

Suspect Nabbed in Elaborate Theft of \$41M in Pension Cash

By [Nikolaus von Twickel](#)

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A 28-year-old man used 23 cell phone numbers and bank accounts in Cyprus to construct a \$41 million scheme. **M. Stulov**

Police have arrested a 28-year-old suspect on suspicion of stealing \$41 million from the federal pension fund in an elaborate scheme that involved Cyprus bank accounts, 23 cell phone numbers and a travel regime that avoided the use of trains and planes.

The suspect, Kirill Ustinov, was detained early Thursday in Ryazan, a city some 250 kilometers southeast of Moscow, the Interior Ministry said in a statement on its web site.

Investigators believe that Ustinov used counterfeit documents and a forged passport to wire 1.25 billion rubles of pension fund money kept in Central Bank accounts to a fictitious company called SpetsTekhProm last November.

The falsified bank orders claimed that the money would be used for capital investments and

construction projects for the pension fund. Instead, the funds first went to Kuban Commercial Bank and then in six tranches to other banks, some of which had accounts in Cyprus, [the ministry said](#).

But the fraud ultimately failed because the pension fund found out quickly after being notified by the Central Bank. "Thanks to the tactical and competent actions of investigators and Central Bank officials, the whole sum was returned," the statement said.

The Central Bank said it took three working days to block the transfers and return the money.

In April, the Central Bank revoked the license of Kuban Commercial Bank, citing "substantial inaccuracies in its financial statements."

But Ustinov remained at large.

Investigators said Thursday that he managed to evade them by using 23 different cell phone numbers and avoiding travel by train and plane, which in Russia requires a passport.

"He only used taxis," the statement said.

Yet the Federal Security Service seems to have found Ustinov's trail.

"According to the FSB, he was part of a criminal gang that regularly engaged in bank fraud using counterfeit documents and lost passports," the Interior Ministry said.

A search in Ustinov's home uncovered 150 official stamps, including those of courts, tax inspectorates and the Moscow city police department to fight economic crime, it said, without saying where the home was located.

The ministry also suggested that there was a leak — without specifying where. "The decision to arrest Ustinov was made after he found out about the search for him. He received anonymous phone calls recommending that he go into hiding," the statement said.

When police arrested him in Ryazan, Ustinov had just 100 rubles (\$3) on him, the Rosbalt.ru news service reported. He threatened the officers with a weapon that turned out to be an air gun, the report said, citing an unidentified law enforcement source.

The ministry statement did not say whether charges had been filed against Ustinov.

Such a large-scale heist could not have been carried out by ordinary criminals, analysts said, and senior pension fund officials have been linked to two cases that followed Ustinov's.

Only days after the November heist was averted, police arrested Sergei Dubinkin, chief of the pension fund's Sverdlovsk branch, on charges of embezzling about 1 billion rubles (\$32.5 million). The money was said to have been taken from VEFK-Ural bank, and Olga Chechushkova, a former bank chairwoman, was also arrested.

While Chechushkova was released on condition that she not leave the country, a Yekaterinburg court last week prolonged Dubinkin's detention until Nov. 18, RIA-Novosti reported. He faces up to 10 years in jail if convicted.

In February, investigators arrested the head of the pension fund's St. Petersburg branch, Natalya Grishkevich, on charges of accepting a \$585,000 bribe for illegally transferring an undisclosed amount of pension fund money.

The pension fund, which pays benefits to more than 39 million citizens, is suffering from a deficit that this year exceeds 1 trillion rubles (\$32 billion).

The situation is acerbated by low birth rates and high death rates, and Finance Minister Alexei Kudrin said in June that the national retirement age, currently set at 55 for women and 60 for men, will have to be increased.

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