THE PROSECUTOR GENERAL'S OFFICE OF THE RUSSIAN FEDERATION

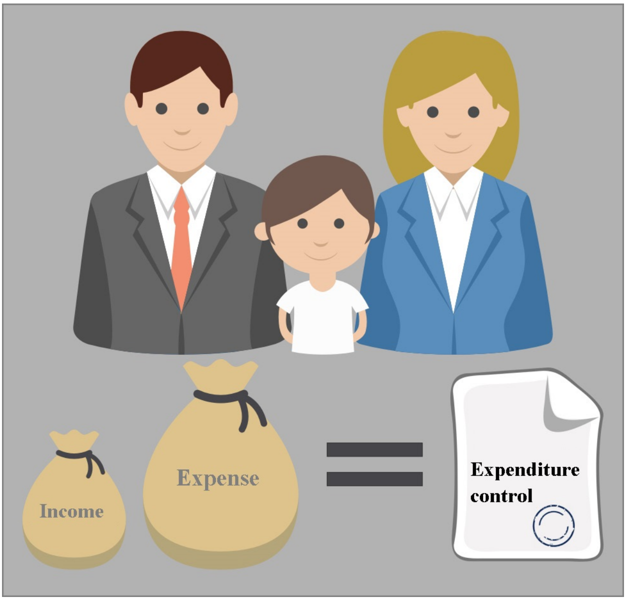
CONTROL OVER CORRESPONDENCE BETWEEN EXPENSES AND INCOMES

HANDBOOK FOR PUBLIC AND MUNICIPAL OFFICIALS

Institute of public officials' expenses monitoring was put into effect on January 1, 2013 by Federal Law No. 230-FZ dated December 3, 2012 "On monitoring correspondence between expenses and incomes of state officials and other persons".

If a public official or members of his family (husband/wife, minor children) during financial year spend the sum which exceeds the total income of such a person, his husband/wife for the last three years for the transactions of buying of real estate, transport means, securities, then the decision of their expenses monitoring is rendered.

The procedure of monitoring of expenses of public officials, their wives (husbands) and minor children, as well as the mechanism of transfer to the state revenue of the property, regarding which no information confirming its purchase for legal revenue was submitted, are established by the law.



PERSONS WHOSE EXPENSES ARE SUBJECT TO MONITORING:

Public officials (persons who hold public office):

- public offices of the Russian Federation regarding which no other procedure of expenses monitoring is established by federal constitutional law or federal laws;
- positions of members of Board of Directors of Central bank of the Russian Federation;
- public offices of constituent entities of the Russian Federation;
- public (municipal) offices;
- federal public service positions included to the lists established in accordance with regulatory legal acts of the President of RF;
- public service positions of constituent entities of the Russian Federation included to the lists established in accordance with legislation or other regulatory legal acts of constituent entities of RF;
- municipal service positions included in the lists established in accordance with legislation, other regulatory legal acts of constituent entities of RF and municipal regulatory legal acts;
- positions in the Bank of Russia the list of which is ratified by the Board of Directors of the Bank of Russia;
- positions in government-owned corporations included to the lists established in accordance with regulatory legal acts of RF;
- positions in Pension Fund of Russia, Social Insurance Fund, Federal Compulsory Medical Insurance Fund included to the lists established in accordance with regulatory legal acts of RF;
- positions in other organizations set up by RF pursuant to federal laws, included to the lists established in accordance with regulatory legal acts of RF;
- separate positions on the ground of employment agreement in organizations set up for execution of tasks set to federal public authorities included to the lists established in accordance with regulatory legal acts of federal public authorities.

THESE PERSONS PROVIDE INFORMATION ABOUT EXPENSES AND ABOUT THE SOURCES OF FUNDS RECEIPT EVERY YEAR REGARDING EVERY TRANSACTION ON PURCHASE OF:

- real estate (land plots, apartments, houses and others);

- transport means (an automobile, a motorcycle, a boat, a powerboat, a helicopter and others);

- securities (participation interests, shares in authorized (joint-stock) capital);

in the following cases:

– transaction was carried out during calendar year;

– the total sum of such transactions exceeds the total income of couple for the last three years, which precede the controlled transaction carrying out.

