



Financial Trend Analysis

**Trends in Bank Secrecy Act Data:
Financial Activity by Russian Oligarchs in 2022**



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This Financial Trend Analysis (FTA) describes financial intelligence about the movement of Russian oligarch-related funds and assets with a nexus to the United States around the time of Russia's unprovoked military invasion of Ukraine, including likely attempts by Russian oligarchs and elites to conceal their assets, property, and financial activities. It provides pattern and trend information contained in Bank Secrecy Act (BSA) reporting filed between March 2022 and October 2022 involving Russian oligarchs, high-ranking officials, and sanctioned individuals.¹ These reports detailed tens of billions of dollars in suspicious activity. FinCEN highlighted red flags on Russian oligarchs, high-ranking officials, and sanctioned individuals in three Alerts since Russia's unprovoked military invasion of Ukraine: [FinCEN Advises Increased Vigilance for Potential Russian Sanctions Evasion Attempts](#) (Alert FIN-2022-Alert001 on 7 March 2022); [FinCEN Alert on Real Estate, Luxury Goods, and Other High Value Assets Involving Russian Elites, Oligarchs, and their Family Members](#) (Alert FIN-2022-Alert002 on 16 March 2022); and [FinCEN and the U.S. Department of Commerce's Bureau of Industry and Security Urge Increased Vigilance for Potential Russian and Belarusian Export Control Evasion Attempts](#) (Alert FIN-2022-Alert003 on 28 June 2022). These Alerts build on the national priorities for anti-money laundering and countering the financing of terrorism that FinCEN issued on 30 June 2021, which included corruption and transnational criminal organization activity.

Executive Summary: In response to Russia's unprovoked military invasion of Ukraine on 24 February 2022, FinCEN implemented multiple lines of effort to analyze and share financial intelligence with the public, law enforcement agencies, and other relevant stakeholders.² FinCEN undertook these efforts to support U.S. government efforts to track, freeze, and seize assets of Russian oligarchs, high-ranking officials, and sanctioned individuals. The funds underlying many of these financial transactions may represent proceeds of corruption or involve the property or interests in property of persons blocked by the Treasury Department's Office of Foreign Assets Control (OFAC) pursuant to U.S. economic sanctions programs and regulations. BSA data filed on financial transactions of Russian oligarchs, high-ranking officials, sanctioned individuals, and their family members in 2022 showed transactional patterns indicative of corruption and sanctions evasion, including the movement or transfer of funds or ownership of assets and trusts; the purchase of high-value goods or property; and changes in financial flows with links to property or companies in the United States.

1. This report is issued pursuant to section 6206 of the Anti-Money Laundering Act of 2020 (AMLA), which requires the Financial Crimes Enforcement Network (FinCEN) to periodically publish threat pattern and trend information derived from BSA filings. The AMLA was enacted as Division F, §§ 6001-6511, of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283 (2021).
2. Since March 2022, FinCEN has also published several alerts urging U.S. financial institutions to be vigilant against efforts to evade the expansive sanctions and other U.S.-imposed restrictions implemented in connection with Russia's unprovoked military invasion of Ukraine. These alerts provide select red flags to assist in identifying potential sanctions evasion activity and reminds financial institutions of their BSA reporting obligations, including with respect to convertible virtual currency.

Scope and Methodology: BSA data provides significant financial intelligence about the movement of oligarch-related funds and assets with a nexus to the United States around the time of Russia’s unprovoked military invasion of Ukraine, including likely attempts by Russian oligarchs and elites to conceal their assets, property, and financial activities. In developing this FTA, FinCEN focused on BSA reports filed on Russian oligarchs, high-ranking officials, and sanctioned individuals.

