



Disclosure of Scandinavian telecom companies' corruption in Uzbekistan: The role of investigative journalists

European Journal of Communication

2018, Vol. 33(1) 73–88

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DOI: 10.1177/0267323117750697

journals.sagepub.com/home/ejc



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Abstract

Transparency International's yearly *Corruption Perceptions Index* ranks Scandinavia as one of the least corrupt regions in the world. However, during the past decades, large Scandinavian corporations in the telecommunications, oil and defence industries have – in their struggle for business contracts in other countries – been involved in several large-scale bribery scandals. There has also been a growing range of corruption cases in the Swedish and Norwegian public sectors. In many of these cases, investigative journalists have played a crucial role in the disclosure of corruption, sometimes cooperating across media organisations and countries, demonstrating the importance of journalism as a public good for democracy. In this article, we explore, discuss and analyse the work of and methods used by investigative journalists in revealing large-scale corruption related to the expansion of Nordic telecom companies in Uzbekistan.

Keywords

Corruption, investigative journalism, media and democracy, revelations of bribery scandals

Introduction

Transparency International's (2017) *Corruption Perceptions Index 2016* ranks Scandinavia as one of the least corrupt parts of the world. The index is based on expert

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opinion and surveys about the perceived levels of misuse of public power for private profit. Denmark, together with New Zealand, is at the top of the list, followed by Finland, Sweden, Switzerland and Norway. Near the bottom of the list, on place 156 of 176 countries and territories surveyed, is Uzbekistan, a country where corruption is described as pervasive.¹ However, the country ranking does not fully take into account that international corporations, with headquarters in the least corrupt part of the world, are among the actors who take advantage of corruption cultures in other countries.

In many ways, Central Asia seems to be an especially corruption-prone zone, and Uzbekistan's 'closed oligarchic regime and closed economic system have spawned a series of high-profile global corruption scandals and anti-money-laundering investigations involving members of the president's family and their overseas assets' (Cooley and Heathershaw 2017: 113). Since 2012, a central part of these investigations concerns international telecom companies who funnelled bribes on a large scale to the then president's daughter, Gulnara Karimova, to get access to the Uzbek cell phone market. Among the bribers were, as media revelations and criminal investigations have proved, the Swedish/Finnish telecom company Telia Company² and VimpelCom,³ a joint venture of Russia's Alfa Group and Norway's state-controlled Telenor Group.

These corruption cases are neither isolated nor unique events. Scandinavian corporations in oil/energy, the arms industry and telecom have several times during the past decades been involved in bribery scandals in other countries, among them being India, Brazil, Iran, South Africa, Kazakhstan and Azerbaijan. The impression of Scandinavia as a corruption-free zone has also faded *within* the countries: in the decades before and after the millennium, a growing range of corruption cases in Norway and Sweden has been noted (Gedde-Dahl et al., 2008; Hjellum, 2007; Johansen, 2012; Kornhall, 2016).

This article sets out to describe, discuss and analyse the role independent news organisations play in the exposure of international corruption. It is primarily based on a case study of the telecom corruption scandal in Uzbekistan, a case involving two large Nordic telecom companies. Among investigating reporters, these and other corruption cases have led to increased international cooperation and sharing, which represent a new phenomenon in a competitive media environment.

The case study is based on qualitative interviews with six investigative journalists from four news organisations in Sweden and Norway about their work strategies in the Uzbekistan corruption case. In addition to this, we have reviewed news texts and reportages about the Uzbek telecom cases published by five news organisations in Sweden and Norway in the period 2008–2016: *Uppdrag Granskning* ('Mission Investigation', programme on the Swedish public service broadcaster, *Sveriges Television* (SVT)), *Svenska Dagbladet* (Swedish daily), Tidningarnas Telegrambyrå (TT, the Swedish National News Agency), *Dagens Næringsliv* (Norwegian financial daily) and *Klassekampen* (Norwegian daily). The background material includes 'method reports' written by journalists from the two Norwegian news organisations. We also included publications by the Organized Crime and Corruption Reporting Project (OCCRP), a consortium of media professionals and journalists who worked together with the Scandinavian journalists investigating the case.

The article is organised as follows. In section 'Press freedom, externalities and the exposure of corruption', we discuss some of the structural factors that influence the news media's coverage of corruption and corruption scandals. In section 'Journalism – between

fierce market competition and radical sharing', we map today's most important forms of international cooperation between investigating reporters. In section 'A telecom corruption scandal involving Scandinavian players', we describe the corruption scandal in Uzbekistan and the revelations of it in Swedish and Norwegian media. Section 'Journalistic competition and journalistic cooperation' discusses the extensive cooperation that developed between reporters from different media organisations, both inside and outside the Scandinavian countries. The last section, 'Perspectives and conclusion', sums up some concluding thoughts about media investigations of corruption.

