

THE FIRST CZECH-RUSSIAN
LAUNDROMAT EXPOSED
ANALYTICAL REPORT

Transparency International – Česká republika, o.p.s. is a part of the international network of Transparency International non-governmental organizations. The mission of the organization is to identify and actively contribute to reducing the level of corruption in the Czech Republic. Transparency International Česká republika mainly promotes the enforcement of systemic, legislative, and organizational changes that limit room for corruption, both in the public and private sector. Furthermore, it provides legal advisory services to individuals, who encounter corrupt practices, as well as assistance to people reporting corruption (whistle-blowers). Finally, it helps to identify corrupt practices and bring attention to cases involving corruption.

The First Czech–Russian Laundromat Exposed. Analytical Report

www.transparency.cz

Authors: **Marek Chromý, Lidia Marchenko**

Transparency International - Česká republika, o.p.s.

Prague, 2022

Structure

- Introduction** 4
- Scheme 1 – The Commercial Arbitration Court as a Key Tool**..... 5
 - Case 1 – LLC Investoborudovanie vs. Flowe Solutions LP (RUB 462,528,960.00/ EUR 6,876,199.88) 5
 - Case 2 – LLC Lidergrupp vs. Lengomito Group Ou TOO (RUB 1,367,657,979/EUR 17, 959,674.90) ... 7
 - Case 3 – LLC Kontinent vs. Siliana Invest s.r.o. (RUB 325,179,032.34/ EUR 4,233 192.51) 8
 - Case 4 - LLC Signum T and LLC Technostandard vs. Calimena Invest s.r.o. (RUB 405,540,713.81/ EUR 6,432,651.33) 9
- Scheme 2 – Trade-Based Money Laundering Cases** 10
 - Case 5 – LLC Prod-Impex and LLC Globtechprom vs. EXTRADE WORLDWIDE LTD s.r.o. (USD 20,006,000.00) 10
 - Case 6 – LLC Ecopromengineering, LLC Rimus and LLC Alliance vs. Centro Project Praha s.r.o. (USD 21 257 000.00)..... 11
 - Case 7: LLC Investoborudovanie vs. Siliana Invest s.r.o. (EUR 2,703,124.00) 12
 - Case 8.1 – LLC Alimas and LLC Monolit Tekhno Sbit vs. MONDOTRADE s.r.o. (EUR 2,948,370.46).. 13
 - Case 8.2 – LLC Consult and Service Company and LLC Lingerie Group vs. MONDOTRADE s.r.o. (EUR 2,782,301.93) 14
 - Case 8.3 – LLC Lavera Trade and LLC Skyport Group vs. MONDOTRADE s.r.o. (EUR 2,747,634.15 EUR) 14
- Enablers**..... 16
- Beneficiaries**..... 18
- Suggestions for improving AML standards in the Czech Republic** 20

Introduction

This analytical report concludes an investigation into money laundering mechanisms used for transfers of illicit funds from Russia to the Czech Republic conducted by Transparency International Czech Republic (TI-CZ) and a local partner with expertise in money laundering in the Russian Federation. **The investigation identified two such mechanisms unprecedented in both scale and method within the Czech context as well as their organisers and other related third parties.** In trying to uncover the schemes' beneficiaries, investigators found traces leading to two influential Russian businessmen currently under EU, UK, and US sanctions: Mikhail Safarbekovich Gutseriev and Kirill Nikolayevich Shamalov.

The information in this report has been collected by the local partner and subsequently supplied to TI-CZ for further analysis and interpretation. **The investigation was initially triggered by another joint analysis of a Czech-Russian trade-based money laundering scheme – the [Bottle Laundromat](#).** While investigating that case, we discovered several companies involved in the money-laundering scheme had also participated in arbitral proceedings in Russian courts. Having found a pattern, we filtered Russian arbitral court cases to find ones involving Czech companies. Of those, 16 cases were identified as suspicious, often because they were interconnected.

Two separate yet interlinked complex money-laundering schemes were discovered in the course of this investigation. One utilised arbitration awards issued by Russian and Cypriot commercial arbitration courts to launder at least *EUR 35,501,718.62* out of Russia. Based on available information, the scheme was active at minimum between the years 2014 and 2015. The mechanism of this scheme is rather unique: organisers concluded fictitious contracts for the purchase of promissory notes and Eurobonds between Czech and Russian companies, subsequently entering arbitral proceedings and influencing the decision of the commercial arbitration court in order to effectuate a transfer of illicit funds.

The other was a trade-based money laundering (TBML) scheme that used fictitious or inflated trade transactions to illegally transfer over *EUR 78,000,000* out of Russia between the years 2014 and 2016. The scheme became possible due to gaps in compliance procedures and legislation on foreign economic activity in Russia as well as due to shortcomings in Czech AML regulation surrounding professional enablers. Certain individuals involved in this scheme received prison sentences in Russia and several of the banks used by the organisers had their licences revoked by the Bank of Russia due to their participation in money laundering.

Scheme 1 – The Commercial Arbitration Court as a Key Tool

We identified four distinct cases in which arbitration awards were used by scheme organisers for the purposes of illegally transferring money abroad.

- ⇒ First, scheme organisers gathered money from clients who wanted to legalise proceeds of crime or other forms of dirty money in bank accounts belonging to Russian companies. These companies had no apparent business activity and were headed by what seem to have been nominee directors and shareholders.
- ⇒ Using these companies, they would then conclude a purchase and sale agreement (PSA) with a foreign company to buy promissory notes or Eurobonds. The agreement always included an arbitration clause, which stipulated that all potential disputes between parties would be resolved in a specified commercial arbitration court rather than a judiciary court.
- ⇒ When the payment never arrived, the foreign seller had grounds to initiate a dispute in the international commercial arbitration court, seeking to recover debt. It seems however that the arbitrators were not objective when judging these disputes – they were potentially influenced or even involved in the scheme. Thus, they would always decide in favour of the foreign seller and issue an award of damages against the Russian company.
- ⇒ Having obtained the arbitration decision, the foreign company would file a lawsuit against the Russian debtor in a Russian court. The local authority would officially recognise the debt and issue a writ of execution.
- ⇒ After successfully securing a writ of execution, the scheme coordinators would pass it on to the Russian bank where the debtor company had an account. The bank used the writ of execution to transfer the owed amount to the foreign company, thus moving dirty money out of Russia.