In order to monitor for transactions conducted by individuals of interest for this FTA, FinCEN reviewed approximately 7,000 reports that had a nexus to Russia filed between 1 March 2022 and 31 October 2022.³ This FTA focuses on the 454 of these 7,000 reports that detailed transactions linked to Russian oligarchs, high-ranking officials, and sanctioned individuals.⁴ These reports detailed tens of billions of dollars in suspicious activity.^{5 6}

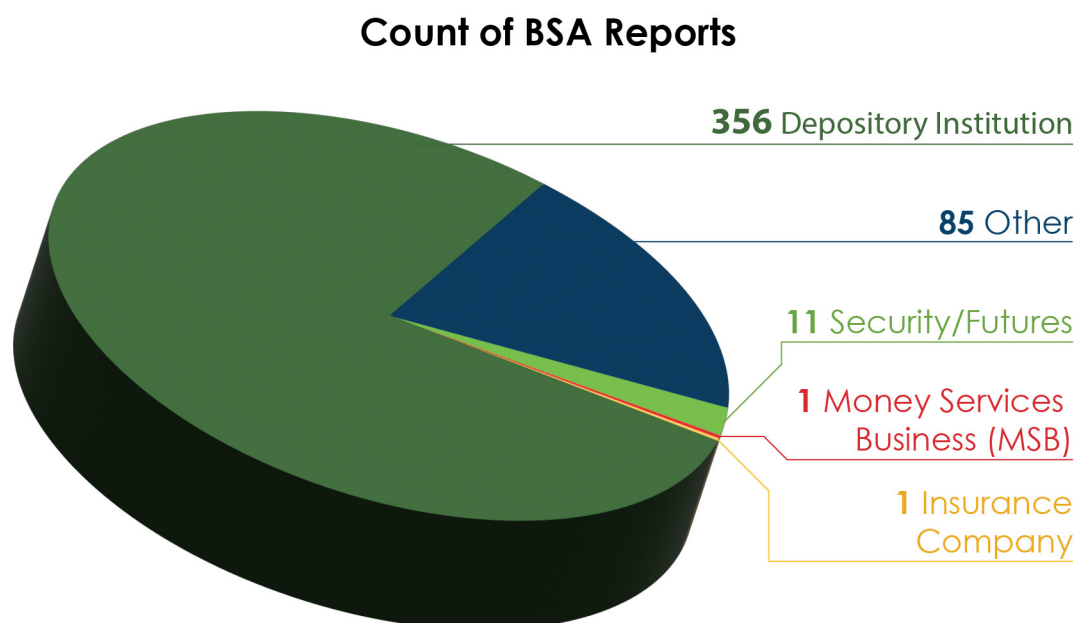
Filing date: The data set for this FTA consists of BSA reports filed with FinCEN between 1 March 2022 and 31 October 2022. As noted below, these reports may refer to transactions that occurred in previous months or years.⁷

Transaction date: This report consists of BSA reports sent to FinCEN between 1 March 2022 and 31 October 2022 and pertains to transactions that occurred between January 2005 and October 2022.

Filer type: During the review period, U.S.-based depository institutions filed the majority, or 78 percent, of the 454 reports on Russian oligarchs, high-ranking officials, sanctioned individuals, and their family members. Other types of financial institutions, including holding companies or financial technology companies, submitted roughly 19 percent of such BSA reports.⁸ The latter mainly report suspicious electronic funds transfers or wire transfers and suspicions concerning the source of funds. Of the 454 BSA reports analyzed for this FTA, filers noted FinCEN’s aforementioned Russia-related alerts in 284 BSA reports.⁹

3. FinCEN monitored BSA data for Russia-related individuals, entities, and accounts. FinCEN reviewed BSA reports filed between 1 March 2022 and 31 October 2022 for accuracy, duplication, and false positives using locations noted in fixed fields, key terms in the narrative, and the note to FinCEN field on BSA forms.
4. In most cases, BSA reports identified that the subject or subjects were Russian oligarchs, high-ranking officials, and sanctioned individuals through open source information, including information from the Russian Elites, Proxies, and Oligarchs (REPO) task force.
5. Amounts associated with these BSA reports may include attempted transactions and payments that were unpaid. This figure also includes BSA reports that describe continuing suspicious activity or amend earlier reporting, as well as reports that cover expanded networks involved in potential illicit activity.
6. FinCEN has not conducted a full analysis on the financial flows of oligarchs pre-invasion, and some of this activity may be disguised by using accounts linked to shell companies, family members, or associates.
7. Filing date reflects detection and compliance, whereas transaction date reflects the actual date of transactions, attempted transactions, or transfer of assets or business ownership.
8. The “Other” category of financial institutions primarily includes holding companies, but also those that do not file BSA reports as a member of another category, such as some financial technology companies.
9. BSA filers used the key term from FinCEN’s alerts either in the fixed field or narrative.

