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Finland: suspicious Russian properties

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Last week speculation appeared in global media about 'secret bases' set up by Russian military intelligence in Finland, which were allegedly created under the guise of activity by the company Airiston Helmi, owned by a Russian entrepreneur, which is involved with real estate and tourism. These assumptions have been associated with a wide-ranging search operation on 17 properties owned by Airiston Helmi which the Finnish National Bureau of Investigation carried out on 22-23 September. The dispersion of these properties around the archipelago south-west of Turku meant that the operation required the involvement of border guards and the armed forces, around 400 officers in total. €3.5 million in cash was secured, and two employees of the company were detained: citizens of Estonia and Russia who are suspected of involvement in international money laundering and tax fraud. Data from the company's discs is also being analysed.

As a company whose ownership and capital structures are unclear, which turned over property worth €9.2 million in the vicinity of Turku in the period from 2007 to 2014 – fitting it out with advanced monitoring systems and satellite communications, a helipad and numerous docking places, as well as its own water transport (including two small auxiliary vessels purchased from the Finnish navy with displacements of 60 and 45 tonnes) – Airiston Helmi has long been the subject of interest by the Finnish armed forces and SUPO (the Security Intelligence Service).

Commentary

- The media speculation about 'secret bases' has not been justified by the preliminary results of the investigation, which have revealed no threat to state security. The investigation has so far been focused on organised financial crime. In turn, the company's facilities, which possess various security systems, could have been designed for stays by persons involved in illegal activity. However, the discussions about Airiston Helmi taking place in Finland – in particular, placing it in the context of hybrid threats from Russia – reflect Finnish concerns about the security of the strategically sensitive area of the Archipelago Sea located between the Åland Islands and Turku. This is because the company's property is located in the vicinity of key maritime trade routes; submarine telecommunications cables linking Finland and Sweden; the demilitarised Åland Islands, which would be important for military operations in the event of conflict in the Baltic Sea area; the refinery at Naantali; and the Finnish navy's base and command in Turku.

- The company's activity is part of a wider phenomenon of citizens of Russia buying real estate in Finland. Finland began to monitor this issue more closely after the annexation of Crimea. A 2016 report by the Finnish Security Committee stated that Russian-owned real estate located near military facilities and critical infrastructure poses a potential threat to national security, as it could, for example, be used to hinder mobilisation in the event of a crisis. The Finnish defence ministry is preparing legal changes allowing the sale of any property thus located to be blocked. Russians are the largest group of foreigners owning real estate in Finland. These properties are mainly concentrated along the border with Russia in the south-eastern part of the country and serve recreational purposes; most of them are owned by middle-class residents of St. Petersburg, although some also belong to Russian oligarchs, including Gennady Timchenko and Boris Rotenberg, close friends of President Putin (and Finnish citizens). A process of moving capital out of Russia, both legally and otherwise, has been noted for years, due to the bad investment climate in the country. This capital has mainly been located in tax havens, from where the funds are then reinvested, including through the purchase of real estate – for example, in Finland.
- The Airiston Helmi case has highlighted Finland's difficulties in its two-track policy towards Russia. On the one hand, Finland wants to maintain good political and economic relations with Russia and to ensure mutual investments, including in strategic areas like energy (Rosatom has been chosen to construct a reactor in a new nuclear power plant in Finland, and the Finnish company Fortum is investing in the heating sector as well as wind, water and thermal power plants in Russia). On the other hand, the Finnish search operation – which took place just a few days before Prime Minister Dmitri Medvedev's visit to Helsinki (on 26 September) – was a signal that Finland is monitoring all Russian activity in the country – including the kind that could be linked to the Russian secret services.

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