

Mariel Kieval: So, Tom, would you be able to tell me a little bit about your background and how you initially got interested in the field of kleptocracy?

Thomas Mayne: Well, for 12 years, I was a senior campaigner at Global Witness, a British NGO that investigates the links between natural resources and corruption. That was the first time, actually, I encountered Turkmenistan. I did a report with a team from Global Witness in 2006 called, *It's A Gas*, that looked at Turkmenistan and the gas trade from Turkmenistan through Ukraine. I think from that, I left Global Witness five or six years ago. I became, at Global Witness, basically an expert in Central Asia. When you're dealing with Central Asia, virtually all of those countries are kleptocracies, and it's a term that's really come to prominence over the last five or six years. It's something that I've continued to research as a freelancer and also as a research fellow at the University of Exeter, which is my current position.

Kieval: Great. So, what got you interested in doing this case study on Turkmenistan? Why was it important for you to tell this story?

Mayne: I hadn't looked at Turkmenistan in detail for a number of years, and I felt that after, you know, doing the report in 2006, it really needed an update. There have been some good reports on Turkmenistan, by Chatham House for example. But none of them really dealt with the issue that we were dealing with at Global Witness, which is, you know, where does the money go? Who controls the money, money that when it's related to the sale of the natural resources belongs by rights to the country's people? It has fundamental importance to the country and its citizens, and as there was nothing really written about that, there was an opportunity for Crude Accountability to do some research on the topic and publish a report. And I think it was very timely, because Turkmenistan, in the last few years, has gone through a terrible economic crisis, so the question of trying to trace that money is all the more important.

Kieval: Absolutely. You mentioned that this report is kind of a sequel to your previous report, *It's A Gas*, did you take new or different steps to delve even deeper into the subject, or were you just focusing more on a specific topic you had previously touched on?

Mayne: This report is slightly different in that it only focuses on Turkmenistan. The *It's A Gas* report looked also at Ukraine and these middleman gas companies that were involved in this very questionable business of trading gas to Ukraine. And I think what was similar in this report was really looking at the only information, which was available, which is from international financial institutions, such as the International Monetary Fund (IMF), the European Bank for Reconstruction and Development (EBRD), and really seeing what information they've published in the last few years about Turkmenistan. And that's one of the reasons why I think there isn't much written about Turkmenistan, because there are so few sources of information. With Kazakhstan, you have a lot of companies on, for example, the Kazakh Stock Exchange. Some of them are even listed or partly listed on other stock exchanges around the world. So, you have a lot of financial reports you can actually go into. You can examine, look at the companies that those companies are transacting with, do research on those companies, and so on, and so on, and so on. But with Turkmenistan, it's such a closed country, there really isn't a lot of information at all. And I think that's part of the reason why there has been no research. But using those same techniques that we used at Global Witness looking at information from those international

financial institutions, we could do something maybe similar in this report, but hopefully, maybe take it a bit further by looking at Turkmen laws and what's exactly happened over the last five or six years in the in the Turkmen oil and gas industry.

Kieval: The report uncovers a lot of new information about those bad financial actors like Deutsche Bank. What actions do you hope this report inspires either by those actors or watchdog organizations or international organizations?

Mayne: Well, I hope to all the companies who are doing business in Turkmenistan, it sends a warning to them that, you know, international civil society is examining these deals and is looking at it at these practices and trying to ensure that they are, you know, aboveboard and as transparent as possible. I think what Deutsche Bank is doing is really, you know, quite terrible, because it's not debating the issue to any degree. It is simply giving a rather bland response to our inquiries, not engaging with us at all, and fobbing us off with rather general information about how Deutsche Bank upholds human rights, when clearly, by acting as the bank of one of the worst regimes in the world, it isn't upholding human rights. So, we'd like to see a lot more engagement with civil society by Deutsche Bank, and indeed other companies on that issue.

Kieval: Yeah, that definitely makes sense. Do you find current legislation like the Global Magnitsky Act or the Foreign Corrupt Practices Act have the potential to be effective?

Mayne: The Foreign Corrupt Practices Act (FCPA), I think was used in relation to Daimler, a German car manufacturer. It really only relates though to American businesses—companies that are maybe European but have listings in in America, they would also count. So, it's really about cracking down on, you know, bad behavior of American institutions or American citizens. It doesn't really affect the what's going on in the countries themselves. Global Magnitsky Act is a little bit different. It's newer, the sanctions regime is supposed to affect a kind of behavioral change, that if you sanction some people, then hopefully they'll learn their lesson and become less corrupt. That's the idea. I'm a little bit skeptical, whether, when you're dealing with kleptocracy, that would have this change, but I think it is effective and should be used simply for punishment. Once you sanction somebody via Global Magnitsky or the equivalent sanctions regimes that are being implemented in the EU and the UK, you know, they cannot buy a house in in America, they cannot get a bank account in an American bank. This makes it much harder for them to take the money out of Turkmenistan or wherever and bring it into Europe or the United States. I think this is something that should be used. Unfortunately, we've not seen any Turkmen officials or Turkmen businessmen put on the Global Magnitsky list. I think this really has to change because Turkmenistan is one of the most corrupt countries in the world. And this is an anti-corruption sanctions regime. I think it's very clear that some of these names should be put on it from Turkmenistan.