Press freedom, externalities and the exposure of corruption

In a World Bank study of the media's role in curbing corruption, Stapenhurst (2000) writes that one tangible effect is the impeachment and prosecution of public office holders or corrupt bureaucrats after public revelations are made by hard-hitting investigating reporting. Besides this, media revelations of corruption also have intangible, long-term effects that arise from the enlivened political debate and 'a heightened sense of accountability among politicians, public bodies and institutions that are inevitably the by-product of a hard-hitting, independent news media' (Stapenhurst, 2000: 3).

Indeed, Brunetti and Weder (2003) present strong empirical evidence of a significant relationship between greater freedom of the press and less corruption. Their analysis is based on data from a large cross-section of countries. Later studies underline, however, that other factors must also be considered, such as the strength of democratic institutions and the legal system (Färdig et al., 2011), and the people's ability to access, process and act upon information (Lindstedt and Naurin, 2010).

The democratic importance of press freedom and media investigations is related to the public good aspects and externalities of journalism; when a revelation of corrupt behaviour is published, everybody can take part in the news (it is non-rivalrous), and the 'deterrence' against such misdeeds benefits the public in general, not only those who paid for news outlet who published the news (it is non-excludable; Baker, 2002: 49). Externalities arise from the side effects of economic actions, effects that are of importance for others than those who are directly involved in a specific market transaction (Krugman and Wells, 2014: 453). The 'checking' benefits of the media can be described as a positive externality, a side effect of the journalism as a public good; high-quality news and reportage can be of great value not only for individual news consumers but also for the general public because they generally contribute to democratic opinion building, better-quality public decisions and the prevention of unethical behaviour and crime (Møen, 2010: 4; 2011). The positive and negative societal externalities of journalism are, as McChesney (2008: 422) has noted, of vital importance in understanding the political importance of the news media. Lack of investigative journalism, as well as abundance of superficial, sensationalised journalism, makes it easier to cover up malpractice and corruption in economic and political life.

One of the problems that complicate journalistic revelations in this area is that corruption and corrupt actions are, like most illegal activities, difficult to research or observe in any systematic way (Andvig, 2005). 'The struggle against corruption depends on what the

lawmakers and the courts do, but in this field competent, investigate journalists also play an important role', says Anna H. Mo, Senior Public Prosecutor of the Norwegian Authority for the Investigation and Prosecution of Economic and Environmental Crime. Journalists and media organisations' publications can contribute information that arouses a prosecutor's interest or contributes valuable information to corruption cases that already are under investigation. However, she notes that 'before any action is taken prosecutors must investigate all mediated accusations and documentation independently'.⁴ Corruption cases can lead to an informal but important interplay between investigative reporters and the investigators of judicial authorities. Public prosecutors can follow up on media investigations into potential corruption and embezzlement, and court actions and police information may open up new contacts between journalists and sources (Gedde-Dahl et al., 2008).

Journalistic muckraking is time-consuming, especially in cases in which media organisations follow up on tips and leaks from whistle-blowers through systematic document searches and on- and off-record interviews with sources. This type of quality journalism demands much larger resources than day-to-day reporting, and few news organisations prioritise it. Market dynamics tend to under-produce revelations based on thorough journalistic investigations and make them rare (McManus, 2009: 228). Even if media exposés of corruption scandals may enhance the reputation of a news organisation and even increase sales, the media enterprise has no opportunity to internalise all the societal benefits it produces (Baker, 2002: 49). An editorial organisation that invests time and other resources into researching, investigating and covering an interesting case will soon find that the published revelations can immediately be repeated and followed up on by other news organisations, without the same costs (Hamilton, 2004: 9; Kind and Møen, 2015).

Journalism – Between fierce market competition and 'radical sharing'

Mancini et al. (2016) suggest, based on an analysis of representations of corruption in the British, French and Italian press, that beyond freedom of the press, factors like the structure of the media system, including the level of commercialisation and market segmentation, as well as of political parallelism, are important.

The democratic-corporatist traditions and the relative strength of license-financed public service media institutions in both Norway and Sweden make the Nordic media system more varied than media systems in countries dominated by a more one-sided, commercial media model (Hallin and Mancini, 2004; Syvertsen et al., 2014). The circulation of the printed press has, as in other Western countries, decreased, but Scandinavia is still a region with a rich flora of paid-for newspapers including both dailies and non-dailies (Allern, 2017: 176). In general, the public service broadcasters seem to have consolidated their position vis-à-vis the commercial sector in the past decade, and 'no other commercial or publicly funded medium or cultural institution plays a similar role' (Syvertsen et al., 2014: 73). The dominant *news producers* in the digital area are still the media houses which have their roots in newspaper production or public service broadcasting (Ohlsson, 2015).

