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Citizenship Hurdle for Svyazinvest Candidate

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President Dmitry Medvedev's university classmate Vadim Semyonov, whom the Communications and Press Ministry has nominated to become CEO of Svyazinvest, has dual citizenship, which could complicate a job that requires Russian security clearance.

Semyonov has both Russian and Canadian citizenship, a fact he has never hidden, executives who know the businessman told Vedomosti. As chief executive of state-run Svyazinvest, a strategic company, Semyonov would need to be given access to state secrets.

Semyonov declined to comment on the matter.

Mobile TeleSystems faced a similar problem in June when it sought to appoint Konstantin Markov as chief executive of its MGTS subsidiary. Markov also had dual Russian and Canadian citizenship, and MGTS — like Svyazinvest — is listed as a strategic company whose management gets access to state secrets.

Markov was ultimately not appointed.

"Individuals who have dual citizenship ... are granted access to state secrets under the rules for state officials and Russian citizens. These individuals are allowed access to information marked as "secret" only after the Federal Security Service has conducted a check," reads government order No. 1003, passed in 1998.

Markov did not pass the check, sources close to MGTS's shareholders said.

A spokesperson for the Communications and Press Ministry was unable to say whether the dual citizenship would complicate the appointment. Semyonov has said he went through checks with the intelligence services back when he joined state-run Rostelecom.

In a worst case scenario, Svyazinvest could divide responsibilities so that matters involving state secrets could be decided by one of Semyonov's deputies, a Russian intelligence official said.

TNK-BP, BP's Russian joint venture, did just that when it had difficulties with foreign executives working in Russia, said Ilya Rachkov, a partner at the Noerr law firm.

Semyonov and Medvedev both graduated from Leningrad State University in 1987 with degrees in jurisprudence. Semyonov has worked at Rostelecom since 2009, and since August he has been vice president for legal affairs and corporate development.

From 1999 to 2003, according to his official biography, Semyonov "provided legal guidance for a series of key deals in the consolidation of mobile phone companies," after which he worked as MegaFon's top lawyer for six years.

A source in a company that used to work with Semyonov said that until 2003, he worked in Danish businessman Jeffrey Galmond's law firm, J.P. Galmond & Co. Semyonov confirmed his employment there.

Galmond had said he was the owner of 26.6 percent of MegaFon, but in May 2006, a court in Zurich ruled that Galmond was holding at least 8 percent in the interests of "proposed Witness No. 7."

The witness was believed to be then-Russian Communications Minister Leonid Reiman, who always denied that it was him. Reiman stepped down on Friday as an aide to Medvedev, saying he planned to use his experience outside the public sector.

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