

Fighter Jets Sold for \$5 in Fraud Scheme

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A regional court on Friday jailed a former official for 11 years over the sale of four fighter jets for just \$5 each.

The military corruption scandal, that cost the government about \$55 million, underscored endemic fraud in the armed forces.

Andrei Silyakov, a former employee of the state Federal Reserve Agency, illegally included the warplanes on a list of state assets to be sold, the Nizhny Novgorod Regional Court said in a statement on its web site.

The four MiG-31 supersonic long-range fighter jets, known as Foxhounds, were sold for 153 rubles (\$5) each from the state-owned Sokol aviation plant in Nizhny Novgorod, 400 kilometers east of Moscow.

Although the jets were sold stripped of engines and weapons, each was in fact worth about \$4 million. The planes were appraised as scrap metal and sold to a shell company that had no authority to trade weapons or military hardware, the statement said.

Silyakov was also accused of embezzling 30,000 tons of oil and handed an 11-year jail sentence for fraud, costing the government a total of almost \$69 million, the court said.

A combination of lack of funding, negligence and corruption have damaged attempts to supplement and maintain the huge arms stockpiles Russia inherited at the Soviet breakup in 1991.

Corruption in the armed forces cost Russia 6.5 billion rubles (\$222.8 million) worth of state funds in 2010, Chief Military Prosecutor Sergei Fridinsky said Thursday.

Sokol is part of the state-owned United Aircraft Corporation.

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