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Criminal Punishment Sought for Businesses

By Alexandra Odynova

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According to Investigative Committee head Alexander Bastrykin, to decrease migrant crime, authorities must fingerprint all foreigners coming to Russia and collect their DNA samples. He said fingerprin

Russia may introduce criminal punishment for legal entities, Investigative Committee head Alexander Bastrykin said Thursday, claiming that it is needed to lure foreign investors — though experts believe it will work the other way around.

The move appears to be Bastrykin's attempt to expand authority of his newly independent agency and will produce another harassment tool to be used against businesses, analysts said.

The committee submitted a draft law to the Kremlin, Bastrykin said at the agency's meeting in Moscow, Interfax reported.

He did not elaborate on details of the draft, but said the country sees a great increase in crimes "committed by or with the use of legal entities."

However, current legislature does not allow criminal investigation of a legal entity, he said.

The situation "has a negative effect on Russia's investment attractiveness," Bastrykin said, explaining the reason behind the proposal.

Legal experts questioned by The Moscow Times said similar laws exist worldwide but are rarely used, and that the current domestic legislation allows punishing legal entities for wrongdoing — only not by the Investigative Committee.

A number of countries, including Britain, France and the United States, allow criminal charges for legal entities over corruption, terrorism sponsorship and economic crimes, said Viktoria Burkovskaya, senior lawyer with Yegorov, Puginsky, Afanasyev & Partners.

But the number of such cases is very low because litigation often drags on for long periods, she said.

The Investigative Committee requested the power to fine or ban a legal entity, but this is already possible as part of the Administrative Code, said Andrei Zelenin, a partner with the Lidings law firm, which provides consulting to foreign companies.

However, the committee — which was separated from the Prosecutor General's Office last month — only handles criminal, not administrative, cases.

"There are quite enough existing laws. The problem is the work of law enforcement agencies," Zelenin said, calling Bastrykin's proposal a "PR or political trick" rather than a necessary measure.

Raids and surprise checks on various pretexts are often used by law enforcement agencies as means to crack down on businesses, mainly in corruption cases, and the new rule is likely to be abused as well, analysts said.

"In Russia, it looks more like an act of intimidation," Zelenin said. "If the prosecutors and courts continue working the same way, it won't be efficient."

The move "won't improve the investment climate in Russia, but will become a new tool for pressuring business," Burkovskaya said.

"For companies, it will result in endless searches and money extortion," she said.

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During his speech on Thursday, Alexander Bastrykin also announced crime statistics for 2010 and issued a call to fingerprint all migrants, saying this will be useful for curbing extremism-related crime, Interfax reported.

The number of corruption cases in 2010 grew 42 percent year on year to some 60,000, Bastrykin said, adding that 120 investigators and 12 prosecutors were charged.

There was also a 20-percent increase in hate crimes, which totaled 656 in 2010,

the committee head said.

Ethnic tensions are fueled by criminal activity of the migrants, who committed almost 49,000 crimes last year, Bastrykin said.

To decrease migrant crime, authorities must fingerprint all foreigners coming to Russia and collect their DNA samples, Bastrykin said. He said fingerprinting all Russian citizens is also possible, and added that 35 million people have already undergone the procedure voluntarily.

The Federal Migration Service spoke against Bastrykin's proposals later that day, saying the fingerprinting program will be very costly and that only 3 percent of all crimes nationwide are committed by migrants.

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