While courts have previously served as the vehicle for the legalisation of ill-gotten gains, for instance in the [Moldovan Laundromat](#), the scale of this case as well as the use of European legal entities makes it a rather unique finding. Moreover, this scheme exploited the fact that national courts cannot review decisions made by international arbitration courts on their merit and are obligated to enforce them if the country in question has ratified the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards ([New York, June 10, 1958](#)), which eliminates the necessity of bribing Russian judges.

Case 1 – LLC Investoborudovanie vs. Flowe Solutions LP (RUB 462,528,960.00/ EUR 6,876,199.88)

Scheme organisers used the Russian company LLC Investoborudovanie (TIN - 7715433693), founded in June 2014, whose director and sole shareholder was Elena Vladimirovna Istratova. The company

did not exhibit any business activity and Ms Istratova seems to have been a nominee director and shareholder with no apparent connection to the company.

Individuals and entities wanting to illegally send money abroad were provided with the details of LLC Investoborudovanie's bank account at Rosbank. In total, a sum of no less than RUB 462,730,960.00 was deposited into LLC Investoborudovanie's bank account [№40702810897450000631](#), opened at the Rosbank branch located at Bldg 1B/1, Chertanovskaya Str., Moscow.

In June 2014 LLC Investoborudovanie concluded a fictitious [contract](#) with LLC Vektor-M (TIN - 7706798730), headed by Nikolay Aleksandrovich Nikonov, for the purchase of promissory notes from JSC MDM Bank worth RUB 462,528,960.00. LLC Investoborudovanie did not make payment as per the terms of the agreement and thus became a debtor of LLC Vektor-M.

To move the money out of Russia, on 18 August 2014 LLC Vektor-M concluded a cession agreement with the UK-registered company [Flowe Solutions LP](#), triggering a transfer of claim under the agreement for the purchase of promissory notes. Flowe Solutions LP was founded in Glasgow in December 2013 by [Viala Trade Limited](#) incorporated in Belize and [Gateno Ventures Inc.](#) incorporated in Panama.

On 20 August 2014 LLC Investoborudovanie and Flowe Solutions LP signed an arbitration agreement, according to which all potential disputes between were subject to arbitration by the "Verhovenstvo prava" mediation court.

The "Verhovenstvo prava" arbitration court was established by LLC Verhovenstvo prava. LLC Verhovenstvo prava was founded in February 2014 by Sergey Sergeevich Zakharchuk and Vadim Nikolaevich Baibuz.

In September 2014 Vadim Nikolaevich Baibuz, an arbitrator of the "Verhovenstvo prava" mediation court, rendered an [award](#) of damages in the amount of RUB 462,528,960.00 in favour of Flowe Solutions LP.

In October 2014 Flowe Solutions LP filed lawsuit [A40-161447/2014](#) in the Arbitration Court of Moscow, seeking to obtain a writ of execution for the enforcement of the decision issued by the "Verhovenstvo prava" mediation court. In December 2014 the claim was granted by judge O.S. Gedraitis and writ of execution [AC № 007142360](#), dated 15 December 2014, was awarded.

Subsequently, in February 2015 lawyer Mikhail Viktorovich Okunev – a proxy of Flowe Solutions LP – delivered the writ of execution to the Rosbank headquarters, as they managed LLC Investoborudovanie's account.

It is worth mentioning that over the course of this lawsuit Flowe Solutions LP was also represented by Svetlana Viktorovna Vornacheva, an individual who took part in several other cases of money laundering, namely Cases 3 and 7, as a shareholder of the Czech company Siliana Invest s.r.o.

After Mr Okunev presented the writ of execution to Rosbank, the sum of RUB 462,730,960.00 or EUR 6,876,199.88 (462 528 960 – principal amount; 2,000 – state fee; 200,000 – arbitration fee) was transferred by Rosbank to the Latvian and Czech bank accounts belonging to Flowe Solutions LP, namely at: Latvijas Pasta Banka (LPB Bank, BIK - LAPBLV2X, account no.: LV73LAPB0000056054885),

JSC «Norvik Banka» (BIK - LATBLV22; account no.: LV94LATB0006220061917), and Česká spořitelna a.s. (BIK - GIBACZPX, account no.: CZ1708000000000006523072)

Case 2 – LLC Lidergrupp vs. Lengomito Group OÜ TOO (RUB 1,367,657,979/EUR 17, 959,674.90)

Scheme organisers used the Russian company LLC Lidergrupp (TIN – 7721836605), founded in June 2014, whose director and sole shareholder was Elena Valerievna Dericheva. The company did not perform any business activity, and Ms Dericheva was likely a nominee director and shareholder since she was listed as director or shareholder in seven other firms, six of them liquidated.

Individuals and entities wanting to illegally transfer money abroad were provided with the details of LLC Lidergrupp's bank account [№ 40702810202590000575](#), opened at the Alfa Bank branch located at Bldg 95, Butyrskaya Str., Moscow, where they would transfer such funds. Consequently, a sum of no less than RUB 1,367,657,979.68 was deposited into LLC Lidergrupp's bank account.

In order to move the funds out of Russia, in July 2014 LLC Lidergrupp and the Estonian company Lengomito Group OÜ (reg. no 12674063), also founded in June 2014, concluded a fictitious [agreement](#) for the sale and purchase of promissory notes worth RUB 1,367,986,810 from Alfa Bank. LLC Lidergrupp did not make payment as per the terms of the agreement and thus became a debtor of Lengomito Group OÜ.