News organisations compete within various geographically coverage areas and appeal to different audience segments (Ohlsson, 2015, 2016; Allern, 2002). The competition

between media organisations operating within the same markets is traditionally fierce, both regarding the daily news stories and – occasionally – the more exclusive ‘scoops’. Having an ‘exclusive’, that is, being the only media outlet to cover a story, is an advantage in a competitive environment, especially in terms of the news organisation’s public prestige, professional standing and brand. Acclaim and follow-up stories by other media organisations are also important because they indicate peer recognition of the exclusive’s importance and quality (Willig, 2011). *Cooperation* between media organisations has traditionally been limited to agreements between organisations that operate in different geographical markets. As an example, for many years, some regional Norwegian dailies shared a correspondent in Brussels.

In a time of decreased newspaper circulation and reduced revenues, cost-cutting measures, like staff reductions and reduced editorial budgets, also curb investigative projects. Most news organisations *avoid* investing manpower and money in projects where the obstacles are many and the results, regarding a possible publication, are unsure.

An interesting counter-tendency to this development is the increased cooperation between investigative journalists, both across media organisations and across countries. Journalistic ‘sharing’ has in the past decade played a crucial role in the disclosure of bribery, fraud and embezzlement in many international corruption cases. One recent and celebrated example is the publication of the Panama Papers in 2016, which brought to light how the Panama-headquartered and globe-spanning law firm Mossack Fonseca ‘created hard-to-trace shell companies for corporations, politicians and fraudsters’ (Fitzgibbon and Diaz-Struck, 2016). This revelation was due to a collaboration between the German daily *Süddeutsche Zeitung* and journalists from more than 100 media partners, which was organised by the International Consortium of Investigative Journalists (ICIJ, 2016).

The most interesting development concerning collaboration between media organisations is the expanding international cooperation between investigative journalists. One such association, The Global Investigative Journalism Network (GIJN), is a non-profit organisation that supports and promotes investigative journalism, mainly through common global and regional conferences and seminars. Most of its budget comes from grants from the United States and European foundations.⁵ National affiliates of GIJN are very active in both Norway and Sweden and arrange conferences with lectures, workshops and debates about investigative reporting yearly.

Another influential association in transnational investigative reporting is the OCCRP, formed by various investigation centres and regional news organisations. This network has played an especially active role in the investigation of corruption and fraud in Eastern Europe and Central Asia. The OCCRP is a registered trade name of the Journalism Development Network, a charitable organisation based in Maryland, in the United States. It is supported by grants from foundations such as George Soros’ Open Society Foundation and the Knight Foundation but is also dependent on financial aid from Western government institutions, such as the United States Department of State, United States Agency for International Development (USAID) and the Swiss Confederation. The OCCRP, which has a European office in Sarajevo, has developed a research database of public information documents, arranged specialised training for journalists around the

world and collaborated with journalists from other media organisations. The OCCRP is also an online publisher that regularly presents investigative news articles and commentaries (<https://www.occrp.org/en>). The economic dependence on contributions from Western governments may also make it disputed.

A third global network, the most well-known, is the ICIJ, founded in the United States, in 1997. It was originally launched as a project of the Center for Public Integrity, focusing on projects ‘that do not stop on national borders: cross-border crime, corruption, and the accountability of power’.⁶ In February of 2017, it became an independent organisation (Ryle, 2017). The consortium is based on individual membership. However, it is not an open forum, and thus, it is not easy to become a member. Interested reporters must be invited. The recruitment policy necessarily favours respected journalists from a few leading (mostly mainstream) media organisations in each country. This selectively may have made it easier to gradually build trust between the members and, when the findings are released, coordinate publications with established news organisations worldwide. During the past decade, the ICIJ has completed a wide range of investigative projects in various parts of the world.

The ICIJ’s greatest success, the publication of the Panama Papers, resulted in political and financial scandals in many parts of the world. In the Nordic region, the most spectacular financial revelations, which were due to coordinated efforts on the part of Icelandic, Swedish and German journalists, led to the fall of the Icelandic prime minister. The Panama documents showed that Sigmundur Davíð Gunnlaugsson, who became Iceland’s prime minister in 2013, had concealed that he and his wife shared ownership of an offshore company in the British Virgin Island when he entered parliament in 2009. According to the Panama Papers, he later sold his stake to his wife for US\$1. The company held bonds

originally worth millions of dollars in three giant Icelandic banks that failed during the 2008 global financial crash, making it a creditor in their bankruptcies. Gunnlaugsson’s government negotiated a deal with creditors last year without disclosing his family’s financial stake in the outcome. (ICIJ, 2016)

The publication led to massive protests and forced him to resign on 7 April 2016.

