

Management Tweaks Bring Spy to Rosneft

By Howard Amos

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The latest restructuring at state-owned oil giant Rosneft took a high-profile twist Monday as a sleeper agent exchanged with the United States in July's infamous spy swap was appointed to a top position in the company.

Andrei Berzukov, known in the United States by his alias Donald Howard Heathfield, will advise Eduard Khudainatov, Rosneft's president, and may assume the responsibilities of the company's vice president for international projects, an unidentified source within the company told Kommersant.

Berzukov's appointment is the most recent change to be made to Rosneft's top management since Eduard Khudainatov took over in September from long-serving former president Sergei Bogdanchikov.

"If we want to raise the company's effectiveness, we have to attract highly qualified

specialists and implement staffing changes," the company said Monday. "It's impossible to say exactly when this process will be completed."

During a visit to the Krasnodar region on Dec. 9, Khudainatov fired the director of Krasnodar Oil and Gas, three of his deputies and the company's regional manager. Earlier firings had included the company's vice president, Mikhail Stavsky, and the director of Yugansk Oil and Gas, Vladimir Bulba.

Khudainatov intimated that dismissals would continue. "Similar staffing decisions will be taken in relation to the company's subsidiary companies that are not fulfilling their business plans and not taking proper measures in good time," he said during his Krasnodar trip.

Khudainatov appears to be changing Rosneft in several directions but to one end, said Konstantin Uminov, an analyst at Rye, Man & Gor Securities. Above all, he is looking to "maintain efficiency and keep Rosneft's leading position in terms of production costs per barrel."

Uminov added that the staffing changes do not constitute "a massive change of management," nor do they signify a deep change in Rosneft's business strategy.

Bezrukov is the second former spy to publicly find a job, after Anna Chapman began working for FondServisBank in October.

When he met with the newly returned spies in August, Prime Minister Putin said they would receive jobs worthy of their status. They all have "bright and interesting futures" in Russia, he said.

Contacted on Monday by The Moscow Times, a Rosneft spokesman declined to comment on the reports of Berzukov's assignment.

Berzukov had a prestigious education including periods of study at the London School of Economics and Harvard's Kennedy School. In 2000, he became a partner at the Boston-based Global Partners consulting firm.

Bezrukov's appointment to advise on international projects could also relate to Rosneft's efforts to expand the company's presence abroad. In October, Rosneft acquired a 50 percent stake in the German-Venezuelan company Ruhr Oel for \$1.6 billion.

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