The PSA included an arbitration clause, stipulating that all potential disputes between Lidergrupp and Lengomito Group OÜ were subject to arbitration by the International Commercial Arbitration Court in Cyprus.

In October 2014 Sergey Sergeevich Zakharchuk, an arbitrator of the International Commercial Arbitration Court, rendered an [award](#) of damages in the amount of RUB 1,367,986,810 in favour of Lengomito Group OÜ plus a EUR 2,000 arbitration fee.

In October 2014 Lengomito Group OÜ filed lawsuit [A40-176892/2014](#) in the Arbitration Court of Moscow seeking to obtain a writ of execution for the enforcement of the decision issued by the International Commercial Arbitration Court in Cyprus. In December 2014 the claim granted by judge O.S. Gedraitis and a writ of execution ФC [№ 000141787](#) was issued on 12 January 2015.

Subsequently, the scheme organizers delivered the writ of execution to the Alfa Bank headquarters, as they managed LLC Lidergrupp's account.

Alfa Bank transferred the sum of RUB 1,367,657,979 or EUR 17,959,674.90 to Lengomito Group's OÜ bank accounts in the Latvian JSC Norvik Banka (BIK - LATBLV22; bank account: LV59LATB0006100158616) and the Czech bank Česká spořitelna a.s. (BIK - GIBACZPX, account no.: GZ3908000000000006413842).

Case 3 – LLC Kontinent vs. Siliana Invest s.r.o. (RUB 325,179,032.34/ EUR 4,233 192.51)

Scheme organisers used the Russian company LLC Kontinent (TIN – 7710969233), founded in October 2014, whose director and sole shareholder was Svetlana Ivanovna Zimakova. The company did not perform any business activity and Ms Zimakova was most likely a nominee director and shareholder, since she was listed as director or shareholder in three other companies that were all liquidated by the Federal Tax Service (FNS).

Individuals and entities wanting to illegally send money abroad were provided with LLC Kontinent's bank account details, using which they sent funds to the firm's account at Alfa Bank. Consequently, a sum of no less than RUB 325,179,032.34 was deposited into LLC Kontinent's bank account №40702810101400004542, opened at the Alfa Bank branch located at Bldg 12/1, Krasnaya Presnya Str., Moscow.

To move the money out of Russia, in March 2015 LLC Kontinent and the Czech company [Siliana Invest s.r.o.](#) conducted a fictitious [contract](#) for the sale and purchase of Eurobonds issued by Delta Assets Corporation Ltd worth EUR 7,000,000.00. LLC Kontinent did not make payment as per the terms of the contract and thus became a debtor of Siliana Invest s.r.o.

The agreement included an arbitration clause, stipulating that all potential disputes between LLC Kontinent and Siliana Invest s.r.o. were subject to arbitration by the International Commercial Arbitration Court in Cyprus.

In May 2015 Igor V. Buriak, an arbitrator of the International Commercial Arbitration Court, rendered an [award](#) of damages in favour of Siliana Invest s.r.o. owing RUB 452,362,400 as the principal amount, RUB 72,377,984 in fines, RUB 3,317,324.05 in interest on the borrowed sum and EUR 2,000 in arbitration fees (lawsuit ICAC ru-23/05-19/2015).

In June 2015 Siliana Invest s.r.o. initiated lawsuit [A40-106739/2015](#) in the Arbitration Court of Moscow seeking to obtain a writ of execution for the enforcement of the decision of the International Commercial Arbitration Court in Cyprus. In September 2015 the claim was granted by judge I.A. Vasilieva and writ of execution ФС [№ 004424757](#), dated 23 September 2015, was issued.

Subsequently, the scheme organizers delivered the writ of execution to the offices of Alfa Bank, who managed LLC Kontinent's account. The bank then transferred the sum of RUB 325,179,032.34 or EUR 4,233,192.5 to the bank account of Siliana Invest s.r.o. at Česká spořitelna a.s. (BIK - GIBACZPX, account no.: [CZ8608000000000006361392](#)).

Case 4 – LLC Signum T and LLC Technostandard vs. Calimena Invest s.r.o. (RUB 405,540,713.81/ EUR 6,432,651.33)

Scheme organisers used the Russian company LLC Signum T (TIN – 7104526591), founded in November 2014, whose director and sole shareholder was Elena Ivanovna Karaseva.

In December 2014 LLC Signum T concluded a [PSA](#) with Czech company [Calimena Invest s.r.o.](#) Another Russian company, LLC Technostandard (TIN – 7729783306), acted as a guarantor under this contract. The contract value equalled RUB 272,903,840.00.

Neither LLC Signum T nor LLC Technostandard complied with the terms of the contract and did not make the requisite payments, resulting in outstanding debt to Calimena Invest s.r.o. for both entities.

As per the arbitration clause in the contract, Signum T and Calimena Invest s.r.o. agreed that all potential disputes between parties were subject to mediation by the International Commercial Arbitration Court in Cyprus.

In April 2015 Igor V. Buriak, an arbitrator of the International Commercial Arbitration Court, rendered an [award](#) of damages (lawsuit ICAC ru-20/04-15/2015) against Signum T and Technostandard consisting of RUB 272,903,840 in principal amount, RUB 126,900,285.56 in fines, and RUB 5,736,588.25, and EUR 2,000 in arbitration fees for the two companies respectively.

In May 2015 Calimena Invest s.r.o. filed lawsuit [A68-4403/2015](#) in the Arbitration Court of Tula Oblast seeking a writ of execution for the enforcement of the decision of the International Commercial Arbitration Court in Cyprus. In July 2015 the claim was granted by judge L.D. Tazheeva.