IT'S IMPORTANT TO KNOW! The obligation on providing the information concerning the expenses on controlled transactions occurs regarding the transactions which have been carried out since January 1, 2012.

THE BASIS for taking decisions on monitoring the expenses is sufficient information that the person, her husband (his wife) or minor children have made the transaction on purchase of property for the sum which exceeds income for the last three years.

THIS INFORMATION IN A WRITTEN FORM CAN BE SUBMITTED BY:

- law enforcement agencies, other public authorities, municipal authorities, employees of divisions on prevention of corruption offences, by officials of the Bank of Russia, of government-owned corporation, Pension Fund of Russia, Social Insurance Fund, Federal Compulsory Medical Insurance Fund;
- governing authorities of political parties and all-Russian non-governmental organization;
- the Public Chamber of the Russian Federation;
- all-Russian mass media organizations

THE PROCEDURE OF EXPENSES MONITORING INCLUDES:

Requesting of the following information from the person:

- about his expenses, as well as expenses of his wife (her husband), minor children regarding every transaction, if the total sum of such transactions exceeds the total income for three years;
- about the sources of funds receipt, at the expense of which such transaction was carried out

Verification of the authenticity and completeness of submitted information.

It can be carried out either individually, or by means of filing a request to the federal government authorities, authorized for carrying out the investigative activities.

Determination of conformity of expenses of the person, as well as expenses of his wife (her husband) and minor children regarding every transaction to their total income.

IT'S IMPORTANT TO KNOW! Anonymous information cannot be the reason for taking a decision about monitoring the expenses of public officials, their wives (husbands) and minor children.

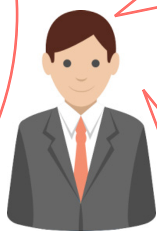
DECISION ON EXPENSES MONITORING IS ADOPTED BY:

- public official as it is determined by the President of the Russian Federation;
- chief of federal public authority or is authorized public official;
- highest official of a constituent entity of the Russian Federation;
- chairman of the Bank of Russia or its authorized public official;
- chief of state-owned corporation, Pension Fund of Russia, Social Insurance Fund, Federal Compulsory Medical Insurance Fund.

Due to the fact of monitoring of expenses of the person, as well as expenses of his wife (her husband) and minor children, the person **is entitled:**

To apply for the authority, subdivision or public official who is responsible for prevention of corruption offences, on holding a discussion on issues related to monitoring of his expenses. The application is the subject to compulsory satisfaction.

To give explanations in a written form, including the sources of funds receipt, at the expense of which the transaction was carried out.



To provide the additional materials and to give explanations concerning them in the written form.

THE PERSON WHO ADOPTED THE DECISION ON EXPENSES MONITORING BASED ON THE RESULTS OF CONTROL:

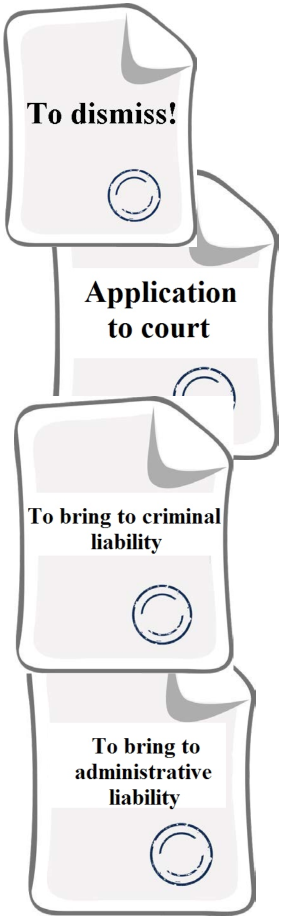
- informs the chief of public authority according to the established procedure about the results of carried out control;

- submits a proposal on taking legal liability to the person and (or) on referring the materials to prosecution authorities and (or) other public authorities, if necessary;

- submits a proposal of commission on compliance with the requirements to official behavior and settlement of conflict of interest to consider the results of carried out control, if necessary.