Kieval: Definitely. At the event a few weeks ago, we discussed legislation like we were just talking about, and some people expressed the feeling that legislation alone is not a strong enough tool to combat corruption. Do you think there are other avenues, that there are other tools that the US can be using?

Mayne: Well, I think that with legislation, it is always about the implementation. And, you know, you mentioned the FCPA. These are big investigations that take a lot of time, a lot of resources, and so you really have to have real clear cases of corruption, of bribery for those to continue. With Magnitsky, as I have just been saying, it might not have the change that you would hope in terms of the actors in Turkmenistan who are doing these corrupt acts. I think there's a lot more that can be done with the legislation, and certainly a lot more that can be done in terms of, you know, tracking these people and seeing whether they have gotten assets outside of Turkmenistan and whether, you know, they should be investigated to see whether these funds that they've used in these transactions are legitimate. But you know, outside of these tools, there is really a question of what can we do when you have an authoritarian president and authoritarian regime? There is only so much we can do from the outside, but one thing we know you can do is publicize the human rights abuses, publicize the acts of corruption, as we're doing with this report in order to show that this is the reality on the ground. And hopefully this in some small part will put pressure on the Turkmen authorities to even a little bit just open things up, to improve things and know that they can't get away with some of the opaque dealings that they've been doing in the in the past.

Kieval: A large part of your report traces President Niyazov and President Berdymukhamedov's families—why was this so important for you to include?

Mayne: Well, I think because there's so little known about these families. When you look at a Kazakhstan, everyone knows about the family of the country's first president, President Nazarbayev. Everyone knows the three daughters, Dariga, Dinara and Aliya. They know who the family members are, mainly because a lot of them are so prominent in Kazakh business spheres, not only Nurali Aliyev, the grandson of the president, Timur Kulibayev are names that every Kazakh will know. Because Turkmen society is so closed, really the names of the family members of the president just simply are not known. And even in this report, even till every late stage, you know, we were unsure whether the exact name of President Berdymukhamedov children, but we think we have the most accurate version to date currently in the report. And it's important, I think, first for several reasons. Firstly, because up until certainly 2018, both of the president's daughters or at least official daughters—he's rumored to have a third daughter with another woman—the two daughters he had with his first wife were diplomats in London. They were carrying on, they were doing Turkmen government business. So, it's important to understand who these people are, and to understand what they're doing. But it's also important, even if they weren't government officials, to track their business dealings, their relationships, because as we know, often family members of presidents are used as a way to funnel money out of the country. And that's why anti-money laundering legislation identifies the close relatives of a president or a senior politician as politically exposed people. And those people are identified as posing a higher risk for money laundering. So even if these people had no position in the government, it would still be very important to identify these people. How do you identify them? You need to know their names, and you need to know their ages and who else they're related to, who they're married to. And I think that's why we do that in this report, so that people who are involved in regulated industries, such as real estate or banking, have some help in trying to identify these people. So, if these people do try to take money out of Turkmenistan, people who are involved in these transactions can identify them as politically exposed people and then do research on the funds that they're using to make sure that they are legitimate.

Kieval: That definitely makes sense. If you were to do a part two of this report, what kind of information would you like to see included?

Mayne: I think a big finding of this report was concerning this new Turkmen national company called NAPECO—I'm not sure how you would pronounce it. NAPECO is really a kind of a phantom company in terms of the lack of information that's out there. I made this point at the at the launch event that Azerbaijan has a very similar system of kleptocracy, where the president's family is basically controlling all of the major companies in Azerbaijan. But in Azerbaijan, you can actually find out quite a lot of information about SOCAR, the national oil company and SOFAZ, the national sovereign wealth fund, and see to a certain extent government behavior, government spending, so on and so on. But with Turkmenistan, there's absolutely none of that, and with NAPECO, we don't even know its shareholding structure, since the state agency for the management and use of hydrocarbons has been abolished, which was a 90% shareholder in NAPECO. So, you take away that 90%, where has that 90% gone now—it looks like a lot went to Turkmen oil and Turkmen gas, and with the breakdown of the percentages not being revealed, it's possible, there might be some private ownership there, we don't know. And that is of concern, because if that is the case, then that would represent a kind of hidden privatization of the Turkmen oil and gas industry, because you have this state company, which has maybe some private involvement in the oil and gas industry in Turkmenistan, creating money, and perhaps that revenue is not going to fully to the state. It's perhaps being siphoned off by these possible private shareholders. So, we need to do some more research on that. Even if it was shown that NAPECO was the 100% state company, you then have to look at the deals that NAPECO does, because as we have found in Azerbaijan and other countries, often these state companies will form deals with other companies in order to trade oil and gas. And it's these middlemen companies, as we discovered in *It's A Gas* that are responsible for a lot of wealth creation and wealth creation outside of the state structures.

Kieval: That sounds like it would be a fascinating second report. Hopefully, we will see more from you in the future. Well, thank you so much for taking the time to speak with me. It was great to hear more about your thinking behind the report, and we're looking forward to working with you in future.