In a keynote speech at the 2016 Open Government Partnership Summit in Paris, ICIJ Deputy Director Marina Walker Guevara spoke about the Panama Papers, investigative journalism and press freedom, summing up the most important lesson with these words:

It all started with an encrypted message. An anonymous source offered German reporters Bastian Obermayer and Frederik Obermaier access to 11.5 million files – the largest trove of secret financial information ever made available to journalists. It was the kind of scoop that reporters are taught to keep to themselves and to guard fiercely; the kind of revelation that would make any reporter a superstar. But instead of following instinct, tradition, and their own egos, these journalists decided to share their scoops. Not just with one or two colleagues, but with dozens of them. In fact, with hundred of them. Not just in their own country, but in countries across five continents.

She characterised this attitude and practice as ‘radical sharing’, indicating the necessity of ‘breaking paradigms to achieve change’ (Guavara, 2016). The sharing is, however, limited

to the members of the consortium; the Panama Papers and other data files were not (in contrast to WikiLeaks' various publications) made available to journalists outside the ICIJ.

A telecom corruption scandal involving Scandinavian players

The telecom corruption scandal in Uzbekistan concerns companies in several countries, among them being Russia, the United States, the Netherlands, Norway and Sweden. The cases are mainly related to various types of bribes paid to Gulnara Karimova, the eldest daughter of the then Uzbek President, Islam Karimov, and her associates. The Harvard-educated Karimova styled herself as a pop star, an international fashion designer and the leader of a charitable organisation. From 2000 to 2013, she held several councillorships and ambassadorships, serving the Uzbek Ministry of Foreign Affairs. However, in 2013, she was removed from all her public positions, and in 2014, she was placed under house arrest. President Islam Karimov, her father, died in 2016. Uzbek prosecutors in 2017 revealed that she in 2015 had been convicted of extortion and embezzlement, and sentenced to 5 years' probation.⁷

Central among the telecom actors in the Uzbekistan corruption case are Telia Company, VimpelCom and the Russian Mobile Tele Systems (MTS). Telia Company is listed at the Nasdaq stock exchange in Stockholm and Helsinki, and in 2016, it was owned by the Swedish government (37.3%) and by the Finnish government (3.2%).⁸ Telenor Group is listed at the Oslo Stock Exchange and Nasdaq Stock Market (New York), and the Norwegian government is its largest shareholder (54%).⁹ VimpelCom, established as a joint venture between Telenor and the Russian Alfa Group (owned by the oligarch Mikhail Fridman), was renamed VEON in March 2017. The company's headquarters are in Amsterdam, the Netherlands, and it is traded on the Nasdaq Stock Market (New York). From 2013 to 2015, Telenor controlled 33% of the shares and 43% of the voting rights in VimpelCom, but after the corruption scandal, it decided to sell its shares gradually. By September 2017, Telenor owned only 15% of the shares. A former Telenor employee, Jo Lunder, was VimpelCom's Chief Executive Officer (CEO) from 2011 through 2015.

Most of the bribes in the various telecom cases were funnelled through a Gibraltar-based shell company, Takilant Ltd, where Karimova's handpicked employee, Gayane Avakyan, a young woman working in the fashion industry, was formally registered as both owner and director. The money ended up in various accounts in Sweden, Latvia, Switzerland and other countries, but the Uzbek president's daughter and her collaborators controlled all the money. Financial documents obtained by the OCCRP show that Karimova received more than US\$1 billion worth of payments and ownership shares from international telecom and telecom-related companies (Patrucic, 2015). The corruption scandal triggered criminal investigations in several countries, including the Netherlands, the United States, Switzerland, Sweden and Norway. Several top leaders in Telia and Telenor were fired, and Takilant's assets in Sweden, Switzerland and many other countries were frozen.

On 18 February 2016, VimpelCom announced settlements with the US Securities and Exchange Commission (SEC), the US Department of Justice and the Dutch Public Prosecution Service. As a part of the settlements, VimpelCom agreed to pay fines and

disgorgements in the aggregate amount of US\$ 795 million, and its subsidiary in Uzbekistan, Unitel LLC, has entered a guilty plea with the US Department of Justice.¹⁰

As in the VimpelCom case, Telia's corrupt activities led to investigations in several countries, among them being the United States and Holland. In September 2017, Telia accepted a global settlement with the US Department of Justice, the US SEC and the Dutch Public Prosecution Service and agreed to pay a total financial sanction of US\$ 965 million. The aim was to bring an end 'to all known corruption related investigations or inquiries into Telia Company'.¹¹ Immediately after Telia agreed to pay fines and disgorgements related to the corruption in Uzbekistan, the Swedish prosecution authorities decided to bring a charge against three of Telia's former top leaders.

