

Pugachyov Ousted as Tuva Senator

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The political career of Senator Sergei Pugachyov was shattered over the holidays after Tuva's leader dismissed the flamboyant businessman as his representative in the Federation Council.

Pugachyov was fired because he neglected his duties and did not support Tuva, leader Sholban Kara-Ool said in a [statement](#) on his web site last week.

The decision deals a new blow to Pugachyov, who has been hit by financial misfortunes that culminated in the forced closure of his bank last fall.

The senator had been nicknamed the Kremlin's banker for his reputation of having close ties with Prime Minister Vladimir Putin. But his business empire, which included assets in mining and shipbuilding, was hard hit by the financial crisis.

In October 2010, the Central Bank revoked the license of his International Industrial Bank. During the summer the bank, also known as Mezhprombank, defaulted on \$453 million in bonds, the first time a Russian bank reneged on foreign debt since 1999.

It was unclear what effect this would have on Pugachyov's personal wealth.

As a senator, he declared a record income of \$97 million for 2009, and Britain's Sunday Times estimated his wealth at \$1.2 billion in April 2010.

Pugachyov, who had represented Tuva since 2001 without having any ties to the Siberian region, has been described as a typical case of a businessman using parliamentary office to protect his business interests.

He came under fire last year when a study revealed that he and fellow Tuva Senator Lyudmila Narusova had the worst attendance records among lawmakers in the Federation Council.

Kara-Ool linked the decision to fire Pugachyov with "multiple complaints from the public."

An unidentified local government spokesman told Interfax that the leadership was unhappy with the senator's work after he failed to turn up in Tuva once in two years.

Analysts said Pugachyov's ouster was a clear sign that he had lost his political influence.

"He got his seat because of his position as an influential industrialist. Now he has considerably less influence, so it is only logical to remove him," said Chris Weafer, chief strategist at UralSib.

The ouster also marks the first time a senator has been removed under a new law that allows regional bosses to both nominate and fire senators without consulting the Federation Council's speaker, Sergei Mironov.

The new law came into force on Jan. 1, just three days before Kara-Ool signed his decree firing Pugachyov.

Analysts said the new rules further shift power from Mironov, who heads the smallish pro-Kremlin party A Just Russia, to United Russia, the country's dominant political force.

That change is reinforced by another law, also effective since Jan. 1, which stipulates that only members of regional parliaments can become senators.

As a result, United Russia, which dominates local legislatures, becomes the main lever to allocate senatorial posts, said Nikolai Petrov, who tracks regional politics at the Carnegie Moscow Center.

The reform was highlighted after the other Tuva senator, Narusova, lost her seat last year when she failed to garner support in the regional legislature.

Her replacement, prominent Moscow television host Alexei Pimanov, was elected to Tuva's parliament after running on the United Russia ticket together with Kara-Ool in last October's regional elections.

No replacement for Pugachyov has been announced, but Narusova, the widow of former St. Petersburg Mayor Anatoly Sobchak, a patron of Putin, has managed to secure another Federation Council seat representing the Bryansk region.

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