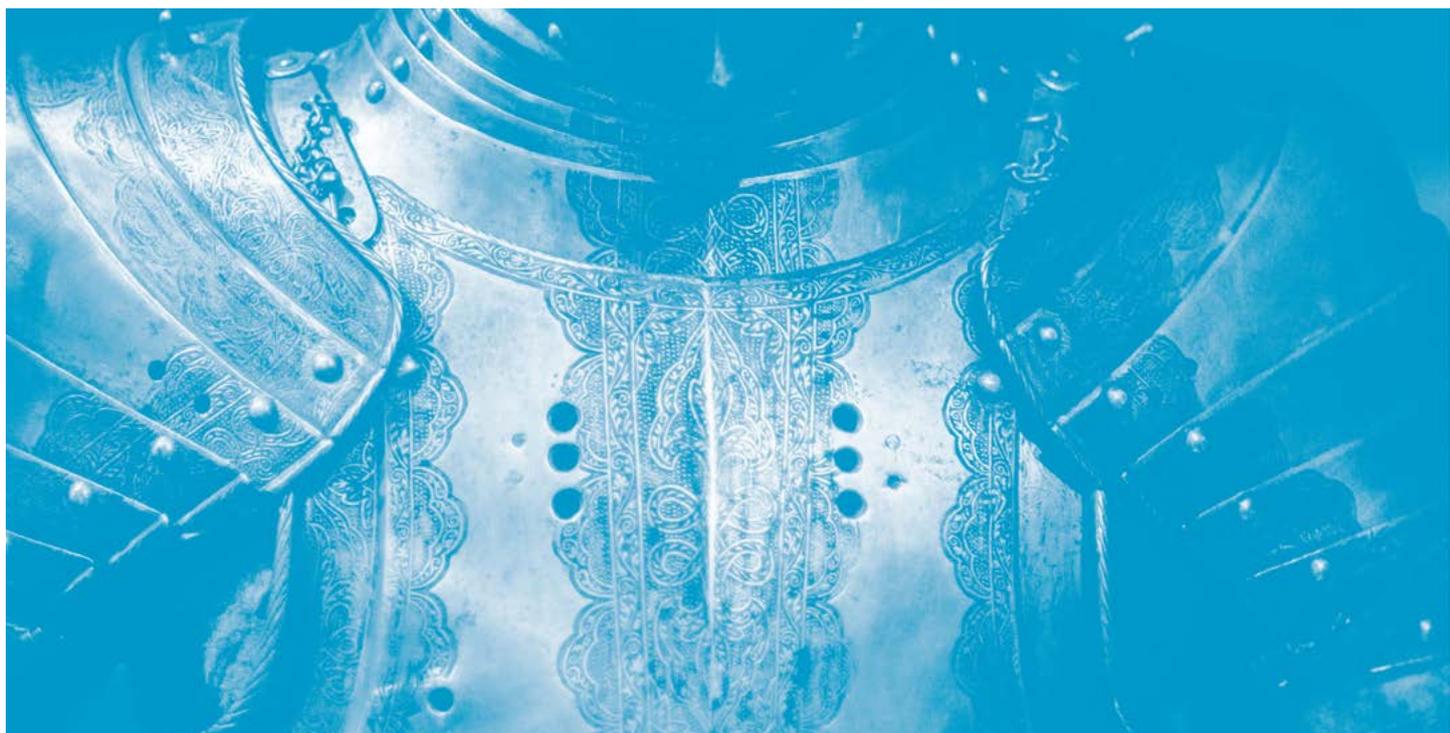
CORRUPTION WHISTLEBLOWER PROTECTION

One of the important instruments that help uncover corrupt practices in the private sector is whistleblowing. However, not a single attempt to ensure corruption whistleblower safety was successful in Russia, whether it concerned the private or the public sector. In these conditions, measures to ensure ethical business practices taken by companies themselves are especially important. Hotlines for corruption whistleblowers is one of the easiest and most popular tools to achieve this result.