The public revelations of the Uzbekistan corruption scandal have, since 2012, been dependent on investigations and publications by journalists and media organisations. Repeated broadcasts by journalists on the Swedish news programme *Uppdrag Granskning* played an especially important role, but also other journalists and media organisations inside and outside of Sweden and Norway contributed to the muckraking. The responsible company leaders, who began with denials, were pressed from pillar to post until they were gradually forced to accept the legal and political consequences of their actions.

The Telia case

The first articles concerning Telia's telecom investments in Uzbekistan were published in *Svenska Dagbladet*,¹² in February 2008. The articles pointed to Telia's cooperation with an unknown Uzbek company, Takilant, and raised questions concerning the relations between Takilant and Uzbekistan President Islam Karimov and his family. According to Telia's then CEO Lars Nyberg, who defended the affair, the company had no certain knowledge about the real owner behind Takilant, but he guaranteed that the company's ethical rules were followed in Uzbekistan, as in all other countries.¹³ There were no serious follow-ups of the story by other media, and the Swedish government (the largest stockholder in Telia) supported the investment strategy. A negative reaction came, however, from Banco Fonder,¹⁴ an investment fund demanding 'ethical investments', which sold all its shares in Telia as a protest.

In February 2010, *Svenska Dagbladet* published a new article about Telia's Uzbekistan affair, this time with a searchlight on its local partner, Takilant Ltd. According to Telia, Takilant was owned by 'local businessmen', but via documents from Gibraltar's business directory, the newspaper could show that the sole owner and board member was Gayane Avakyan, with an address in Uzbekistan's capital, Tashkent. A spokesperson from Telia, Cecilia Edström, confirmed the information. Edström declared that Avakyan 'is a local businesswoman' and that no other owners were known. The Russian chief editor of *Comnews*, interviewed by the paper, gave this comment, 'The money always goes to certain politicians or their relatives. The economy is strongly controlled by Islam Karimov's family and others in the regime ...'¹⁵ However, besides criticism from Human Rights Watch, the new information did not raise any public debate.

In 2012, four programmes broadcasted by SVT's leading programme for investigative journalism, *Uppdrag Granskning*, changed the political climate concerning Telia's Uzbek investments and became a public breakthrough. The first of them, 'The black

boxes' (18 April 2012), targeted Telia's telecom investments in several Central Asian dictatorships. The main topic in the programme was that regimes used local telecom companies for eavesdropping on, harassing and prosecuting oppositional people. The second programme (19 September 2012) directed a spotlight on briberies in Telia's Uzbekistan affair and for the first time brought Takilan's links to the Uzbekistan president's daughter Gulnara Karimova into the picture. A new news element was also that the Swiss judiciary were investigating money laundering by Karimova and her associates. The financial transactions were related to several telecom companies in Uzbekistan, including Telia. At the end of the year (12 December 2012), *Uppdrag Granskning* followed up the case with a special programme devoted to Telia's relations to the dictator's daughter. Lars Nyberg, Telia's CEO, refused to be interviewed. In a follow-up (19 December 2012), *Uppdrag Granskning* accused Telia of 'whitewashing'. Swedish prosecutors now started to investigate two leading officers in Telia for briberies.

The broadcasts aroused enormous media interest and engaged the public. On 3 January 2013, another news bomb exploded: the Swedish prosecutor published internal e-posts from Telia directors showing that, as early as 2007, they knew that their real Uzbek partner was Gulnara Karimova. Telia was forced to commission the law firm Mannheimer Swartling to look into the deal. The investigation concluded that while no crime could be confirmed, neither could it be dismissed (Mannheimer Swartling, 2013). CEO Lars Nyberg immediately resigned, and the whole board was replaced.

Uzbekistan was not the only country where Telia was involved: May 2013 brought a new revelation about Telia's role in the transfer of a major asset from the Azerbaijan state into the hands of companies with links to Azerbaijan President Aliyev's family. The affair was characterised as the 'biggest alleged bribe in Swedish history', and the documentation was based on cooperation between *Uppdrag Granskning* (SVT), the OCCRP and the Swedish News Agency TT (Westerberg, 2015).

