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Kremlin Said to Back Foreign Property Ban for Officials

By Jennifer Rankin

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Vyacheslav Lysakov, a United Russia State Duma deputy, drafted one of two rival bills to clamp down on officials and their families owning property abroad. **Sergei Porter**

The Kremlin is ready to ban state officials from owning foreign property or keeping money abroad, a move seen by one civil society group as the latest manifestation of "Western phobia" by the government.

A source in the presidential administration told Kommersant that strict controls on foreign assets were seen as necessary.

"It is a question of the loyalty of government officials and an assessment of their patriotism," the source said in an article published Friday.

A bill co-drafted by State Duma Deputy Vyacheslav Lysakov of United Russia would ban foreign assets from being held by officials, their wives and their children under 18 years old.

The law would cover people in government service from the municipal to the federal level, Lysakov told Vesti FM earlier this month, such as officials in the security services, the Prosecutor General's Office, the customs service and the Investigative Committee.

His plans would mean this elite group "stands with both feet in Russia," he said.

An exception would be made for getting "a good education" or using medical services. People would be allowed to have foreign bank accounts for these purposes because they are "sacred," Lysakov told the radio station.

According to Kommersant's unnamed source, the Kremlin would support Lysakov's proposals, even though they will not be popular with some United Russia deputies. Many civil servants and Duma deputies own foreign property, including in former Soviet countries.

A rival bill co-authored by Just Russia Deputy Ilya Ponomaryov would require officials to declare foreign property and assets on a special register.

Owning such assets would not be illegal, but an incorrect declaration would be a criminal offense. The preamble of the bill says this would increase the effectiveness of controls on spending by government officials.

The bills were proposed shortly after opposition leader and anti-corruption campaigner Alexei Navalny accused Investigative Committee head Alexander Bastrykin of having secret property in the Czech Republic, a claim that Bastrykin denies.

Navalny called Bastrykin a "foreign agent," playing on the title that a new law will force upon nongovernmental organizations that conduct "political activity" and receive funding from abroad.

Ivan Ninenko, deputy director of Transparency International, said the proposed restrictions on officials owning foreign property are part of the government's "Western phobia."

"This is not about corruption. It is about populism and this political idea that everyone in the West is bad and should have no influence on Russia," he said by telephone.

If the Duma wanted to fight corruption, instead of banning the ownership of foreign property, it should ensure transparent information that allows people to compare officials' income with their savings and other assets, he said.

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