The Transparency International Russia team conducted [a research](#) of hotlines by Russian companies for corruption whistleblowers. Channels for corruption whistleblowing by

100 Russian companies with the biggest revenue were evaluated according to 7 criteria.

For the first time in a TI Russia study dedicated to Russian business, several companies (8) received a maximum possible score. However, 17 companies scored 0; they have no contacts for whistleblowers, and such tool is not mentioned in their anti-corruption documents. The average result for 100 companies was 3.8 out of 7. Disclosure of procedure and duration of report reviewing was the most problematic parameter. Only half of the examined companies allow not only staff members, but also counterparties to use hotlines.



We compiled suggestions for big businesses and presented them at a meeting with companies' representatives. Their participation in the meeting, as well as their cooperation with us, proved that there's a demand among businesses for higher transparency and accountability in the commercial sector.

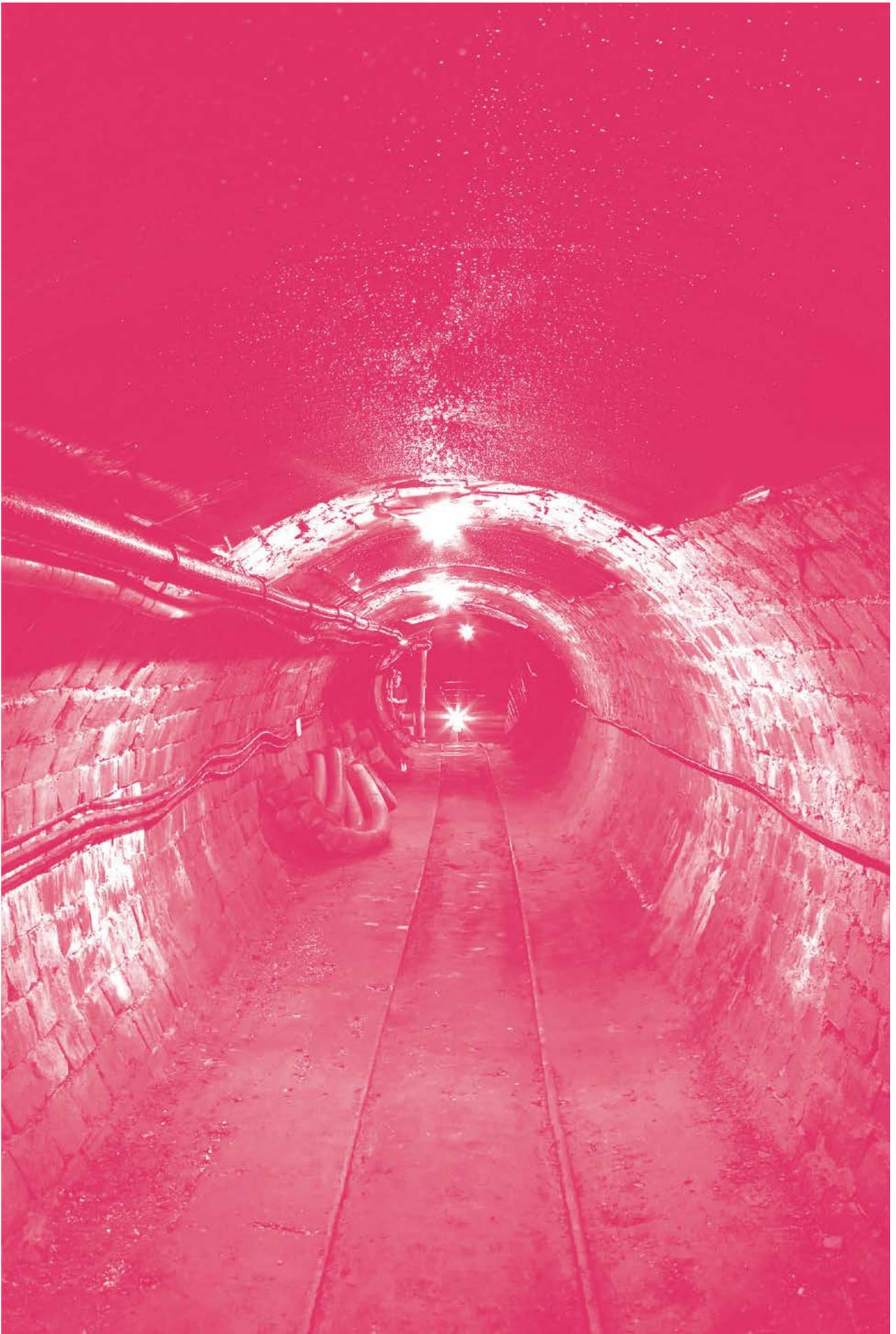
While doing the research, we stayed in touch with representatives of the companies we studied. As a result, seven of the companies changed their anti-corruption policies and published them to improve their positions in the ranking. It happened before the study was published.