The VimpelCom/Telenor case

In Norway, it was *Dagens Næringsliv*, a business daily, that in autumn 2012 first looked into VimpelCom/Telenor's transactions in Central Asia, including Uzbekistan, in a long range of articles. The first topic was Telenor's cooperation with a dictatorship and VimpelCom's contribution to the prosecution of the Uzbek opposition by way of using the telephone network. In autumn 2012, inspired by SVT's revelations about Telia, the focus targeted potential corruption more directly. Telenor's general response was that VimpelCom was the right address for questions, but according to Telenor's opinion, all transactions in Uzbekistan were blameless. Telenor's CEO, John Fredrik Baksaa, was called up for a meeting with the then-Minister of Trade and Industry Trond Giske (Labour) to clarify the matter. The minister was reassured, and no actions were taken. VimpelCom refused to name its local partner in Uzbekistan. *Dagens Næringsliv* documented (18 December 2012) that the Gibraltar-registered Takilan Limited, as in the Telia case, was VimpelCom's formal partner. However, neither politicians nor other media organisations followed up the information with separate investigations this year.

The public breakthrough came 2 years later in 2014, when *Klassekampen*, a socialist daily, gave big attention to the Uzbekistan corruption case (17 November and

the following days). Specific money transactions from VimpelCom to Takilant were documented for the first time, and the board of VimpelCom, including its Telenor representatives, had approved these transactions. The political impact of the news was huge, and Telenor's involvement in VimpelCom's Uzbek investment immediately became a topic for the Norwegian Parliament. The suspicions of corruption were strengthened and led to broad media coverage. After a long period of public debate, the government forced Telenor's Chair of the Board to resign in 2015.

Journalistic competition and journalistic cooperation

Due to journalism's character as a public good, journalists are free to build upon and be inspired by other media organisations' earlier publications and broadcasts. Such knowledge externalities (Kind and Møen, 2015) also played an important role in the investigations of the Telia case and the VimpelCom/Telenor case. When *Uppdrag Granskning* (SVT) began its investigations, parts of the story about Telia's investment in Uzbekistan were public knowledge, mainly due to earlier articles in *Svenska Dagbladet*. From 2012 onwards, *Uppdrag Granskning's* investigative programmes influenced other journalists' investigations in Sweden, Norway and other countries. 'We were inspired by SVT's first programme about the telecom companies in East Europe and Central Asia and their surveillance of the opposition, and decided to investigate VimpelCom/Telenor's engagement in the same area', says Osman Kibar (journalist, *Dagens Næringsliv*). 'After SVT published its reportage about briberies in the Uzbek case, we were struck by how similar the Telia case seemed to be to VimpelCom', adds his colleague at *Dagens Næringsliv*, Marte Ramuz Eriksen. *Klassekampen* could later, in 2014, build upon the information basis created by both SVT and *Dagens Næringsliv* in the years before (Ekeberg, 2014; Eriksen and Kibar, 2012).

The basic methods used by all the investigating media organisations researching the Uzbek telecom corruption were inspired by the classic device: follow the money! In practice, this means systematic, time-consuming document analyses. The required reading was annual and interim reports, press releases and – concerning VimpelCom – the special and detailed 20-F reports that all companies listed on the Nasdaq stock market in New York have to send to the US SEC. The SEC has also a search engine, Edgar, which can be used for such investigations. Listed companies are generally easier to investigate than private companies because they have to publish so much information.

However, in international cases involving bribes and money laundering, much information will be hidden behind closed doors. The use of shell companies, registered in various tax havens, is common. 'When you research companies, you often find layer by layer by layer, and at the end you find a judicial person responsible which is only an "apron" for the real owner', says Marte Ramuz Eriksen (*Dagens Næringsliv*). The Gibraltar-registered Takilant, with Gayane Avakyan as the formal 'owner', is a classic example. 'It was relatively easy to spot connections between Gulnara Karimova and Avakyan', says journalist Fredrik Laurin (*Uppdrag Granskning*, SVT). He notes, 'Searches on Google were enough to show that Telia's "comprehensive due diligence" concerning Takilant, and referred to by chairman of the board Tom von Weymarn, was nothing but hot air'.

Reflecting on the media coverage of the Uzbekistan corruption case, an interesting question is why the initial articles about Telia in *Svenska Dagbladet* in 2008 neither created extensive media interest nor led to engagement from politicians. Sometimes, simple coincidences play a role concerning media priorities, but in this case, it is possible to suggest another explanation. If we compare the coverage in *Svenska Dagbladet* in 2008 with *Uppdrag Granskning*'s broadcasts in 2012, the main difference is that the television programmes succeeded in developing accusations of possible corruption into documentation about actual corruption. The focus on Karimova gave the prime suspect's name and address. In the long run, it became impossible for Telia to get away with general denials.