Figure 1. Oligarch-Linked BSA Reports by Filer Type



BSA Data Trends by Russian Oligarchs in 2022

Russian Oligarchs Moved or Transferred Funds and Assets around the Time of Russian Invasion

Around the time of Russia's unprovoked military invasion of Ukraine in late February 2022, several Russian oligarchs transferred beneficial ownership of their companies, trusts, or accounts to their children, other family members, or close business associates.¹⁰ Some of these transfers also occurred right before sanctions were imposed on several oligarchs related to the Russian invasion, including sanctions by the United States, the European Union, the United Kingdom, and other countries. Financial institutions indicated that transferring ownership could potentially help oligarchs evade sanctions or possible seizures of assets by law enforcement. Several oligarchs sent large wire transfers to their children, specifically those studying in the United States, and these wires funded large purchases, usually for residential real estate and luxury items in the United States.

- BSA data identified that one Russian oligarch was linked to several shell companies in open source reporting, and transferred ownership of several of these companies to his business associates around the time of the invasion, possibly to evade potential sanctions. For example, one of the oligarch's Cyprus-based companies was transferred to a business associate on 24 February 2022, the date of Russia's unprovoked military invasion of Ukraine. The Russian oligarch also conducted suspicious transfers believed to represent the potential movement or

10. BSA filers were able to identify companies, trusts, and identifying information related to family members and associates through information provided by law enforcement or publicly available information, including news articles, indictments, and press releases.

transfer of assets such as art, aircraft, yachts, or other property he controlled. The oligarch's ex-wife and several of his known associates conducted some of the transfers as payment for the upkeep or maintenance of his assets or properties. In March and April 2022, the oligarch transferred beneficial ownership of several trusts and businesses to his children, according to a BSA report.

- The U.S.-based child of a Russian oligarch received a wire for over \$1 million from his father in February 2022. At the time of the filing, the funds were still on deposit at the U.S.-based account, but the filer noted concerns that the wire was conducted to avoid OFAC sanctions.
- Through early April 2022, a Russia- and U.S.-based, OFAC-sanctioned oligarch had financial activity that appeared indicative of an attempt to hide assets to evade economic sanctions, primarily through the transfer of assets to his U.S.-based ex-wife.

BSA reports describe Russian oligarchs, elites, high-ranking officials, and their family members or proxies most frequently were located in or associated with transactions originating from or benefiting accounts, companies, or individuals in Europe.¹¹ Within Europe, the top countries noted in these BSA reports were Russia, the United Kingdom, and Switzerland.¹²

Figure 2. Top Five Regions in Oligarch-Related BSA Reports¹³

Subject Location, By Region	Count of Subjects
Europe	1,035
Middle East	383
Caribbean	344
North America	319
Asia	127

11. Many foreign transactions may not be reflected in BSA reports because these reports are only filed by U.S. institutions. Some of the transactions originating or benefiting accounts, companies, or individuals in other countries were identified by banks in foreign correspondent bank account transactions.
12. Within the Middle East, the top countries were Cyprus, the United Arab Emirates (UAE), and Israel. Within the Caribbean, the top countries were the British Virgin Islands, the Cayman Islands, and the Bahamas. Within North America, the top countries were the United States, Bermuda, and Canada. Within Asia, the top jurisdictions were Hong Kong, Singapore, and Uzbekistan.
13. FinCEN reviewed BSA reports where subject location information was available; not all reports in this dataset included this information. FinCEN's 454 BSA reports included 3,315 subjects in fixed fields, of which 2,276 listed a location country.