The study demonstrated that companies are more interested in matters of ethics than several years ago. The opinion was that “ethics are above all else”. However, it’s necessary for the ethical infrastructure to also develop in smaller companies and spread beyond the commercial sector.

Business is one of the main conductors of practices that can influence the state and society. We can see that despite the barriers, Russian business is ready for dialogue and discussion like never before, it’s open to suggestions and it’s ready to adopt the best practices of anti-corruption compliance and ethics.”

Anastasia Lapunova,
*head of the Transparency International Russia’s
Business Integrity stream*





RAPID RESPONSE: THE LISTVYAZHNAYA MINE CASE

On 25 November, 2021, there was a methane explosion at the Listvyazhnaya mine in Kemerovo Oblast. 46 miners and 5 mine-rescuers died in the explosion. On 26 November, the Investigative Committee started several criminal investigations. The agency's report states that "in violation of the legal requirements... inspections were not conducted, work was not suspended."

On 16 December, Transparency International Russia and Novaya Gazeta released [an investigation](#) concerning Alexander Mironenko's possible conflict of interest. Mironenko is the head of the Siberian department of Rostekhnadzor (the Federal Service for Environmental, Technological and Nuclear Supervision). This agency inspected the Listvyazhnaya mine many times, and Mironenko repeatedly praised its safety system.

Ilya, Alexander Mironenko's son, worked at SDS-Ugol, the company that owns the mine, until at least 2021. In 2013, a subsidiary of SDS-Ugol sold a land lot with a house to Ilya Mironenko. Five years later, it

bought it back. In 2016, Mironenko Sr. sold part of his house to Alexander Ovcherenko. This name is identical to the one belonging to the head of the Ugletrans company, a major coal transporter.

In February 2022, Alexander Mironenko was [fired](#) "voluntarily". In June 2022, Dmitry Mesheryakov, the head of the group of experts investigating the cause of the Listvyazhnaya explosion, confirmed that the mine's operations were marred by many major violations for a long time. For example, the methane content had been exceeding norms long before the explosion.

CONFLICTS OF INTEREST IN PUBLIC COUNCILS

Federal executive bodies have their own public councils. By law, they're supposed to check the work of executive bodies. To ensure the efficiency of such councils, their members must be independent of those they keep in check. Loyalty of personally interested council members can help members of the council avoid proper monitoring from the society. Meanwhile, members of the council might pursue personal interests or interests of their enterprises. Therefore a member of a public council who has any personal interest of any kind must report their conflict of interest to a special commission.

In 2021, Transparency International Russia experts [monitored](#) 50 public councils of the federal executive bodies. Out of 1252 acting members of public councils, 241 showed signs of conflict of interest; there were 328 cases of possible conflict of interest. Some persons had several typical conflict of interest situations.

Most frequently detected situations with signs of conflict of interest were related to issuing subsidies and grants; to beneficiaries of government contracts, agreements and partner projects being members of public councils; and to issuing licenses, certificates and accreditation. The council with most cases of possible conflict of interest is Rospechat one (23), followed by the Ministry of Culture (19), and Rostekhnadzor and Rosobrnadzor (14 both).