RESPONSIBILITY for failure to provide the information about expenses and sources of funds receipt, at the expense of which the transaction was carried out:

Dismissal from service



If it is found during the control procedure that the expenses of the person don't comply with gained revenue

Sending the materials of examination to prosecution authorities within three days

Prosecution authorities take the decision on sending a legal application regarding transfer to the state revenue the property which was purchased at the expense of undocumented income

If during the control procedure the elements of crime, administrative or other offences are found

Sending the materials to pubic authorities according to their jurisdiction within three days

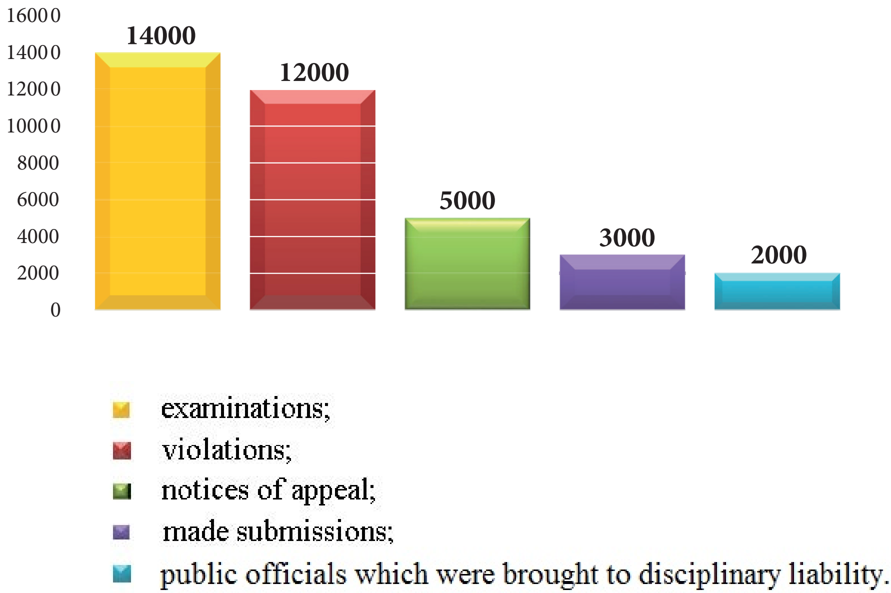
Solving the issue of convicting the person of a criminal offence or holding him/her administratively liable

The Prosecutor General has issued a decree dated April 14, 2015 No. 179 "On exercising of public prosecutors' powers, prescribed by Federal Law No. 230-FZ dated December 3, 2012 "On monitoring correspondence between expenses and incomes of state officials and other persons".

Pursuant to the article 17 of Federal Law No. 230-FZ dated December 3, 2012 "On monitoring correspondence between expenses and incomes of state officials and other persons" **the Prosecutor General of the Russian Federation or his subordinate public prosecutors** while getting the materials concerning the results of carried out control of expenses (which give evidence of noncompliance of public official's expenses, his wife/her husband, minor children to their total income) file a claim to court on forfeiture to the budget of the Russian Federation of property, for which no information confirming its acquisition using legal income was provided.