However, according to the case documents, the writ of execution was [returned unsatisfied](#) by JSC Promsvyazbank in May 2018. Therefore, it is unclear whether the scheme organizers were able to transfer the money across the border in the end.

Lawyer Mikhail Viktorovich Okunev, also involved in Case 1, represented the claimant in this case.

Scheme 2 – Trade-Based Money Laundering Cases

Alongside the arbitration award-based scheme outlined above, a parallel money-laundering operation involving trade transactions was uncovered in the investigation.

This second scheme is an example of so-called trade-based money laundering, or TBML, utilises trade transactions to conceal the illicit origin of proceeds of crime and, potentially, to move them to another jurisdiction (FATF 2006). Although the method revolves around trade, it does not in actuality require the movement of goods across the border. Instead, it often relies on simulated or *fictitious trade transactions*. If, however, an agreement does actually lead to the movement of goods, the perpetrators will often understate or overstate the value of the goods, their amount, or both; invoice the same shipment multiple times; or falsely describe the traded goods. The method used will frequently depend on local trade regulation as well as the direction of the illicit cash flow. For instance, by invoicing goods below market price value is transferred to the importer, whereas overvaluing goods will transfer value to the exporter. This can be done within state borders, however international trade provides more attractive opportunities for such operations: the beneficiaries have at their disposal not only money that is now clean but also located in a foreign jurisdiction.

The basis of the scheme at hand lies in *simulating the import of complex technical equipment at extremely inflated prices*. On paper, Russian shell companies purchased this equipment from Czech companies for tens of millions of euros. The real cost of such machines was however no more than a couple thousand euros and, in most cases, the product had never left the seller's warehouse. Some of the transactions we examined involved the purchase and sale of injection moulding machines to Russia, which are used in the production of plastic bottles. In the time period the scheme was active, i.e. from 2014 to 2016, Russia did not produce these machines. For this reason, they were subject to zero customs duties and import tax when crossing the Russian border. In total, the three companies mentioned above helped launder about *EUR 48,500,000* out of Russia.

Particularly interesting is the fact that analysis of the two schemes showed them to be interlinked, often involving *the same facilitators, using the same legal entities, and even leading to the same beneficiaries*. At least one company – [Siliana Invest s.r.o.](#) – was used simultaneously in both ways. Another company, namely [EXTRADE WORLDWIDE LTD s.r.o.](#), was used for the purposes of money laundering in both this laundromat and the previously uncovered [Bottle Laundromat](#). Similarly, [MONDOTRADE s.r.o.](#) and [Centro Project Praha s.r.o.](#) were incorporated and managed by the same individuals who participated in said Bottle Laundromat.

Case 5 – LLC Prod-Impex and LLC Globtechprom vs. EXTRADE WORLDWIDE LTD s.r.o. (USD 20,006,000.00)

EXTRADE WORLDWIDE LTD s.r.o. was founded in 2007 under the name Farit Stav s.r.o. by Farit Mukhametov, born in 1937 in Novosibirsk. In August 2015 Mr Mukhametov, represented by Czech-

based business owner Evgeny Lazutkin (date of birth: 29.06.1967; address: Do Klukovic 1165/4b, Prague), transferred his share in the business to Alexandra Stogova from Klin, Moscow Oblast.

According to publicly available data from the trade database [Import Genius](#), in December 2015 LLC Prod-Impex bought two injection moulding machines from EXTRADE WORLDWIDE LTD s.r.o. for EUR 1,742,000.00. The producer of the purchased machines is stated as PLZENSTROJ s.r.o. There are however several details that point to the contract being fictitious: firstly, a company by the name of PLZENSTROJ s.r.o. does not and has never existed; secondly, the average price of an injection moulding machine is considerably lower than stated in the foreign trade transactions between the Russian and Czech companies. We can therefore assume that these deals were part of a TBML operation, specifically the Bottle Laundromat.

EXTRADE WORLDWIDE LTD s.r.o. was then utilised for money-laundering purposes for a second time at the end of May 2016, when the scheme organisers initiated lawsuit [A41-29114/16](#) on behalf of the firm against LLC Prod-Impex and LLC Globtechprom in the Arbitration Court of Moscow Oblast seeking to recover debt.

LLC Prod-Impex was incorporated in August 2015 by Ivan Viktorovich Ponomarev. Later its shares were transferred to Andrey Sergeevich Melnikov and Tatiana Valerievna Glazkova. LLC Globtechprom was incorporated in July 2013 by Pavel Vladimirovich Skorobogatikh. Its director was Tatiana Valerievna Glazkova. Both companies showed no economic activity and displayed multiple signs of being shell companies.

According to the court documents, LLC Prod-Impex and LLC Globtechprom entered into a contract with EXTRADE WORLDWIDE LTD s.r.o. in December 2015. Neither LLC Prod-Impex nor LLC Globtechprom complied with the terms of the agreement and did not make the requisite payments, thus becoming debtors of EXTRADE WORLDWIDE LTD s.r.o.

During litigation, the parties reached a settlement agreement, under which the defendants acknowledged the debt and promised to repay it within five calendar days from the date when the settlement was reached. We found no evidence to imply that the payment was made and EXTRADE WORLDWIDE LTD s.r.o. obtained a writ of execution.

Case 6 – LLC Ecopromengineering, LLC Rimus and LLC Alliance vs. Centro Project Praha s.r.o. (USD 21 257 000.00)

Scheme organisers used Russian shell companies LLC Ecopromengineering (TIN – 7716792744), LLC Alliance (TIN - 6732107000), and LLC Rimus (TIN – 6732115106), and Czech company Centro Project Praha s.r.o.

LLC Ecopromengineering was founded by Irina Alekseevna Kharlamova and Igor Yurievich Miroshnik in December 2014. The company was managed by Vladislav Konstantinovich Melnikov. It did not display any genuine business activity and Mr Melnikov appears to have been a nominee director. Ms

Kharlamova and Mr Miroshnik appear to be nominee founders of a large number of companies. The company was dissolved in November 2018.

