ILL-GOTTEN GAINS
Fighting grand corruption in the European Union
This is the estimated amount of money circulating around the world each year that comes from corruption, tax evasion, and crime.

Half of which comes from developing countries.

1000 billion euros

These are examples of former political figures or relatives prosecuted or and/or convicted for having built part of their wealth with money stemming from corruption and later hidden in Europe.

Hosni Mubarak
- POSITION: Former President
- COUNTRY: Egypt

Viktor Yanukovych
- POSITION: Former President
- COUNTRY: Ukraine

Gulnara Karimova
- POSITION: Daughter of former President Islam Karimov
- COUNTRY: Uzbekistan

Isabel dos Santos
- POSITION: Daughter of former President José Eduardo dos Santos
- COUNTRY: Angola

Source: StAR Initiative
**Hidden Assets**

€ 64 billion was allegedly concealed in at least four EU member states (Spain, France, UK, Germany) either in bank accounts or through real estate and luxury goods.

Source: EU Sanctions Watch

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**Viktor Yanukovych**

**Position**: Former President  
**Country**: Ukraine  
**Amount Embezzled**: € 33 billion

was allegedly embezzled and transferred to several bank accounts in EU countries (Austria, UK, Italy, Latvia, Cyprus, Netherlands)

Source: EU Sanctions Watch
Gulnara Karimova
Daughter of former President Islam Karimov

HIDDEN ASSETS
More than €1 billion

was allegedly concealed in bank accounts or invested in real estate in at least 9 EU countries (UK, Ireland, Belgium, Luxembourg, France, Malta, Latvia, Spain, Germany).

Isabel Dos Santos
Daughter of former President José Eduardo dos Santos

HIDDEN ASSETS
€1.8 billion

was allegedly amassed and concealed in bank accounts and/or invested in high-value assets including real estate and artwork in EU countries. Dos Santos has denied all allegations of wrongdoing.

Source: The Guardian and OCCRP
Grand corruption impacts the stability of countries, empoverishes populations, and fuels public mistrust towards institutions, which fuels the rise of populism.

Citizens are the first victims

Grand corruption impacts the stability of countries, empoverishes populations, and fuels public mistrust towards institutions, which fuels the rise of populism.

These assets are the “proceeds of crime.”

Currently, 98% of them remain in the hands of the criminals and escape the reach of the legal system of EU member states.

FOR EXAMPLE

... in the European Union

In some large cities, the real estate market is destabilised by the flow of foreign assets coming from money laundering and corruption.

€ 27 billion € 5 billion

These are the amounts allegedly invested and laundered respectively in the German and British real estate markets, leading to an increase in the number of luxurious properties built and destabilising the property market.

... in countries of origin

Diverted public money is not invested in the country’s development, which impacts basic public services such as health, education, and justice.

€ 15 billion

was allegedly concealed in foreign bank accounts by former president Ben Ali and his wife. Tunisian justice sentenced them to a 35-year prison term for embezzling public assets.
How can we stop the EU becoming the home of corrupt money?

Transparency International is calling for an overhaul of the EU asset recovery framework.

**Our proposal to reform EU rules**

**STEP #1**

**Freezing of assets**

Once assets have been identified as the proceeds of corruption by the relevant authorities during criminal or civil proceedings, they must be frozen to stop them being used, or transferred out of reach of investigators.

Only 2% of these proceeds of crime were frozen between 2010 and 2014.

*Source: Europol*

The EU must adopt a common set of sanctions by imposing asset freezing orders and visa bans to individuals found guilty of grand corruption abroad.
Confiscating stolen assets

Once frozen, stolen assets should be confiscated. Confiscating assets allows state authorities to strip corrupt individuals of their ownership rights.

In most EU countries, a conviction is a necessary condition for seizing assets. But, such a verdict can be very hard to achieve due to diplomatic immunity, a broken justice system in the country of origin, and the length of some proceedings (10 - 30 years). This results in the stolen property remaining in the hands of corrupt individuals.

Only 1% of the proceeds of crime was seized in the EU. This means that only half of frozen assets are confiscated.

Source: Europol

Returning assets to victim populations

Stolen assets are seldom returned. At the same time, current EU rules don’t address the issue of asset return to third countries. Decisions on how to proceed are entirely up to each Member State.

The EU should harmonise national policies and introduce a mechanism to confiscate assets without the need for a criminal conviction.

The principle of the return of stolen assets to victim populations in third countries should be enshrined in EU law. New rules should be based on transparency, accountability and integrity in order to ensure that the money returned never falls back in the pockets of corrupt leaders.
EU CAN ACT

Transparency International calls on the European Union to strengthen the European framework for asset recovery in order to **fight impunity**, **protect the interests of citizens and obtain justice for populations** that are victims of corruption.

HOW CAN THE EU ACT?

1. In the context of the current debate around the reform of the 2014 directive on the freezing and confiscation of assets.

2. As part of the current negotiations at EU level on the adoption of a framework governing the freezing of assets and the introduction of visa ban as a sanction against individuals found guilty of human rights violations.
You can read our full report at transparency.eu/intothevoid

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Sources: Europol ; EU Sanction Watch ; International Consortium of Investigative Journalists ; RFI ; The Guardian ; The Stolen Assets Recovery (StAR) Initiative ; Transparency International.

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