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Transparency International chapters to monitor EU sanctions of corrupt Ukrainian officials

Berlin, 21 February 2014 – The European Union agreement to freeze assets of corrupt Ukrainian officials is an important first step to ensure there is no impunity for corruption in Ukraine, Transparency International said today. The global anti-corruption coalition calls on national authorities to enforce anti-money laundering legislation and fully investigate any suspicious asset holdings.

Transparency International's chapters will monitor the use of sanctions against Ukrainian officials and pressure authorities to use money-laundering legislation to enforce them.

"Transparency International welcomes European Union sanctions and asset freezes to be taken against corrupt Ukrainian officials and calls on other major financial centres to follow suit," said Cobus de Swardt, Managing Director of Transparency International. "The enforcement of anti-money laundering laws has been weak in the past and we hope a thorough and robust enforcement of sanctions against corrupt Ukrainian officials will establish a benchmark for stronger enforcement down the road."

Powerful Ukrainian elites have for years allegedly hidden ill-gotten gains throughout the European Union while the authorities, specifically in the United Kingdom, Germany, Austria, the Netherlands, Switzerland, and Latvia, failed to apply their anti-corruption and anti-money laundering laws to stop them.

The theft of state resources in Ukraine is reflected in our research showing 74 percent of Ukrainians said public sector corruption is a serious problem. 47 percent said their government is entirely run by a few big entities acting in their own interest.

Our national chapters will be contacting the appropriate anti-money laundering authorities in their country -- central banks, financial regulators, ministries of justice --- to express Transparency International's view that officials must exercise enhanced diligence in reviewing the allegations of money laundering by top public officials of the Ukraine, and strongly consider taking action to freeze assets.

Transparency International and its chapters across Europe are also putting financial service providers, luxury estate agents and professional intermediaries on notice about the risk of illicit flows from Ukraine flowing through European capitals.

In the follow-up to the application of sanctions against Ukraine, now is the time to also quickly and aggressively enforce anti-money laundering legislation already in place around Europe.

The corruption at the heart of Ukraine's political system that has enriched the few and disadvantaged the many is only sustainable through the knowing compliance of actors in the financial systems. Ukraine scored 25 out of 100 in our 2013 Corruption Perceptions Index, making it the lowest scoring country in Europe.

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Transparency International is the civil society organisation leading the fight against corruption

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