LLC Alliance was established by Aleksandr Petrovich Klimenko and Ilya Anatolievich Turmasov in May 2015. Kirill Aleksandrovich Kotyuk was the company director, however this information was [judged unreliable](#) by the FNS. Aleksandra Stogova – also involved in Case 5 – acted as company director between September and December 2016. The FNS also called into question the firm’s registered address. For this reason, the company was removed from the commercial register in February 2019.

LLC Rimus was founded in November 2015 by Sergey Valerievich Sankovich and managed by Eugeny Yurievich Novikov. However, Mr Novikov [contested](#) this information before the FNS. Thus, the company was dissolved in November 2019.

Centro Project Praha s.r.o., known at the time by the name Elite Hunter-group s.r.o., was founded by Eleonora and Alina Dovgal. The aforementioned Yevgeny Lazutkin was authorised to represent them in matters relating to the company via power of attorney.

Centro Project Praha s.r.o. entered into an international sales [contract](#) with buyer LLC Rimus in December 2015. LLC Ecopromengineering acted as a guarantor. Both companies did not comply with the terms of the contract and did not make payments, thus becoming debtors of Centro Project Praha s.r.o.

In June 2016 Centro Project Praha s.r.o. filed lawsuit [A62-4229/2016](#) in the Arbitration Court of Smolensk oblast seeking to recover debt consisting of USD 19,757,000.00 in principal amount and USD 2,363,274.00 in penalty charges. The defendants entered into a settlement agreement promising repayment within five days. In August 2016 LLC Alliance filed a [request](#) to replace LLC Rimus as the defendant in connection with a debt transfer agreement dated 1 August 2016. The request was approved by the court.

Case 7: LLC Investoborudovanie vs. Siliana Invest s.r.o. (EUR 2,703,124.00)

Siliana Invest s.r.o. was incorporated by Panamanian offshore company [TRENTINO INTERNATIONAL INC.](#) in May 2015. TRENTINO INTERNATIONAL has ties to Mossack Fonesca according to the International Consortium of Investigative Journalists (ICIJ) Panama Papers [leak](#) – the two companies even share registered headquarters directly in the Mossfon Building. The company also founded Palethalia Invest s.r.o. in the Czech Republic (removed from the commercial register), which has previously been exposed for participating in a TBML scheme with the use of injection moulding machines – the so-called Bottle Laundromat.

At the end of May 2015 TRENTINO INTERNATIONAL’s share in Siliana Invest was transferred to Svetlana Vornacheva, based in Moscow. Ms Vornacheva acted as a proxy of the aforementioned Flowe Solutions LP, which was involved in the money laundering scheme using arbitral awards outlined in the previous section. In July 2019 she received a [prison sentence](#) for forgery of administrative documents and international trade fraud in Russia.

In May 2016 Altan Huseyin became the sole shareholder and director of Siliana Invest s.r.o.

According to the [court ruling](#), in 2015, an organized crime group (OCG) arranged Ms Vornacheva's appointment as shareholder and director of Siliana Invest s.r.o. LLC Investoborudovanie, present also in Case 1, was used as its Russian counterpart. The OCG founds clients, who would pay them for the service of transferring the clients' funds to bank accounts of foreign legal entities controlled by the OCG. Consequently, the OCG amassed EUR 2,703,124.00 in LLC Investoborudovanie's bank account (№407029785000000498) from various anonymous clients. The OCG fabricated PSAs and trade declarations for the import of textile machinery and submitted them to bank VTB 24 as supporting documentation. The perpetrators were able to launder EUR 2,703,124.00 as a result of the bank's lack of due diligence. The money was transferred to Siliana Invest's bank account No. CZ750800000000006361202, BIC: GIBACZPX, at Česká spořitelna bank.

Case 8.1 – LLC Alimas and LLC Monolit Tekhno Sbit vs. MONDOTRADE s.r.o. (EUR 2,948,370.46)

MONDOTRADE s.r.o. was incorporated under the name Aristo-group s. r. o. by two Israeli residents, Arnold and Yulia Polonski, both of whom have temporary residency addresses registered in Moscow. By power of attorney they were both represented by Yevgeny Lazutkin. In February 2016 Svetlana Leonteva from Dmitrov, Moscow Oblast became the sole shareholder and director of the company. She also shares a mutual friend with Aleksandra Stogova, involved in Cases 5 and 6, on Russian social media network [VKontakte](#).

The scheme organizers used Russian companies LLC Alimas (TIN – 7716819386) and LLC Monolit Tekhno Sbit (TIN – 7723404985). LLC Alimas was founded in March 2016 by sole shareholder Anna Vladimirovna Tolchenova and managed by Irina Mikhailovna Voropaeva. The company did not exhibit any business activity and was dissolved in March 2019. LLC Monolit Tekhno Sbit was founded by Natalya Yurievna Titova and Vera Aleksandrovna Sheveleva in August 2015. LLC Monolit Tekhno Sbit did not perform any genuine business activity and the FNS found [registered address information](#) to be unreliable. The company was therefore removed from the commercial register in May 2019.

In March 2016 MONDOTRADE s.r.o. entered into a fictitious [PSA No.82/RW-16](#) with LLC Alimas. LLC Monolit Tekhno Sbit acted as a guarantor under this contract. The stated value of the purchased equipment was EUR 2,718,999.00. LLC Alimas allegedly received the goods in May 2016 but did not pay for them within the ten-day period stipulated by the contract. At the end of June 2016 MONDOTRADE s.r.o. sent to both Russian companies a payment request, which went unanswered.