The results of the study demonstrate insufficient attention paid to potential personal interest of candidates when public councils are elected, or difficulty of identifying it within the existing selection

system. They also demonstrate closedness and inefficiency of the existing institution of managing conflict of interest. We couldn't find any information on formal warnings of conflicts of interest on the Civic Chamber of the Russian Federation's website; we also couldn't find any data on how such conflicts were managed. Meanwhile, heads of public councils, as well as the Civic Chamber of the Russian Federation, are supposed to take their own measures to prevent and resolve conflicts of interest that they discovered, sometimes even by terminating powers of a council member.

By the end of the study, Transparency International Russia's experts compiled suggestions for the Civic Chamber of the Russian Federation. They largely coincided with the suggestions that were later formulated in the Accounts Chamber of Russia's [official report](#) on government transparency in Russia. This proves the high level of TI Russia team's expertise.



ANTI-MONEY LAUNDERING

Money laundering means making illegally obtained money look legal. One of the most popular ways to launder money is to disguise it as trade transactions, i.e. to make “dirty” look like regular payments for goods. This process is frequently concurrent with corruption, such as bribing officers of tax or customs services, or getting “help” from law enforcement agencies.

Money laundering hurts not only the countries where the criminal activity took place, but also those where the laundered money ended up: they risk becoming “safe havens” for arms traffickers, practitioners of corruption and drug lords. In Russia, there’s still not enough attention being paid to money laundering through foreign economic operations.

Since money laundering is tightly connected to corruption-related crimes, Transparency International Russia sees combating money laundering as one of its chief goals. Throughout 2021, we were publishing [explanatory materials](#) that detailed in an accessible way how trade-based money laundering worked, and how to counteract it, on our website and social media accounts.

We published [an investigation](#) together with Novaya Gazeta and Australian ABC TV about a group of business partners from Russia that are under suspicion in Australia for laundering money. In 2015, Australian law enforcement officials sent requests for

assistance in investigation of this case to their Russian colleagues, but received no help. Same year, 21 year old Dmitry Zakharov, son of the Deputy Prosecutor General of the Russian Federation Alexey Zakharov, became a business partner of the money laundering suspects.

We sent requests to the Russian Prosecutor General’s Office, the Ministry of Internal Affairs, the Investigative Committee and the National Interpol Bureau. In them, we asked to explain why Russian law enforcement agencies didn’t react to requests by their Australian colleagues. The Ministry of Internal Affairs answered that this issue fell within the competence of the Ministry of Justice. The response from the Ministry of Justice of Russia that we [received](#) in April 2021 stated that the notes received from the Australian Embassy in Moscow and requests from Australian law enforcement officials were not properly formatted.





INTEGRITY PACTS

Big scale government-funded infrastructure projects are often vulnerable to corruption. This creates a deficit of trust for improvement initiatives that are essential for local communities.

Integrity pacts have proven their efficiency in dozens of countries around the world. In them, representatives of authorities, businesses and civil societies agree in writing to follow standards of good faith and transparency. Such agreements allow authorities to cooperate with civil society, showing their accountability. Citizens

can also follow the implementation of projects in their entirety. They can detect potential problems and solve them together with other participants of the Agreement. Finally, business receives a comfortable and predictable environment with equal conditions for all participants of procurements.

The Yekaterinburg Transparency International Russia team [developed](#) a prototypical Agreement that was adapted to Russian regulatory legal acts. TI Russia's experts made a proposal to representatives

of regional executive power, business and civil society to conclude an Agreement like this, and developed a program to train civil society representatives who would control the development of the pilot project.

Integrity Pact, or, as we call it, Agreement on Public Participation, is an important step to build more trust between the authorities, business and society. We did not reinvent the wheel; we merely tried to introduce in Russia a method that has shown its efficiency in many countries of the world. ””

Irina Charikova,
lawyer at Transparency International Russia



TI Russia's proposal was supported by the Civic Chamber of Yekaterinburg and by representatives of regional executive power, business and civil society.

