

\$1.3 Trillion Illegally Moved From Russia Over 19 Years

By [The Moscow Times](#)

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Illegal capital outflows between 1994 and 2012 cost Russia's economy \$1.3 trillion, according to a report by Global Financial Integrity (GFI), a Washington-based organization that researches shady international transactions.

An average of \$70.6 billion was moved from Russia illegally each year over the period, or 8.3 percent on average of the country's gross domestic product, GFI said.

The largest movements of capital occurred after an oil boom in the 2000s ended in a global financial crash in 2008 and crushing recession in Russia in 2009. Over 2010-12, the annual illicit outflow accelerated to an average of \$141 billion, the report said. In 2011, \$174.2 billion — an amount equal to 9.9 percent of GDP — fled the country, according to GFI.

However, the outflows were matched by illegal transfers of money into Russia. Almost 2 trillion was funneled into the country between 1994 and 2012, the report said.

Eighty-seven percent of the illegal capital flight from Russia over the period of the study was due to the misinvoicing of trade — a way of funneling money across borders by deliberately misreporting the volume of exported goods. The received revenues then are accumulated in foreign accounts.

Apart from Russia, GFI studied developing nations India, Brazil, Mexico and the Philippines. The report noted that illegal money trafficking was one of the main obstacles to developing the economy and human rights in these countries.

Russia had the largest capital flight of the five countries. India saw \$682 billion illegally moved from the country over a 64 year period, the report said, while illicit outflows from Mexico totaled \$1.16 trillion over 42 years.

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