A key to understanding the relative success of the journalistic investigations in the Uzbekistan corruption case is the extensive cooperation between journalists from different media organisations, inside and outside the Scandinavian countries. The driving force and hub in this cooperation was without doubt the journalists from SVT. 'Since the beginning of the millennium, I have been working against the "lonely rider" ideology in journalism', says Fredrik Laurin (SVT), adding, 'We take help and give help to everybody'. According to his colleague, Joachim Dyfvermark (journalist, *Uppdrag Granskning*, SVT), the point of departure for this method was their work in 2004 regarding the United States' Central Intelligence Agency's (CIA's) secret programme to fetch people from all over the world who were under suspicion of being terrorists and bring them to a US-allied country where it would be possible to interrogate them with unlawful methods. Dyfvermark (SVT) adds,

We tracked down other reporters who were specialised in this field. We travelled to international conferences for investigative journalists and looked into the list of participants. Who participated, and what had they been working with? And then we did not give a damn about all the lectures and instead tried to persuade those who interested us to have a coffee with us. This was not so easy at that time, because we were internationally not yet known at all.

The journalists at *Uppdrag Granskning* discovered that on a reporter-to-reporter basis, such exchanges were possible. 'They took their costs, and we took ours. But we freely shared the research done and decided on a common day for publishing. It was each respective reporter's task to get our superiors to support the case', says Dyfvermark.

Ola Westerberg (journalist, TT) confirms that when he started to work with the Telia corruption case in 2012, the journalists from SVT shared information with him and other reporters: 'The attitude was that it was not necessary that all of us did the same basic work. They wished for a greater community, that others should be involved'. The SVT journalists also shared insights with interested Norwegian colleagues, among them being *Dagens Næringsliv* and *Klassekampen*. The point here is, of course, that the cooperation was reciprocal. Good relations with colleagues from other media institutions are a strategic investment, strengthening both one's own organisation and journalism as an institution.

In the Uzbek corruption case, the cooperation between Scandinavian journalists and the OCCRP was of great importance. According to our interviewees, Miranda Patrucic,¹⁶ regional editor at the OCCRP Sarajevo office, played an active role in relation to several

media, among them being SVT, TT and *Klassekampen*. Journalist Emilie Ekeberg of *Klassekampen* related that before her newspaper's many publications about VimpelCom/Telenor in November 2014, she visited the OCCRP in Sarajevo to get help and advice concerning methods that would be worthwhile in hunting down information about VimpelCom. One of the concrete results was the documentation of large and specific transactions from Watertrail Industries – a VimpelCom subsidiary registered in the British Virgin Islands – to Takilant. She was also contacted by Ola Westerberg (TT in Stockholm) who informed her about new documents linked to a court case about Takilant's accounts in one of the largest Nordic banks, Nordea. Documents from the Swedish district court confirmed payments from VimpelCom to Takilant as late as 2011, contrary to earlier explanations by Telenor.

Ola Westerberg (TT) says that in the autumn of 2012, he learned that two Uzbeks were arrested in Switzerland in a money laundering case. One of them was Alisher Ergashev, a person who, according to the Nordic bank in Nordea, was connected to Takilant. Westerberg contacted OCCRP and asked Miranda Patrucic to do a search using his name. 'We then found a company in France, represented by Ergashev and Karimova, with their signatures next to each other on the document from the Companies Registration Office', says Westerberg, who then adds, 'Later, checking other foreign Telecom companies in Uzbekistan, we found that the Russian MTS had a local partner, Swisdorn, registered at exactly the same address as Takilant, with Rustam Madumarov, known to be Karimova's boyfriend, as its representative'. This documentation confirmed the relationship between the Telecom companies' local partners and President Karimov's daughter.

Investigating journalists cooperate but do not have the same tools as prosecutors and the police. However, they do have another strength, emphasises Westerberg (TT): 'We can move more freely across borders, like capital. Besides that, we who are investigative reporters cooperate better than news journalists. We can discuss and cooperate before publishing. That is a great generosity'. In practice, a sort of informal international network was established between journalists from different countries investigating the Uzbekistan corruption case. 'It gives advantages and is no problem as long as it concerns information that can be controlled', says Maria Ramuz Eriksen (*Dagens Næringsliv*).

Perspectives and conclusion

In the Introduction to the United Nations Convention against Corruption (2004), then-Secretary General Kofi Annan characterises corruption as 'an insidious plague that has a wide range of corrosive effects on societies'. The Uzbekistan telecom corruption case demonstrates that this plague is not limited to societies with weak or non-existent democratic traditions; it is also a temptation for international companies that know that bribes can open easy access to new, extra-profitable markets. In Uzbekistan, power holders in a politically oppressive regime, robber barons and global capitalism entered into an unholy alliance.