At the end of 2016 MONDOTRADE s.r.o. filed lawsuit [A41-86707/16](#) in the Arbitration Court of Moscow Oblast seeking to recover debt consisting of EUR 1,150,000.00 as the principal amount from both LLC Alimas and LLC Monolit Tekhno Sbit as well as EUR 1,568,999.00 as the principal amount and EUR 229,371.00 in liquidated damages from LLC Alimas. The claim was satisfied in January 2017.

Case 8.2 – LLC Consult and Service Company and LLC Lingerie Group vs. MONDOTRADE s.r.o. (EUR 2,782,301.93)

The scheme organizers used Russian companies LLC Consult and Service Company (TIN – 7719444368) and LLC Lingerie Group (TIN – 7723467495). LLC Consult and Service Company was incorporated by sole shareholder Aleksey Sergeevich Boborykin in April 2016. Sergey Aleksandrovich Shpomer was the company director at the time of its liquidation. The company did not exhibit any genuine business activity and the FNS found its [registered address information](#) to be unreliable. The company was removed from the commercial register in March 2019. LLC Lingerie Group was established by sole shareholder Maksim Olegovich Mitushkin and managed by Sergey Aleksandrovich Grechishnikov. The company does not appear to have performed any genuine business activity and the FNS found its [registered address information](#) to be unreliable. LLC Lingerie Group was dissolved in January 2019.

In August 2016 MONDOTRADE s.r.o. concluded a fictitious [PSA No.105/RW-16](#) with LLC Consult and Service Company. LLC Lingerie Group acted as a guarantor under this contract. The stated value of the purchased equipment was EUR 2,671,163.73. LLC Consult and Service Company allegedly received the goods in August 2016 but did not pay for them within the ten-day period stipulated by the contract.

At the end of 2016 MONDOTRADE s.r.o. filed lawsuit No. [A41-86714/16](#) in the Arbitration Court of Moscow Oblast seeking to recover debt consisting of EUR 1,250,000.00 as the principal amount from both LLC Consult and Service Company and LLC Lingerie Group as well as EUR 1,421,163.74 as principal debt and EUR 111,138.19 as penalty from LLC Lingerie Group. The claim was satisfied in January 2017.

Case 8.3 – LLC Lavera Trade and LLC Skyport Group vs. MONDOTRADE s.r.o. (EUR 2,747,634.15 EUR)

The scheme organizers used Russian companies LLC Lavera Trade (TIN – 9729008269) and LLC Skyport Group (TIN – 7723460073). LLC Lavera Trade was established by Mikhail Sergeevich Salynin in May 2016. Valery Sergeevich Devkin was the company director at the time of its liquidation. The company did not display any genuine business activity and was dissolved in April 2019. Svetlana Mikhailovna Kvitinskaya established LLC Skyport Group in July 2016. Yulia Mikhailovna Lazarenko was the company director right before its closure. The company did not perform any business activity and the FNS judged its [registered address information](#) unreliable. Thus, LLC Skyport Group was liquidated at the end of 2018.

In August 2016 MONDOTRADE s.r.o. entered into a fictitious [PSA No. 94/RW-16](#) with LLC Lavera Trade. LLC Skyport Group acted as a guarantor under this contract. The stated value of the purchased equipment was EUR 1,100,000.00. LLC Lavera Trade did not make payment and in December 2016 MONDOTRADE s.r.o. filed lawsuit No. [A41-86751/16](#) in the Arbitration Court of Moscow Oblast seeking to recover debt consisting of EUR 1,100,000.00 as the principal amount both from LLC Lavera

Trade and LLC Skyport Group and well as EUR 1,509,417.59 as the principal amount and EUR 138,216.56 in liquidated damages from LLC Lavera Trade. The claim was satisfied in January 2017.

However, according to the case documents, the writ of execution was [returned unsatisfied](#) in June 2019. Therefore, it is somewhat unclear whether the scheme organizers were successful in transferring the money abroad.

Enablers

Because money laundering, especially on a large scale, requires a complex infrastructure of both legal and illegal services, beneficiaries rarely launder their money alone. Instead, shadow economies of scheme organisers and facilitators form to create a money-laundering operation that can ideally be used *several times and even by several beneficiaries*. In order to prevent the tracing of illicit funds and better conceal their origin, these services often need to be performed across several jurisdictions. The complex and cross-border nature of this work even means that it is often performed by *organised crime groups*.

The individuals with professional expertise to provide such services are called professional enablers. They usually have professional *training, expertise in taxation, legal or financial processes, and experience in setting up opaque structures or transactions designed to avoid further scrutiny of their client's activities*. They may be lawyers, accountants, notaries, tax advisors, corporate service providers ([OECD 2021](#)). Enablers can also be seen as gatekeepers to financial and business markets and it is in some cases difficult to determine whether they participated knowingly or unwittingly and if they were financially rewarded for it. Regardless, the EU AML regulatory framework requires higher vigilance from all private sector intermediaries with the capacity to prevent money laundering, for instance through customer due diligence and suspicions transaction reporting, and thus should also be held to account ([WEF 2012](#)).

Thus, in uncovering a new money-laundering scheme or mechanism with the aim of preventing similar future cases, it is crucial to expose the professional enablers of such a scheme. Not only are they themselves going against AML legislation and profiting off of it but, ultimately, illicit funds could not be laundered without them.

In order for the two uncovered schemes to run smoothly, professional enablers were required at *multiple stages*. In both schemes notaries were needed to incorporate the shell companies in Russia and in the Czech Republic. In order to make the illicit funds and the act of laundering them untraceable to either the beneficiaries or the *organisers of the scheme, nominee directors and shareholders* had to be appointed in those companies. In the arbitration award-based scheme lawyers and arbitrators were needed to represent the companies and arbitrate the disputes respectively. Then judges in Russian state courts had to enforce the arbitration awards. In the TBML scheme customs officers and bank employees had to ignore forged and fictitious PSAs and customs declarations, either knowingly or through lack of due diligence.

