

Tax Evasion Charges Against Arbat Prestige Owner Dropped

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Investigators dropped tax evasion charges against the former owner of Arbat Prestige, once Russia's biggest cosmetics retailer, and his business partner, a reputed crime boss, Interfax reported Monday.

The case was closed "due to absence of crime" in the action of Vladimir Nekrasov and his partner Semyon Mogilevich, who is also known as Sergei Shnaider and featured on the FBI's list of "10 Most Wanted" fugitives, Nekrasov's lawyer said.

The Federal Tax Service accused them in 2008 of tax evasion and sought to collect 155.1 million rubles (\$5.5 million) in taxes and fines from Arbat & Co., the company that operated Arbat Prestige, which had some 100 outlets nationwide.

The case began to fall apart in October, when Moscow's Tushinsky District Court returned it to prosecutors, citing procedural violations, and Moscow Arbitration Court in a separate ruling canceled the tax watchdog's claims against Arbat & Co.

A district arbitration court upheld earlier this month the ruling to cancel tax claims against Mogilevich and Nekrasov, which made the closing of the criminal case against them all but inevitable.

Investigators did not comment on the story. Nekrasov and Mogilevich, who were not arrested, have earlier claimed that the case was fabricated by people looking to take over their business, but named no names.

Arbat Prestige had to close all its stores by 2010 after suppliers cut deliveries to the company. Dobrovinsky said earlier in April that Nekrasov has paid a debt of 341 million rubles (\$12.2 million) to Sberbank but still owes about 1 billion rubles to suppliers.

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