A reasonable conclusion seems to be that without the broadcasts and publications from investigative journalists, the telecom corruption would have continued to propagate more freely – and for a much longer period. It also shows the importance of a new trend in international, investigative reporting: cooperation across borders and media

organisations. At a time when journalistic resources are generally reduced in most media houses and editorial ambitions lowered, this is at least an encouraging countertrend worth encouraging.

Investigating powerful institutions plays an important role in the professional ideology of journalism, and investigative reporters have even been described as ‘custodians of conscience’ (Ettema and Glasser, 1998). However, it is also easy to see that this celebrated muckraking role is an exception to the rule: in a competitive, commercially dominated media landscape, most news media organisations have neither the resources nor the competence and will to engage in complicated investigations involving long periods of research. This was also the case during the years in which the Uzbek corruption connected to Scandinavian companies was revealed. A limited number of journalists from only a few media outlets did most of the job.

However, because of journalism’s public good attributes, and the extent of knowledge externalities between different media organisations, even a few thorough media disclosures can have great societal impact. Other media organisations follow up; MPs ask ministers questions; prosecutors have to decide whether independent investigations need to be conducted. Court decisions may then give journalists access to new documents and provide contacts with sources that have valuable information. In the struggle against corruption, this *interplay* between investigating media organisations, judicial authorities and political institutions can be of vital importance for democracy.

Persons interviewed

Joachim Dyfvermark, journalist, *Uppdrag Granskning*, SVT (Stockholm, 17 January 2017).

Emilie Ekeberg, journalist, *Klassekampen*, Norway (Stockholm, 3 January 2017).

Marte Ramuz Eriksen, journalist, *Dagens Næringsliv*, Norway (Oslo, 18 January 2017).

Osman Kibar, journalist, *Dagens Næringsliv*, Norway (Oslo, 18 January 2017).

Fredrik Laurin, journalist, *Uppdrag Granskning*, SVT (Stockholm, 17 January 2017).

Anna Haugmoen Mo, Senior Public Prosecutor (Oslo, 30 January 2017).

Ola Westerberg, journalist, Tidningarnas Telegrambyrå, TT (Stockholm, 11 January 2017).

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship and/or publication of this article.

Notes

1. <https://freedomhouse.org/report/freedom-world/2014/uzbekistan> (retrieved 20 September 2017).

2. In 2002, the Swedish telecom company Telia (controlled by the Swedish government) merged with Sonera, a telecom company owned by the Finnish government, and took the name TeliaSonera. On 13 April 2016, the Swedish Companies Registration Office approved a name change for the company from TeliaSonera AB to Telia Company AB. We use the name Telia Company throughout this article.
3. In March 2017, VimpelCom changed its name to VEON Ltd. To avoid confusion, we use the name VimpelCom throughout this article.
4. Personal interview with Anna H. Moe, The Norwegian Authority for the Investigation and Prosecution of Economic and Environmental Crime, Oslo, 30 January 2017.
5. <http://gijn.org/sponsors-and-supporters/> (retrieved 26 February 2017).
6. <https://www.icij.org/about> (retrieved 26 February 2017).
7. <https://www.theguardian.com/world/2017/jul/28/gulnara-karomova-daughter-former-uzbek-dictator-held-fraud-claims> (retrieved 26 September 2017).
8. Source: <http://www.teliacompany.com/en/about-the-company/corporate-governance/shareholders/> (retrieved 25 September 2017).
9. Source: <https://www.telenor.com/investors/share-information/major-shareholdings/> (retrieved 25 September 2017).
10. VimpelCom reaches settlements with authorities regarding Uzbekistan investigation. Available at: <https://www.vimpelcom.com/Media-center/Press-releases/2016/VimpelCom-reaches-settlements-with-authorities-regarding-Uzbekistan-investigation/>
11. Press release from Telia Company, 21 September 2017.
12. *Svenska Dagbladet* is a Swedish daily owned by the Schibsted Media Group.
13. 'Telia försvarar Uzbekistanaffär', *Svenska Dagbladet*, 12 February 12 2008.
14. Banco Fonder was in autumn 2008 bought by Robur, another investment company, and then closed down.
15. 'Kraftig kritik mot Teliaaffär. Telia gick in trots varning', *Svenska Dagbladet*, 10 February 2010.
16. In 2016, Miranda Patrucic was awarded the Knight International award for her work on organised crime and corruption in the Balkan and Central Asia regions.

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