HOUSING SUBSIDIES FOR CIVIL SERVANTS

Federal civil servants can receive subsidies to purchase housing if they need better housing conditions, i.e. if their family members own no housing, or they own less than the norm. However, if a civil servant got rid of their housing recently, i.e. worsened their own housing conditions, then they don't qualify for a subsidy during the following five years.

In 2021, the Kaliningrad Transparency International Russia team conducted an

investigation into how state support is distributed to purchase housing for civil servants. Data on property owned by persons submitting declarations, and on government subsidies they receive, demonstrated that from 2012 around 650 Russian civil servants received subsidies to buy housing.

The Ministry of Economic Development of the Russian Federation turned out to be the



leader on the number of civil servants receiving subsidies (21 people). The Ministry of Transport of the Russian Federation took the second spot (16 people). Third spot: the Ministry of Education (13 people).

TI Russia experts managed to detect the cases when civil servants received subsidies even if they owned a lot of real estate, as well as apartments in other regions. The conclusions of the study were presented in joint publications with several media. They caused widespread public discussion. The study demonstrated that the topic of non-transparent unfair distribution of housing subsidies for civil servants was relevant.

Due to high interest from the public, members of the media requested comments from Dmitry Peskov, the press secretary of the Russian president. Peskov commented on the phenomenon researched by TI Russia, and [promised](#) that he would read the publications based on our study.

We attracted attention to the problem of subsidizing civil servants' housing. After this, the rules changed. Two paragraphs from the list of reasons for receiving preferential subsidies (by decision of the director) were suspended until 1 January 2028.

Igor Sergeev,
*head of the Kaliningrad Transparency International
Russia team in 2021*





TI RUSSIA'S SUGGESTIONS

Systematic anti-corruption actions and achievement of results in this field are impossible without a plan of coordinated actions and measures. On the other hand, protracted and inefficient imitation of anti-corruption is not taken seriously by the society. It leads to increased distrust and apathy.

In 2021, Transparency International Russia experts made a report called [70 Steps Against Corruption](#). This is a complete plan for specific anti-corruption changes in 13 spheres and institutions. The measures being offered are separated into those achievable in the short term, in the

medium term, and in the long term.

The report was presented to the public. Our suggestions [received support](#) from Russian anti-corruption experts. Yabloko, a Russian political party, later [included](#) some of our suggestions in its program.

Although it's only possible to carry out all the reforms mentioned in the report in near-perfect conditions, implementing even short-term reforms will create a foundation to mobilize the civil society. This mobilization can become a decisive factor in the struggle for conducting medium-term and long-term anti-corruption reforms.

In August 2021, [president of Russia signed a decree](#) that approved a 2021-2024 National Anti-Corruption Plan. It includes a suggestion to extend the application of anti-corruption norms to acting officials. Transparency International Russia experts [frequently studied](#) this problem and tried to draw attention to this hole in the legislation. Demands put forth in the National Plan have a lot in common with suggestions by our team.



OTHER 2021 ACHIEVEMENTS

Sometimes we have to wait for quite a while for the results of our work to show, therefore stories from [annual reports](#) from earlier years manifest themselves later. Here's some examples:

Targeted higher education enrollment

In 2020, the University Transparency Laboratory, Novaya Gazeta and DOXA [published](#) a study on targeted higher education enrollment. Offers to check this program's spending efficiency were also sent to the Accounts Chamber of Russia. In January 2021, we [received](#) the official response: "the information was thoroughly studied, and it will be used while checking the Federal Budget Implementation."

This topic remained on the information agenda the whole year. In October 2021, Irina Yarovaya, Deputy Chairman of the State Duma, while [commenting](#) on a submitted bill, admitted there was lack of transparency in targeted enrollment. In 2022, she submitted another [bill](#) to the State Duma. It was supposed to make the process of targeted higher public.

