

Criminals, Kleptocrats, and the NGO

Written by Stephen M. Bland

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STEPHEN M. BLAND, JUL 7 2019

When it comes to the human rights NGO, the Open Dialogue Foundation (ODF), nothing is black and white, but given that broad coalitions that stand both for and against them, few other organizations have polarized opinion to such an extent. Certainly, few other NGOs have done so much to advocate on behalf of oligarchs and those accused or convicted of crimes ranging from fraud to murder. Sources of funding behind the NGO are opaque. Some assert it is under the 'direct control' of fugitive oligarch, Mukhtar Ablyazov, who has judgements against him totaling \$4.7 billion in Britain alone, and in a New York court case stands accused of co-mingling funds with former Mayor of Almaty, Viktor Khrapunov to launder money by flipping Trump SoHo condos. From the aforementioned to recently convicted Russian fraudster Nail Malutin, the list of supposedly 'politically persecuted' people the ODF has lobbied on behalf is extensive. Despite the fact that they had a contract to supply military equipment and have ties to companies linked to the online gambling sector, however, the NGO maintains that a significant proportion of their funding comes from street collections. In the words of Bartosz Kramek, head of the ODF's Management Board and husband of its president, Lyudmyla Kozlovskaya, 'it's impossible to identify donors who put their money in charity boxes.'

In Moldova, a report released in November 2017 by a commission of inquiry of the parliament concluded that the NGO is

'involved in subversive activities directed against the institutions of the Republic. [The ODF and Kozlovskaya] have relationships with and obligations towards agents of the intelligence services of the Russian Federation and are dependent on them... The sophisticated mechanism through which the ODF is funded bears all the hallmarks of a money-laundering scheme and indicates practices involving financial intelligence which only the special services employ. In reality, the ODF and Lyudmyla Kozlovskaya are a vehicle for lobbying and influencing various international institutions and for protecting and furthering the interests of certain persons with a dubious past.'

Following elections in February 2019 which delivered a hung parliament, proceedings against the ODF in Moldova were placed on hold. In May 2019, adviser to the president Corneliu Popovici stated that 'criminal investigations are going to start and there will be several cases. Prosecutors might request the President of the ODF to come to Chişinău and answer questions ... What has been done, it is not the end of the story.' [1] The ODF denies the allegations, and with a new coalition coming to power on June 14th led by Maia Sandu — who has previously spoken at ODF organized events — it remains to be seen whether any prosecutions will proceed.

Whilst maintaining that the NGO is primarily concerned with protecting human rights, the list of oligarchs lobbied for by the ODF includes many controversial figures. Key amongst these is Kazakh kleptocrat, Mukhtar Ablyazov, whom the High Court in Britain found to have committed 'fraud on an epic scale.'

Over ten years since he fled his homeland of Kazakhstan, where he served as Minister for Energy, Industry and Trade before asset-stripping BTA Bank of up to \$10 billion, Ablyazov is still the subject of numerous cases. In the U.S. he stands accused in a case involving the Khrapunov family, who are alleged to have laundered money through schemes involving the Trump Organization. In the U.K. — which he fled to avoid a 22-month sentence for contempt of court — a case brought by BTA against Ablyazov and his son-in-law, Ilyas Khrapunov, is ongoing, with Khrapunov having been found guilty of conspiring to breach freezing orders on Ablyazov's fortune.

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At a public hearing of the European Parliament's committee on financial crimes, tax evasion and tax avoidance in Brussels on 29th January 2019, French MEP Nicolas Bay stated that Ablyazov 'launched' a foundation called Open Dialogue ... 'There are now very real questions about the funding of the activities of that Foundation ... All too often, perpetrators of white-collar crimes are able to pass themselves off as victims.'

In terms of the Khrapunovs, the ODF has fought against extradition attempts and Interpol Red Notices placed on the fugitive Kazakh family named in an article as one of the wealthiest in Switzerland. The former Mayor of Almaty, his wife and their son are accused of schemes which defrauded the city of \$300 million. 'The theft was committed through illegal alienation of property and land,' according to Sergey Perov, Kazakhstan's chief of Anti-Corruption Investigations. 'The most commonly used scheme was fictitious tenders. The ultimate beneficiary of the companies that received ownership was Leila ... After that, the Khrapunovs resold the object to third parties at a price sometimes exceeding fifty times what was paid to the state.'

Another figure the ODF has lobbied on behalf of is Moldovan businessman Vyacheslav Platon, who is serving eighteen years for his part in what became known in Moldova as the 'theft of the century,' in which \$1 billion, 12.5% of the nation's GDP went missing. Platon was named in the Organized Crime and Corruption Reporting Project (OCCRP) investigation into the Russian Laundromat, which saw \$20.8 billion of stolen money moved from Russia into the EU. Documents seized by investigators following Platon's arrest show that numerous flights for Platon's entourage and solicitors were paid for by the ODF. Funding for lobbying services in the European Parliament and at the Parliamentary Assembly of the Council of Europe (PACE) portraying Platon as a victim of 'political oppression' is alleged to have been funneled through shell companies registered in the U.K.

The entities in question, Stoppard Consulting LLP and Kariastra Project LP were among over 300,000 companies in the U.K. – as outlined in an analysis released by Global Witness — which declared no owners. Registered at virtual offices, both operated without publishing accounts or paying taxes. According to the Moldovan parliamentary report, there are 'reasonable suspicions that Kariastra Project was involved in money-laundering activities.' The report goes on to allege that between 2014 and 2016, Kariastra Project and Stoppard Consulting paid Kramek's Silk Road – which shares its offices with the ODF – a combined total of \$1.27 million for computer and IT services and consulting. A cork-trading company with no website or phone number, Stoppard Consulting was affiliated with Platon-owned entities registered at the same address.

With allegations and counterclaims swirling, vice-president of the European Parliament's committee on foreign affairs, Romanian MEP Andi Cristea has called for an EU investigation. 'Considering the ODF's efforts to defend one or more controversial characters, I believe that significant resources are needed to investigate in Brussels the transparency of the ODF's funding and the correct recording of lobbying activities in the public register,' he stated in October 2018. 'The image-washing operation that the Foundation led for Ablyazov is not a secret to officials in Brussels.' Another detractor is former ally, Polish MEP Anna Fotyga, who has now severed her links to the ODF, stating that it has 'ceased to be a non-political NGO and is not a credible organisation.' Maintaining that all charges against it are politically motivated, the ODF continues to have its supporters, however, including the British MEP Julie Ward and former Belgian Prime Minister, MEP, Guy Verhofstadt.

Whilst detractors and defenders take sides, meanwhile, in March 2019 Kozlovskaya was granted a five-year residency permit in Belgium, which overrode Poland's prior attempt to ban her from the Schengen Zone. Since then, Kozlovskaya has hosted events in the U.K. and Germany, and remains an accredited lobbyist at the European Parliament. Financial reports on the Foundation's website list Silk Road, Kozlovskaya and Kramek amongst its largest donors.

Note

[1] Interview conducted in person in Moldova.

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Stephen M. Bland is a freelance journalist, award-winning author, researcher, speaker and editor specialising in post-Soviet space, Stephen M. Bland's articles have appeared in numerous publications including Vice, The Diplomat, Motherboard and EurasiaNet. In his debut book – Does it Yurt? Travels in Central Asia or How I Came to Love the Stans – the author takes the reader on a voyage of discovery. A mix of travel, history, and reportage, the book explores the region's rich heritage, unearthing the stories of the people and places of these fascinating lands. Four years in the making, Stephen is currently putting the finishing touches to his book about the Caucasus. He is also the Editorial Director at TEDxLambeth.