What points to some of these actors being professional enablers rather than unwitting pawns is the **interconnected and systematic nature of their involvement**. The same evidence points to the individual transactions laid out above being part of an organised money-laundering scheme:

- 1) Certain Czech notaries such as JUDr. Jaroslava Voclová and JUDr. Jana Kleinová consistently appear in documentation of several Czech shell companies participating in the scheme. The same principle applies for authorised translator JUDr. Taras Moroz.
- 2) Certain individuals repeatedly act as proxy representatives of several of the Czech firms, i.e., Evgeny Lazutkin and Magda Zegermacherová.

-
- 3) Mistakes in notarial deeds point to connections between firms that otherwise seem unrelated. For example, [HALFORD PROPERTIES S.A.](#) is mistakenly stated as a shareholder of Siliana Invest s.r.o. (the real shareholder being TRENTINO INTERNATIONAL).
 - 4) The nominee directors and shareholders reoccur across cases and entities. For instance, Atlan Huseyn is the current sole shareholder and managing director of both Siliana Invest s.r.o. and Calimena Invest s.r.o.
 - 5) Equally, several firms were registered at the same address: for example, Siliana Invest s.r.o. and Calimena Invest s.r.o. were registered at Plaská 622/3 in Prague while MONDOTRADE s.r.o. and Centro Project Praha s.r.o. were both registered at Krakovská 593/19, Prague.

An especially damning piece of evidence for certain individuals tied to the case being professional enablers is the fact that they performed the same roles in the already documented Bottle Laundromat. This is the case for Evgeny Lazutkin, who acts as a proxy for the Russian founders, shareholders, and managers of several Czech legal entities in this case as well as in the Bottle Laundromat. In fact, he has [provided the same service](#) for Russian State Duma deputy and member of United Russia (*Yedinaya Rossiya*) Maxim Kalinin and his family when he helped them manage their undeclared Czech company [CITY MEDIA GROUP, s.r.o.](#) in [2015](#). It should be noted that in all cases of Mr Lazutkin representing Russian persons in the Czech Republic, the documentation is always translated and notarised by the same individuals, namely notary JUDr. Jaroslava Voclová and authorised translator JUDr. Taras Moroz. It is however worth mentioning that the Czech Notarial Chamber only has record of 15 notaries who speak Russian on a conversational or professional level.

Other links to the Bottle Laundromat include:

- 1) EXTRADE WORLDWIDE LTD s.r.o. was involved in both cases.
- 2) TRENTINO INTERNATIONAL INC. was the founder of Siliana Invest s.r.o. as well as Palethalia Invest s.r.o. (liquidated), which participated in money laundering in the other case.
- 3) Palethalia Invest s.r.o. from the Bottle Laundromat currently has the same managing director – Martin Benděkovič – as Calimena Invest s.r.o.
- 4) Vera Sheveleva acted as the managing director of both LLC Monolit Tekhno Sbit and [BLACKBURG SYSTEMS LTD s.r.o.](#) (previously known as SIDIAL Company s.r.o.).

In the arbitration award-based scheme, international commercial arbitration courts and their arbitrators were a particularly crucial form of enabler. Although the two courts used by the scheme organisers were over 2000 kilometres apart – LLC Verkhovnstvo Prava (TIN: 7709947193) was based in Moscow while the Cypriot International Commercial Arbitration Court (ICAC) (not an existing legal entity, seemingly an offshoot of the [International Committee for Property Protection](#), HE330972) was based in Cyprus – they seem to have been linked. For instance, the co-founder and co-owner of Verkhovnstvo Prava, Sergey Sergeevich Zakharchuk was also an arbitrator of the ICAC (as evidenced both by their [website](#) and by case [A40-176892/14](#) of the Arbitration Court of Moscow). It also bears mentioning that both courts were founded in 2014.

Beneficiaries

In the course of the investigation the bank account details of *three firms* participating in the money-laundering scheme were uncovered. **These were the bank accounts of Russian companies, where their clients' dirty money was accumulated through individual transfers so that it could later be sent abroad, either as a repayment of debt in an arbitral dispute or as payment for fictitious or overvalued heavy machinery imports.** The three companies whose bank account details we had access to were LLC Investoborudovanie, LLC Lidergrupp, and LLC Kontinent.

Having access to this information meant that we could identify the source of the incoming money transfers – in other words we could find out where the money came from. This would get us one step closer to uncovering the people behind the money-laundering scheme, known as beneficiaries. **These are the individuals who produced the dirty money that needed to be laundered in the first place, through some form of illegal activity such as drug trafficking, corruption, or embezzlement.** They are also the ones who get to spend the money once it has been legalised and transferred abroad. Identifying these individuals is *crucial in order to not only stop the laundering of toxic capital but also the underlying criminal activity producing those profits.*

An analysis of all incoming payments showed that out of 47 senders, the majority were anonymous shell companies. However, in mapping the complex ownership structures of all senders, we were able to identify *two companies* with credible ties to high-ranking Russian businessmen/oligarchs.

The first of these is LLC "Yuridicheskiy Center "Pravo" (TIN – 7710971497). Founded in November 2014, the company's sole shareholder and director was Aleksey Vladimirovich Frantsuzov. He seems to have been a nominee director and shareholder since he was listed in ten other legal entities most of which were founded in 2014 and subsequently liquidated between 2016 and 2018.

Between 23 December 2014 and 20 January 2015 LLC "Yuridicheskiy Center "Pravo" made four transfers to Svetlana Vornacheva's company LLC ConsultGroup (TIN – 7733836127). The total amount of money sent was RUB 35,035,000 (EUR 466,052). LLC ConsultGroup then sent RUB 31,770,435 to LLC Pino, who in turn sent RUB 14,653,178 to LLC Lidergrupp.

