

# Luzhkov-Era Contracts Scrutinized

By [The Moscow Times](#)

February 02, 2011

**The  Moscow Times**

Moscow will review investment contracts signed under ousted Mayor Yury Luzhkov as the city moves to shed assets and fight corruption under new leader Sergei Sobyenin.

City Hall will look at as many as 100,300 investment contracts for housing, commercial property and industrial construction signed since the late 1990s, Deputy Mayor Andrei Sharonov said in an interview Wednesday.

“The task is to look at this situation and to make a decision in each particular case to stop, to finalize or to penalize,” he said.

President Dmitry Medvedev fired Luzhkov in September after 18 years in office and instructed his successor to focus on uprooting corruption. Luzhkov was removed after weeks of headlines accusing him of graft and favoritism toward his wife, billionaire developer Yelena Baturina. The couple denied the allegations.

Sharonov said the city had canceled 30 of the 150 contracts already reviewed.

The Audit Chamber uncovered “many serious financial violations” amounting to 230 billion rubles (\$7.8 billion) in a probe of the Moscow city government’s activities in 2009 and 2010, Interfax reported Wednesday, citing chamber chief Sergei Stepashin.

Police on Wednesday raided the Moscow offices of Deutsche Bank as part of a criminal investigation into fraud in the reconstruction of the Hotel Moskva, investigators said.

Moscow plans to earn as much as \$7 billion in the next two years from asset sales, Sharonov said. The city owns more than 300 companies that will be converted into joint stock companies and then sold, he said.

The privatization plan, which includes the city’s stakes in Bank of Moscow and Vnukovo Airport, is being expanded, he said.

“In Moscow, the government is still managing many, many economic activities,” Sharonov said.

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