Law on government procurements

In 2021, the Ministry of Finance of the Russian Federation [suggested](#) amendments to the law on government procurements. According to these suggestions, the companies belonging to offshore organizations shouldn't be allowed to participate in government procurements. The ministry admitted that allowing such companies to participate in procurements created "risks of concealment of income by Russian organizations... and "laundering" of finances", and doesn't allow keeping track of tax payments. The amendments were adopted and came into power on 1 January 2022.

Earlier, it was TI Russia that frequently and consistently urged Russian authorities to ban companies controlled by offshore companies from participating in government procurements, and to compel other participants of government procurements to disclose their ultimate beneficiaries.

Deer breeding ground

In 2020, the Yekaterinburg TI Russia team analyzed procurements from the sole supplier based on acts by the Russian president and government. They found out, among other things, the [contracts](#) for building laboratories and establishing breeding grounds for Siberian musk deer in the Altai Republic.

The region has a Center that supports rare animal breeds called Altaiekosfera that has long been breeding these deer. However, the contract discovered by TI Russia experts involves creating an infrastructure on hunting grounds from scratch. These grounds belong to a company founded by Konstantin Sailankin, the head of the regional branch of the Federal Medical-Biological Agency (FMBA). Sailankin is known for his love of hunting, and he has long maintained business connections with the management of the Rostec state corporation. The Rostec head Sergey Chemezov hunted in Altai multiple times in the past. People close to Chemezov were supposed to work on restoring the Siberian musk deer population together with Sailankin.

We contacted the Moscow Federal Antimonopoly Service department. In the beginning of May 2020, the service conducted an unscheduled inspection, but found no violations. However, a late 2021 inspection by the Accounts Chamber of Russia detected violations. [It turned out](#) that although the project was supposed to be completed in 2021, the breeding ground is only 25.9% ready, and the equipment was bought for the price way exceeding the market average.

ON THE SITUATION WITH MEDIA AND NGOS

In 2021, the possibilities for independent journalism and civil society activism in Russia were becoming smaller and smaller. NGOs and media were facing more and more limitations.

Transparency International Russia made numerous statements on this situations and stressed the following:

- citizens of Russia have the right to publicly express their public stance; persecuting people for participating in non-violent gatherings is [unacceptable](#);
- government bodies [must](#) follow the principle of justice and rule of law, not of political expediency;
- the laws on “foreign agents” [violate](#) the constitutional principle of organization equality and are a tool used to [put pressure](#) on independent organizations: labeling [is basically](#) caused by one’s involvement in civil activism;
- to protect interests of its citizens, the government [can and should](#) tolerate criticism and react to it in a legal way and by engaging in dialogue rather than by using pressure, bans, extrajudicial and emergency methods;
- finally, only a clear and unambiguous social demand for change can [influence the existing situation](#).

We thank everyone who supports our work and shares our goal to see the world free of corruption.

Us in the media

In 2021, there were 1009 publications in the media that mentioned Transparency International Russia. They included columns and analytical materials written by our experts.

We’re especially thankful to our friends from the media outlets Znak.com, Echo of Moscow, Radio Free Europe/Radio Liberty, TV Rain, Current Time TV, NewKaliningrad, Rosbalt, News.ru, Kommersant and other Russian media.

january

81

february

99

march

89

april

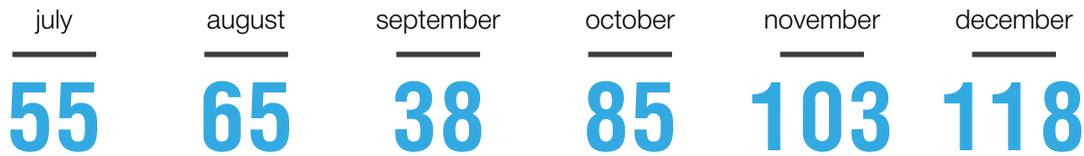
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may

59

june

66



We are the media

In 2021, Transparency International Russia connected with a wide online audience on YouTube, Clubhouse and Telegram.