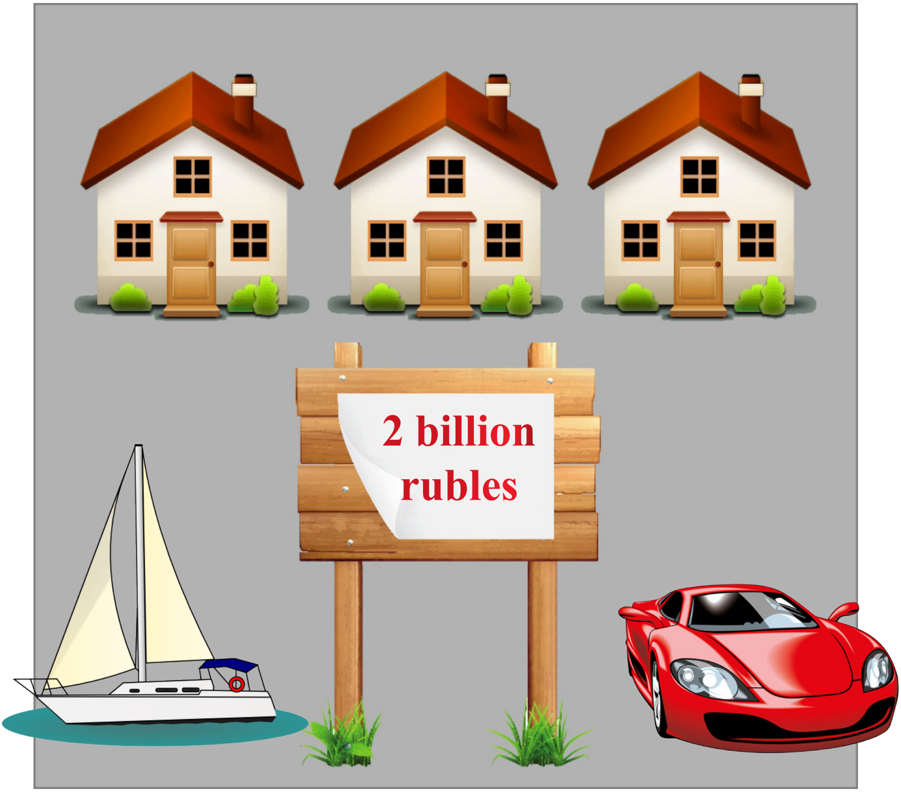
Prosecution bodies of the Russian Federation have taken measures on improvement of operation efficiency and exercising of prosecutors' powers regarding the control over public officials' expenses and forfeiture to the budget of the Russian Federation of property, for which no evidence of its acquisition using legal income was provided.

From the moment of giving the corresponding power by Federal Law No. 230-FZ dated December 3, 2012 "On monitoring correspondence between expenses and incomes of state officials and other persons" the public prosecutors have carried out more than 14 thousand prosecutor's examinations in sphere of execution of legislation regarding the control of compliance with expenses, more than 12 thousand of law violations were found, about 5 thousand of notices of appeal were carried out, and based on the results of their consideration more than 4 thousand of illegal regulatory legal acts were amended, more than 3 thousand of submissions were made, more than 2 thousand of public officials were brought to disciplinary liability.



In period of 2012-2014 in total more than 40 statements of claim on forfeiture to the budget of the Russian Federation of property items (transport means, land plots, residential and non-residential premises), for which no information confirming their acquisition using legal income was provided by public officials, were lodged. The total cost of such property was 2,4 billion rubles.

For the mentioned period 20 statements of claim for the aggregate value of property in an amount which exceeds 2 billion rubles, were satisfied by the courts.



EXAMPLES OF PROSECUTORIAL AND JUDICIAL PRACTICE:

The Saratov regional prosecution bodies have inspected the materials received from the Governor of the region on monitoring expenditures of the official working in the committee of finances of the Administration of Balakovo municipal district, as well as expenditures of her spouse. It was found that the spouse of the official of the Administration purchased in 2014 a car Lexus RX 350 at the cost of 2.6 million rubles, but that civil servant provided inaccurate information on sources of funds for which such acquisition was made. The Balakovo District Court of the Saratov region fully satisfied the prosecutor's claim on forfeiture of the car to the State property. The court of appeal left this decision unchanged. The order on completion of court enforcement proceedings was rendered on 30.06.2016, the car was transferred by the bailiff to the Regional Department of Federal Agency for State Property Management in the Saratov region.

In the Krasnodar Territory the court decision was rendered under the prosecutor's claim on forfeiture to the State budget of a land plot and a residential building acquired by the court bailiff and her spouse for an unconfirmed income. In the course of judicial proceedings it was found that the residential building was destroyed by defendants, wherefore the claims were changed to forfeiture of the price of residential building to the State. Under the initiated court enforcement proceedings the court decision was enforced to the amount of 3.2 million rubles. The right of the Russian Federation for the land plot was registered.

Zavodskiy district court of town of Orel has satisfied the claim of public prosecutor of Orel region on forfeiture to the budget of the Russian Federation of the property of deputy of Orel regional Council of People's Deputies, which was acquired by the expense of undocumented income. It was found that in 2013 the official income of the deputy was 5,4 million rubles, and he has purchased the housekeeping premises in town of Orel at the cost of 28 million rubles. Judicial decision has come into legal force on September 22, 2016. The right of the Russian Federation for the objects of immovable property was registered.

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