SESSION REPORT

Please know you may design the structure of this report to better suit the session. It's important to capture the key outcomes and solutions proposed for the future.

Session Title: Feeding The Russian War Machine: Lessons Learned from Investigating Cross-Border Sanction Evasion
Date: 20 June 2024
Time: 18:00 PM - 19:30 PM (GMT +3)

Report prepared by:
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Moderated by:
Sarunas Cerniauskas
Head
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Panelists:
- Sanita Jemberga,
  Journalist
  Baltic Centre for Investigative Journalism Re:Baltica

- Stanislau Ivashkevich,
  founder
  Belarusian Investigation Center BIC

- Linda Söderlund
  Journalist
  Yle, Public service company in Finland

- Robert Denis
  Central Asia Editor
  OCCRP

Share the thematic focus of the session, its purpose and corruption risks?

(1) Provide journalists the overview of expertise and ideas needed to produce high-quality impactful investigations about Russia and Belarus sectoral sanctions and related trade flows.

(2) Generate ideas for how journalists and civil society can accelerate the real-world impact of these investigations.

Summary of panelists' contributions & discussion points (please be as detailed as possible)

- Unlike money laundering, sanction evasion in international trade leaves multiple traces in the public domain;
- Statistics expose patterns and trails to follow;
- Basic company records help to identify potential suspects;
- Western authorities learn the patterns and are likely to share
- information;
- Whistleblowers appear;
- Data leaks out;

Steps for investigating sanctions evasion:
STEP 1. FINDING THE LEADS
Multiple sanction packages include lits of goods banned from being traded with Russia and/or Belarus; the lists are often accompanied by precise commodity codes;
- for starters: EU sanction lists for Russia and Belarus
The commodity codes (usually, limited to four digits) can be used to pinpoint suspicious trade with basic statistical analysis;

Traces of suspicious trade can be found by extracting
import/export data from:
a) Eurostat
b) UN Comtrade
c) your local statistics agency

Timing is key. Suspicious trade to/from proxy jurisdiction usually spikes when sanctions kick in.

STEP 2. THE USUAL SUSPECTS
For Central/Eastern EU member states (the Baltics, Poland etc.), some of the most common destinations for sanctioned
goods are Central Asian countries:
- Kazakhstan
- Kyrgyzstan
- Uzbekistan

For Southern/Eastern EU member states (Bulgaria, Italy, Romania etc.) the most common destination is Turkiye;
For Western EU countries (Germany, France, Spain etc.), all of the options apply;

Loopholes in sanctions can also be noticed by finding spikes in trade with Russia or Belarus, when particular goods are banned for only one of the two countries;

STEP 3. PROVING SOMETHING ISN'T THERE
Discrepancies in international trade statistics are a major piece of evidence:
If country A claims to have exported much bigger volumes of particular goods than country B declares to have imported from country A, it is a major red flag;
Major discrepancies in mirror statistics for sanctioned goods are an indicator of a sanction evasion mechanism;
Preferably, the same source of data should be used to compare the export/import flows (UN comtrade is the best option);
Some countries do not provide sufficient statistics to UN Comtrade;
In that case, mirroring statistics from official statistics agencies in country A and country B is the way to go;

Specific stories about investigations done by the speakers:
● Import of luxury goods - luxury cars transported to Russia via Finland
● Belarus gap, different sanctions regime against Belarus vs Russia
● Central Asia and the South Caucasus: their role in sanctions evasion
● Morale vs money: the Baltics supporting Ukraine, but trading with Russia
● Loopholes in sanctions regimes, rerouting of goods through Poland and Latvia

Main outcomes of the session (include quotes/highlights and interesting questions from the floor)

Question from audience: What can we do to make sanction implementation more efficient?

Keeping the public interested: has sanction evasion become a boring bit of daily news?

Conclusions:
- Problems for journalists when investigating sanctions evasion mainly consists of lack of data, unreliable data and lack if impact of their reporting
- Making an impact: journalists need to work together across borders to see the bigger picture, especially with sanctions evasion stories
- Policymaking is a long process, even if you don't see immediate impact, it's worth repeating it 100 more times, then it may have a desired effect.

Key recommendations for the future and concrete follow-up actions
- Open up customs data from the European countries, as much as possible, at least until Russia's aggression against Ukraine is over
- Create an automatically updated database of customs data, perhaps integrating some AI solutions

What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?

The journalists continue to do their work, and the governments have to do theirs. Naming and shaming tactics seem to work for both governments and private businesses that turn a blind eye to or benefit from sanctions evasion.

Is there a specific call to action to key stakeholders, such as governments, businesses, funders, civil society, young people, journalists or any other stakeholder that should be noted? Please specify if relevant.

Rapporteur's name
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21 June 2024

Action! This report needs to be emailed to iacc-av@transparency.org within 24 hours of the session. If you wish to update the report, please do so by 21 July. Thank you.