

# CH OAG Application

**To: The Office of the Attorney General of Switzerland (OAG)**

Taubenstrasse 16

CH-3003 Berne

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**Re: Provision of information on suspected corruption and money laundering activities**

Dear Sir/Madam

The Anti-Corruption Foundation would like to provide you with the information on suspected corruption and money laundering activities involving legal entities registered and located in Switzerland.

The Anti-Corruption Foundation (hereinafter “We”) is a non-commercial non-governmental organization founded in 2011. The ACF goal is to fight corruption in Russia by identification and investigation of suspected corruption activities, publishing results of our investigations and filing applications to relevant state authorities.

Below you will find results of one of our investigations in the form of summary of suspicious activities.

**Persons of interest****Vladimir Ivanovich Yakunin**

Date of birth: 30 June 1948

Occupation: President of Russian Railways (state-owned corporation)

Country of residence: Russian Federation

Founding member of legal entities registered in Switzerland:

- Fondation pour le Soutien aux Etudes Historiques et Culturelles – HICUS; Fed. number: CH-660.0.511.013-1
- Dotation pour la Fondation Saint-André Premier; Fed. Number: CH-660.2.058.013-5
- Dotation pour le Forum Public Mondial - Dialogue des Civilisations – DofC; Fed. Number: CH-660.2.046.013-3
- Coordination Council of the Transsiberian Transport, St. Gallen; Fed. number: CH-320.6.042.148-5

## **Viktor Vladimirovich Yakunin**

Date of birth: 16 June 1979

Occupation: Founder & Managing Partner at Veritas Investments Group

Country of residence: Switzerland

Residential address: quai du Général-Guisan 14 1204 Genève

Property owner: Chemin de Planta 45 CH-1223 Cologny, Switzerland

## **Reported activities**

Vladimir Ivanovich Yakunin is the President of JSC Russian Railways, the state-owned corporation managing Russian railroad infrastructure and operating freight and passenger train services. Thus the president of Russian Railways is a politically exposed person according to both Swiss and Russian legislation. Vladimir Yakunin has two sons: Andrey Yakunin and Viktor Yakunin.

Andrey Yakunin is the elder son of Vladimir Yakunin. Starting from 2005 Andrey Yakunin is running an investment business through a number of companies including Venture Investments & Yield Management LLP registered in the United Kingdom (hereinafter "VIY Management LLP"). It's a private equity growth capital and real estate investment firm with complex ownership structure and a number of related entities in different jurisdictions including UK, Russia and Cyprus.

Viktor Yakunin is the younger son of Vladimir Yakunin. Based on our investigation we can conclude that Viktor Yakunin is involved into business activities of his father and brother since he served as a head of VIY Management LLP branch in Saint Petersburg, Russia and has ownership and management position in the firm connected with subsidiary of Russian Railways.


Based on our investigations it becomes evident that business activities of Yakunin family are followed by substantial widespread conflict of interest for Andrey Yakunin and his father Vladimir Yakunin as well as other management of Russian Railways and its subsidiaries. The existence of such conflict of interest may have lead to serious corruption offences in this state corporation and abuse of power or improper performance by its President Vladimir Yakunin.

We have identified the following circumstances and red flags supporting our suspicions of offences:

- Vladimir Yakunin was appointed as president of Russian Railways in 2005 and less than a year after that Andrey Yakunin founded VIY Management LLP.
- Russian Railways and subsidiaries share or previously shared at least one individual (Sergei Orlov) at member (partner) and management positions with VIY Management LLP and with other related companies involved into RHC project. The comprehensive scheme of related companies and individuals can be accessed through the [link](#).
- VIY Management LLP started a real-estate project (Regional Hotels Chain - RHC) for building the hotel chain in Russian regional centers. In order to find the land plots for the hotels VIY Management LLC engaged subsidiary of Russian Railways - ZAO

Zheldoripoteka. Most of the land plots are located near the railroad stations and as Andrey Yakunin said in his [interview](#) to Reuters were purchased from Russian Railways. The details of these transactions are not available to the public, except that the land has been owned by Russian Railways and now belongs to RHC legal entities.

- The shares of the companies owning land plots and constructed hotels has been sold to the related party of Russian Railways - ZAO UK Transfingrup. This company is the asset manager of Russian Railway's pension fund and has Vladimir Yakunin as the Chairman of the Board. Thus, the land has been purchased directly from Russian Railways or from related company and then has been sold to Russian Railways related company.
- In order to develop and manage the hotels operations VIY Management LLP signed a strategic development agreement with Carlson Rezidor Hotel Group. We believe that Carlson Rezidor Hotel Group conducted thorough due diligence of VIY Management LLP and respective RHC entities before entering such agreement and should have the evidence that original owner of land plots is Russian Railways or it's subsidiary.

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- Rezidor's Russia country manager [told](#) Reuters that they accepted assurances from Andrey Yakunin that he has no business link with his father or Russian Railways. Based on the what we have identified and described above we can state that it is not true.
  - The luxurious residential property used by Vladimir Yakunin in Russia does not correspond with his official income clearly indicating the signs of illicit enrichment. This property is owned by Cyprus offshore company and linked to VIY Management group through a number of individuals.

We also identified the that some related-party transactions might have not been properly disclosed in audited IFRS financial statements of Russian Railways in accordance with IAS 24 Related Party Disclosures and in prospectuses on offering of securities on Irish and Swiss stock exchanges. We plan to report to the respective regulators on this issue.

There are also four legal entities registered in Switzerland where Vladimir Yakunin is listed as a founding member. All of them are a non-commercial organizations. Given the context described above, there are serious concerns about genuineness and integrity of these organizations.

## **Supporting evidence**

The Anti-Corruption Foundation is a non-governmental organisation, we do not possess any formal authority to make official inquests into corruption cases or request access to relevant documents of state or private entities. All of our evidence has been obtained from public sources. We believe that this gathered evidence supports our suspicions and statements.

Below is the list of collected evidence. All of these documents can be provided in any form upon your request and translated for your convenience.

- Statements on land plots ownership, size, location and other details obtained from Federal Service for State Registration, Cadastre and Cartography;
- Statements on legal entities shareholders, management and other details obtained from Federal Tax Service of Russia and respective authorities in other countries;
- Annual reports, financial statements and other published information from various legal entities;
- The comprehensive scheme of the companies related to Russian Railways, Vladimir Yakunin, Andrey Yakunin, Viktor Yakunin and other individuals.

## **Conclusion**

Based on our understanding of the letter and spirit of UN Convention Against Corruption and Restitution of Illicit Assets Act we believe that if son of foreign politically exposed person have gained multimillion profits from business with the state-owned corporation headed by his father it should raise substantial doubt on lawfulness of origin of the family assets, integrity of their operations and lead to further investigations by relevant authorities. The recent press coverage of Yakunin family activities adds to our belief.

We also inform you that The Anti-Corruption Foundation filed a number of reports on identified activities to Russian authorities including General Prosecutor and The Investigative Committee of the Russian Federation. According to formal replies received by us, no official investigations have been started up to date with no justifiable reason.

Due to the disregards of our reports by Russian official authorities and because The Anti-Corruption Foundation is a non-governmental organisation this request cannot be passed to Swiss authorities using the Mutual Legal Assistance procedures. However, we believe that the identified information should still be passed to the Swiss authorities. We also inform you that similar report has been filed by us with relevant authorities in the United Kingdom.

We would appreciate to provide you with additional information, clarifications or copies of collected evidence. Please contact us with any questions.

Yours Sincerely,  
The Anti-Corruption Foundation