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When Modest Deputies Live in Mansions

By Georgy Bovt

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United Russia has broken a record for the number of bills proposed during the summer recess. Usually we don't hear a word from deputies during the entire month of August. But this year, the temptation to play the populism game turned out to be too strong. Last week, United Russia proposed a bill to prohibit public officials at all levels from having bank accounts or owning property abroad. United Russia wants us to believe that this is part of a new anti-corruption campaign. But this PR stunt is bound to fail.

Of the 450 State Duma deputies, about 100 have declared in the past that they own foreign real estate or business. But it is safe to assume that the real number is three, if not four, times higher. The bill requires deputies to sell assets within six months after the law is passed. Does anyone really believe that this will happen, particularly during an economic slowdown?

Yet six months is plenty of time to transfer these assets to offshore companies, trusts or adult children. In this way, officials and deputies will remain modest public servants on paper.

The other problem with the bill is an inherent double standard. Why should officials be

prohibited from owning, say, a $75,000 studio apartment in Bulgaria, while their $5 million mansion on Rublyovskoye Shosse is allowed? United Russia should require that public officials account for all of their assets in every country, starting with Russia.

One explanation for this strange bill is that it is part of an internal struggle among the elite. The younger members of United Russia want their chunk of the rich state pie, and the only way they can do this is by seizing power from the old guard, who have already gotten fat from years of feeding off the system.

But there is a much simpler explanation for this legislation. Perhaps it's all really being done for the sake of public relations to appear "patriotic" to the masses.

In addition, this law could always be used as a tool for blackmail or extortion. Whenever the ruling elite need to discredit a disloyal member — for example Just Russia Deputy Gennady Gudkov — this law would allow them to find dirt on that person in the form of overseas property. Meanwhile, Kremlin-loyal deputies and other public officials would be allowed to hide their assets by transferring them to distant relatives, trusts or offshore companies.

If United Russia were truly serious about fighting corruption, it wouldn't ban the ownership of foreign assets. It would focus on the more central issue of whether a public official can justify his assets — regardless of where they are held — by his officially declared income. This is how the issue is handled in most Western countries. If these assets were obtained legally and there is no conflict of interest, let public opinion, not the Criminal Code, determine the moral aspect of public officials' domestic and foreign holdings.

Notably, amid United Russia's fervent battle against corruption, the party has still not ratified Article 20 of the United Nations Convention against Corruption. This convention requires public officials to prove that their property and other assets were legally obtained. Failure to do so can result in their property being confiscated.

It is clear this bill is designed purely for the sake of propaganda in hopes of convincing Russians that United Russia is trying to battle corruption in earnest. But few Russians will fall for this trick.

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