Russian Oligarchs Purchase High-Value Goods or Property in 2022

Several oligarchs purchased high-value goods, including jewelry, art, and property or real estate in other countries leading up to the invasion, according to BSA data. As noted by FinCEN in the 16 March 2022 FinCEN Alert on *Real Estate, Luxury Goods, and Other High Value Assets Involving Russian Elites, Oligarchs, and their Family Members*, the sudden purchase of high-value goods using funds derived from unknown sources may indicate these individuals are attempting to use the purchase of these goods to shield or launder portions of their wealth from the possibility of future sanctions. Financial institutions filed BSA reports related to purchases at jewelry stores, art dealers, auction houses, or similar businesses. BSA data and open source reporting identified that residential or commercial real estate, specifically in Turkey and the UAE, has increasingly become a safe haven for Russian wealth, both legitimate and illicit, since the beginning of the Russian invasion at the end of February 2022. Financial institutions also filed on several oligarchs who sent payments to real estate investment companies or companies specializing in the real estate market.

- One Russian oligarch sent monthly credit card payments originating from his Switzerland-based account, but those payments increased in January and February 2022, suggesting substantially increased credit card spending from December 2021 through February 2022. BSA reports indicate that this oligarch purchased a larger number of goods than usual, which may have included luxury or high-value goods including art or jewelry, ahead of the Russian invasion and imposition of sanctions.
- In late March 2022, a Russian oligarch sent a transfer for over \$2 million to a UAE-based real estate company noting the “purchase and sale of residential premises.”
- Prior to his OFAC designation in 2022, BSA data reported that a Russian oligarch transferred assets to a family member. According to a BSA filer, the family member used these funds and accounts to make payments for luxury goods and real estate potentially located in the UAE.

Potential Changes in Longstanding Oligarch-Linked Financial Flows Related to U.S. Properties and Companies

Several oligarchs moved funds from accounts in Russia to accounts in other countries, including the United States, usually right before or around the time of the Russian invasion, and used the funds for property-related expenses. In some cases, these oligarchs had been transferring funds between their Russia-based accounts and their U.S.-based accounts for years, but the frequency and value of the transactions increased around the time of the invasion, potentially for fear of not being able to use or transfer funds once hostilities commenced, according to BSA reports. Some of this activity may be disguised by using accounts linked to shell companies, family members, or associates. In addition to U.S.-based accounts, several oligarchs owned or partially owned assets, companies, or property in the United States. While this activity is not inherently illegal or suspicious, financial institutions noted that, in most cases, the source of funds from Russia was unknown and could be linked to corruption.

- Through early April 2022, a Russian oligarch sent wires from his account in Russia to his account in the United States that were used to maintain property he owns in the United States, where the source of funds could potentially be linked to corruption or sanctioned companies. He also made outgoing payments that were sourced from the proceeds of these real estate investments.
- A Russian oligarch and his child own or control several shell-like entities registered in Cyprus and the United States. The accounts for these companies, with a U.S.-based individual listed as signer, received funds from apparent shell entities, mainly based in Monaco, and then used the funds to invest in companies in the movie or online gaming industry.

Reporting Suspicious Russia-related Activity

For formal guidance to financial institutions on reporting suspicious activity related to Russia-linked actors, please refer to FinCEN's resource page on advisories, at <https://www.fincen.gov/resources/advisoriesbulletinsfact-sheets>. FinCEN highlighted red flags on Russian elites, oligarchs, and their family members in three Alerts published after Russia's unprovoked military invasion of Ukraine: *FinCEN Advises Increased Vigilance for Potential Russian Sanctions Evasion Attempts*, (Alert FIN-2022-Alert001 on 7 March 2022); *FinCEN Alert on Real Estate, Luxury Goods, and Other High Value Assets Involving Russian Elites, Oligarchs, and their Family Members* (Alert FIN-2022-Alert002 on 16 March 2022); and *FinCEN and the U.S. Department of Commerce's Bureau of Industry and Security Urge Increased Vigilance for Potential Russian and Belarusian Export Control Evasion Attempts* (Alert FIN-2022-Alert003 on 28 June 2022).

The information in this report is based on information obtained from analysis of BSA data and open sources, as well as insights from law enforcement and other partners. FinCEN welcomes feedback on this report, particularly from financial institutions. Please submit feedback to the FinCEN Regulatory Support Section at frc@fincen.gov.