Together with the ReForum project, Transparency International Russia experts conducted seven [YouTube streams](#). We discussed offshore companies, overseas property owned by Russian elites, “homeless” officials with luxury apartments, the way members of parliament conceal their property, political corruption, investigative journalism, and corruption in universities and during the Unified State Exam. These live streams received more than 200 thousand views.

The third season of the Transparency International Russia’s [podcast](#) finished in 2021 with episodes on lobbying and on the Corruption Perception Index. In March, we switched to live streams. During the year, we did 15 live streams on Clubhouse and Telegram. We were discussing lobbying; lack of transparency in environment and sports; threats to national security created by corruption in the police, courts and security services; “foreign agent” laws; corruption while building infrastructure and during the distribution of presidential grants; corrupt environment in the Union State of Russia and Belarus; money laundering.

In the beginning of the 2021 declaration campaign, there were [two live streams](#) on TI Russia’s Youtube channel with Ilya Shumanov, the CEO of TI Russia, and Andrey Zhvirblis, head of the Declarator project.

The experience of independent production and release of media products is already proving to be useful in our work: we’re regularly discussing relevant anti-corruption issues during regular meetings of the [Transparency Discussion Club](#). We intend to further broaden our activities on social media and on various media platforms, responding to the challenges of the shrinking media field:

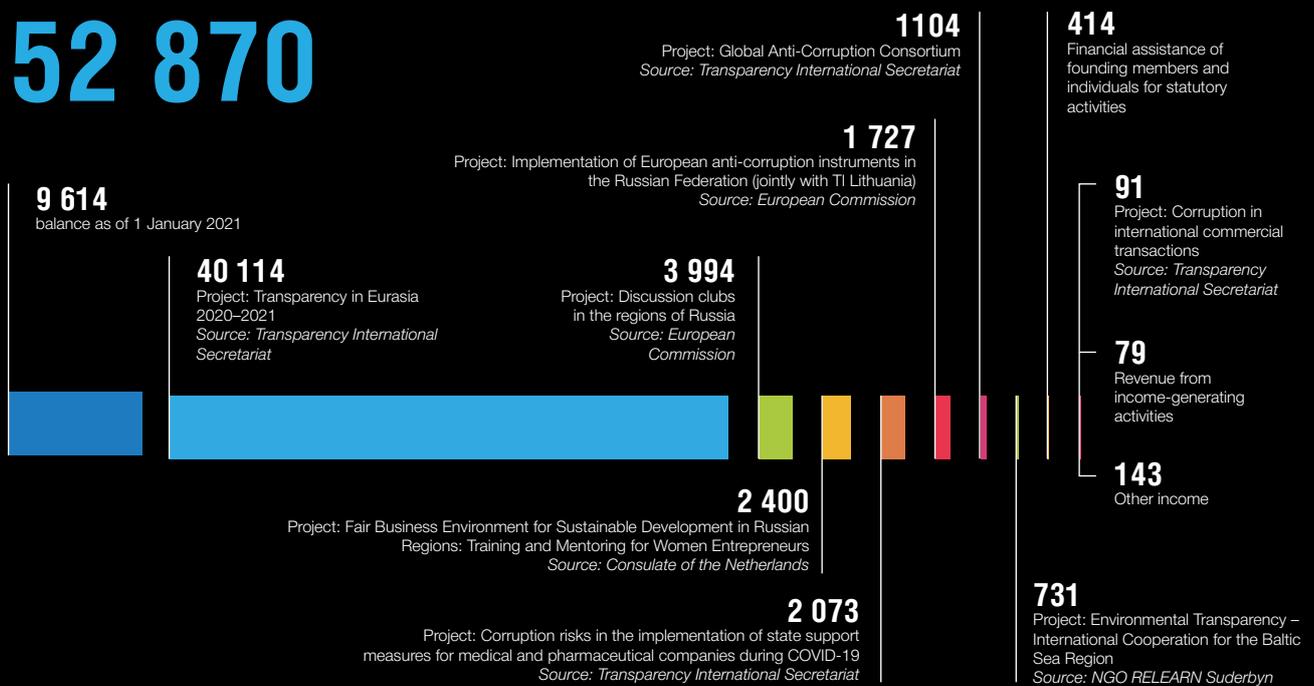


INCOME AND EXPENDITURES

in thousand rubles

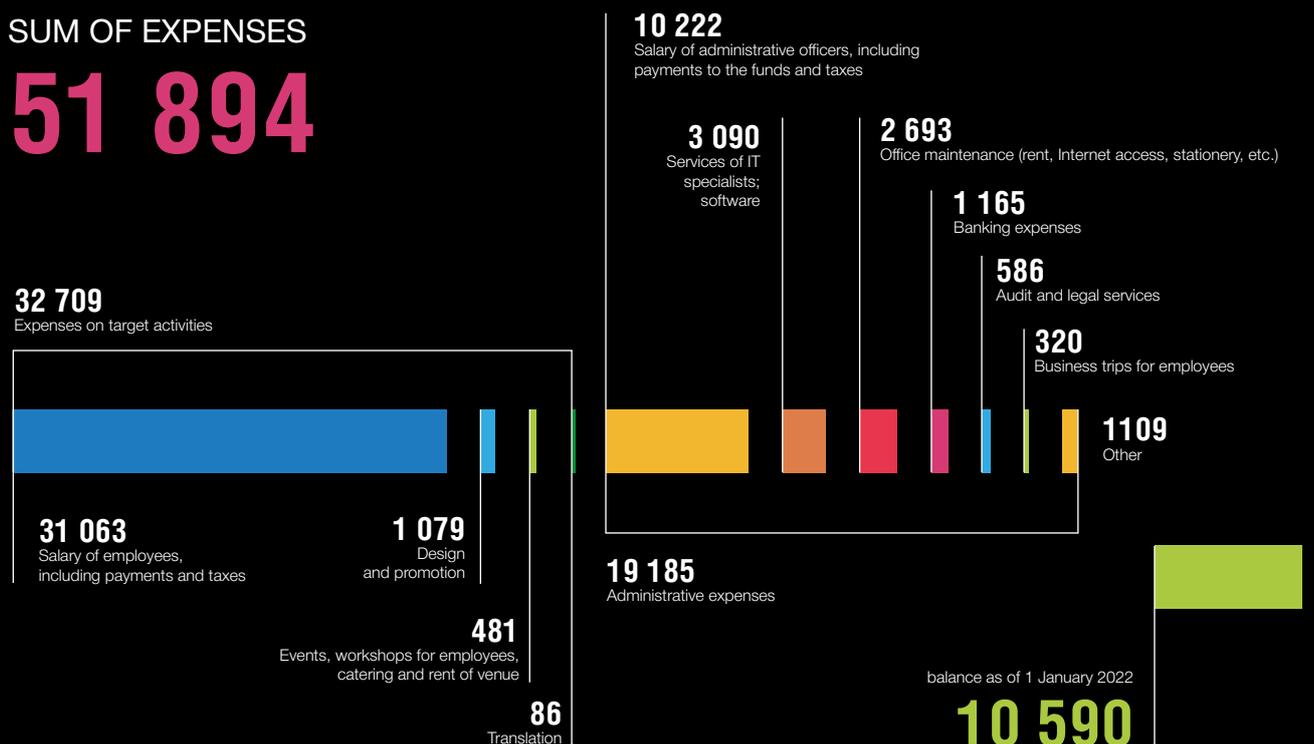
SUM OF SOURCES

52 870



SUM OF EXPENSES

51 894



DONORS AND PARTNERS

40-41

Donors



Граждане России



Partners



ЕСЛИ БЫТЬ ТОЧНЫМ





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The independent non-profit organization Center for Anti-corruption Research and Initiatives «Transparency International Russia» has been included on the register of non-profit organizations that act as foreign agents by the Ministry of Justice of the Russian Federation