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# Domodedovo Denies Illegal Practices

By The Moscow Times

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A plane flying over the tarmac at Domodedovo Airport. The Prosecutor General's Office has accused the airport of poor management practices. **Andrei Makhonin**

Moscow's Domodedovo Airport denied allegations by the Prosecutor General's Office on Saturday that illegal practices are taking place in the management of the air transportation hub.

The Prosecutor General's Office had claimed in a statement that an investigation ordered by President Dmitry Medvedev had shown that Domodedovo is managed by foreign companies registered in offshore zones. The office also accused the airport's administrator of illegal use of federal property.

"Domodedovo Airport has not received the findings of the investigation by the Prosecutor General's Office of the Russian Federation. The Domodedovo facilities that provide airport services are Russian legal entities," a Domodedovo spokesman said.

The spokesman said the airport's ownership structure is typical for Russian holding

companies and is completely legal. Getting foreign companies involved in managing enterprises the size of airports is a widespread global practice, he said, citing the Frankfurt airport as an example.

"As regards an audit by the Federal Tax Service, the airport is ready for full-scale cooperation with that agency and for providing all necessary documents and papers. We consider audits of this kind a routine procedure," the spokesman said.

"This scheme," the Prosecutor General's Office said in reference to the alleged involvement of foreign companies in managing Domodedovo, "makes it possible to conceal the true owners and those who make managerial decisions at Domodedovo Airport and take them outside the jurisdiction of the Russian Federation; it also prevents Russian executive authorities from effectively performing their control and surveillance duties, and from demanding that those organizations obey federal legislation."

The office also accused the director of Domodedovo's administration, which is a state body, of exceeding his powers by allegedly leasing some federal property items to the Domodedovo International Airport company without any contracts being signed and rent being charged.

The office said a criminal investigation had been organized into the director's allegedly illegal actions.

A tax audit of the airport is underway on orders from the Prosecutor General's Office.

The office demanded that the Federal Air Transportation Agency and the Federal Property Management Agency take measures to end the allegedly illegal practices and sent notices to the economic development and transportation ministers.

"It was proposed that the Transportation Ministry draft a law to prohibit foreign entities from participating in the management of strategic transportation facilities and make changes to the rules on the certification of airports to prescribe that a certificate seeker disclose information on the owners and on the legal basis for the ownership of property that is essential for the seeker's certified activities," the office said.

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