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Transneft Blasts $4Bln 'Information Campaign'

By The Moscow Times

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Allegations that $4 billion was stolen from Transneft during construction of the Eastern Siberia-Pacific Ocean pipeline, or ESPO, were triggered by Russia's expansion into new energy markets, Transneft president Nikolai Tokarev told journalists Thursday.

Tokarev said there were similar "information campaigns" during the construction of the Baltic Pipeline System and at the beginning of the ESPO pipeline project.

"They wouldn't let us build. We were left dangling," Tokarev said. "Thanks to those projects, Russia has received serious economic and political benefits, including an outlet to the Asia-Pacific market," he said.

Tokarev acknowledged some irregularities in the ESPO project.

"There were problems and shortcomings, but they were discovered independently by

Transneft itself. All of the information was dispatched to the appropriate agency," he said. As a result, Transneft was able to recover $333 million from contractors.

"We estimated that at least $4 billion was stolen throughout this entire episode," Alexei Navalny, a Transneft shareholder, said on his blog, where he has published material prepared by Transneft at the request of the Audit Chamber.

A law enforcement source told Interfax at the end of December that searches were being conducted in Moscow in connection with a criminal case on the theft of Transneft money during the ESPO construction. However, he said, the criminal case was opened in 2008 at the request of Transneft's new management, "long before the muckraking publication by the blogger Navalny."

In February 2009, the Audit Chamber examined an audit of the spending of funds allocated to the ESPO project. It found that Transneft had concluded 83 no-bid contracts totaling $2.6 billion, and that contractors violated the terms of their contracts. The Audit Chamber forwarded the findings to Transneft.

Tokarev also told reporters that Russia is likely to resume oil deliveries to Belarus by Tuesday, but has alternate supply routes available in case the dispute over prices continues.

"I think that by the end of the week the talks will be completed, prices agreed, and by Monday or Tuesday oil shipments to Belarus will take place," he said.

Energy Minister Sergei Shmatko told reporters Thursday that Russia could resume oil supplies to its neighbor within a week. Russian oil flows to Belarussian refineries, which have a daily capacity of 360,000 barrels, have been halted since Jan. 1 while price talks continue with Russian oil companies. Oil flows to Europe remain unimpeded.

With both sides now in a customs union, together with Kazakhstan, as of Jan. 1 Belarus no longer has to pay Russia's oil export tariff. But traders say Russian companies have halted supplies in an attempt to get Belarus to pay higher oil prices.

About 40 million tons (about 800,000 barrels per day) of Russian oil is pumped to Europe annually via Belarus. Low gas and oil prices from Moscow are crucial for Belarussian President Alexander Lukashenko's efforts to keep the country’s ailing economy afloat.

Meanwhile, Rosneft and Transneft may swap infrastructure assets, RIA-Novosti said Thursday, citing Tokarev. Transneft may trade its rail terminal at the port of Kozmino in the Far East for Rosneft’s link from its Vankor field to the operator’s trunk pipeline in Purpe, the news service said.

(Interfax, Bloomberg)

Transneft head Nikolai Tokarev confirmed Thursday that former spy Natalya Pereverzeva is working as his assistant, Gazeta.ru reported. On Wednesday, a company spokesman denied that Transneft had an employee named Natalya Pereverzeva, which is the name she was known by after her “deep cover” identity as Patricia Mills was exposed in the United States. She is married to Mikhail Kutsik, who was exposed as a spy at the same time.

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