Then, in 2016 LLC "Yuridicheskiy Center "Pravo" underwent a transfer of share to Cypriot company [Dawlarlia Holdings Limited](#) (HE355571) and a change of name to LLC Safmar Retail. The name "Safmar" is significant because it is the name of a Russian multisectoral conglomerate owned by the wealthy Gutseriyev family. The founder of Safmar Mikhail Safarbekovich Gutseriev and his brother Sait-Salam Gutseriev came in joint 65th place on Forbes' 2022 [list of Russian Billionaires](#). Moreover, according to a [Forbes article](#) from December 2016, Dawlarlia Holdings Limited Mikhail Gutseriev as well as his brother, son Said, and nephews Mikhail Osmanovich Shishkhanov and Bilan Uzhahov all held shares in Dawlarlia Holdings Limited. In February 2019 Said Gutseriev [held a 58,67% share](#) in the company.

In June 2021, following the violent repression of protests in Belarus, Mikhail Gutseriev was added to the [EU Sanctions List](#) for his long-standing support and friendship with Belorussian president Alexander Lukashenko. In 2022 he was added to the [UK Sanctions List](#) along with brother Sait-Salam

and son Said for the same reason. This means that transferring his assets abroad is an act of evading sanctions.

The second company of interest is JSC NIPIgazpererabotka (TIN - 2310004087). This company sent RUB 17,697,050.00 (EUR 272,217) to Svetlana Vornacheva's company LLC Tekhmarket (TIN - 7725774029) on 19 March 2015. LLC Tekhmarket then transferred RUB 15,798,444.00 (EUR 243,012) to LLC Pino and LLC Pino transferred this sum to LLC Lidergrupp.

According to NIPIgazpererabotka's [quarterly report for Q1 of 2015](#), its majority shareholder was Russian petrochemicals company JSC SIBUR Holding, holding an 87,1% share. According to the same report, one of SIBUR's board members was Russian businessman and Katerina Tikhonova's ex-husband (and thus the ex-son-in-law of Vladimir Putin) Kirill Nikolayevich Shamalov.

Mr Shamalov has been under [US sanctions](#) since 2018 due to Russian aggression in Ukraine. In 2022 he was added to the [UK](#) and [Canadian](#) Sanctions Lists in response to the war in Ukraine.

Suggestions for improving AML standards in the Czech Republic

We can draw broader implications for the Czech AML regulatory framework and its possible shortcomings from the money-laundering techniques uncovered in this scheme. As demonstrated in the cases laid out above, the scheme was successful thanks in large part to professional enablers. The problem here is twofold. First, the professional chambers (for lawyers, notaries, accountants and others) still lack written guidelines, which would introduce and enforce internal control procedures for how their members act in a professional capacity. Such guidelines should also include a specific risk assessment policy. Without these explicit rules the chambers' oversight of their members remains theoretical: at best it is impotent due to lack of enforcement and at worst it is non-existent.

The second problem is a lack of legal requirements for lawyers, notaries, and accountants to maintain systematic written records of their professional activities. Such records would allow law enforcement authorities to quickly and easily reconstruct a timeline of transactions for any given case or individual. This legal requirement is considered to be a good practice in fighting money laundering as many of the transactions, which are part of a money-laundering investigation, took place years before the actual investigation and thus records of them or related business correspondence might be lost, incomplete or marred with excuses of having been forgotten by the respective enabler. The likelihood of such situations would be diminished with the introduction of a legal obligation of systematic recordkeeping. Both these recommendations are supported by the [2018 national evaluation](#) and its follow-ups for the Czech Republic performed by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism or MONEYVAL.

Moreover, communication between the Financial Investigation Unit (FIU) and enablers or professional chambers has been limited in the past. There has been a lack of feedback from the FIU regarding the suspicious transaction reports submitted by professional enablers and their chambers, which leads these key gatekeepers lacking precise information on how and when to best report suspicious transactions. What's more, the FIU does not provide them with any information, even broadly, about the current trends in money laundering in the Czech Republic. This logically leads to a situation, in which enablers and chambers lack the knowledge required to spot suspicious behaviour and the motivation to report it to the FIU, since they don't receive clear communication about what happens to their reports and whether the information they provided was even usable. As there has recently been a change in the top management of the FIU, it is the perfect time to establish better communication practices between the FIU and enablers. There have already been signs of better communication in recent months, related to the Russian invasion of Ukraine and the ensuing EU sanctions on Russian and Belorussian entities. We would strongly recommend to strengthen the existing communication, both in the frequency and volume of information exchanged.

Works cited

Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL). 2018. *“Anti-money laundering and counter-terrorist financing measures. Czech Republic. Fifth Round Mutual Evaluation Report.”* Strasbourg, France: Council of Europe. <https://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/Moneyval-Mutual-Evaluation-Report-Czech-Republic.pdf>

FATF. 2006. *“Trade-Based Money Laundering.”* Paris, France: FATF. <https://www.fatf-gafi.org/media/fatf/documents/reports/Trade%20Based%20Money%20Laundering.pdf>

OECD. 2021. *“Ending the Shell Game: Cracking down on the professionals who enable tax and white-collar crimes.”* Paris, France: OECD. <https://www.oecd.org/tax/crime/ending-the-shell-game-cracking-down-on-the-professionals-who-enable-tax-and-white-collar-crime.pdf>

World Economic Forum. 2012. *“Organised Crime Enablers.”* <https://reports.weforum.org/organized-crime-enablers-2012>

Transparency International –
Česká republika, o. p. s.

Sokolovská 143
180 00 Praha 8
Tel. +420 224 240 895-7

Bankovní číslo účtu Transparency
International Česká republika, o.
p. s. vedeného u Fio banky, a. s.
(pobočka banky na Praze 1) je
2100385154/2010.

www.transparency.cz
posta@transparency.cz
[@Transparency_CZ](https://www.instagram.com/Transparency_CZ)

