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Navalny Targeted in Fraud Inquiry

By Alexander Bratersky

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Alexei Navalny, seen in his Moscow office last year, says VTB, Transneft and United Russia are behind the case. **Alexander Zemlianichenko**

The Investigative Committee said Tuesday that it has reopened a murky fraud case against Alexei Navalny, the whistleblowing blogger who has made powerful enemies with his corruption allegations.

Navalny accused state-owned bank VTB, state pipeline monopoly Transneft and the ruling United Russia party of fabricating the case, which has followed a tedious path of being opened and closed five times before reaching the central office of the Investigative Committee.

The renewal of the investigation into Navalny promises to raise new fears about a possible state crackdown on the Internet ahead of State Duma elections in December and the presidential vote next March. It also will be seen as a warning to Navalny to back off his exposes.

The Investigative Committee said Navalny is suspected of forcing Kirovles, a state-owned

timber company based in the Kirov region, into a disadvantageous contract in 2009, when he served as an unpaid adviser to Kirov Governor Nikita Belykh.

The case is based solely on the testimony of former Kirovles head Vyacheslav Opalyov, who led the company into bankruptcy, Belykh said Tuesday, Interfax reported. Kirovles is now owned by the regional government.

The Investigative Committee said Navalny falsely posed as a full-time adviser to Belykh and lured Kirovles into a contract that ended up costing the company 1.3 million rubles ($46,000). "I can say that Navalny de-facto used tricks and tactics employed by corporate raiders during takeovers," committee spokesman Vladimir Markin told Interfax.

The Investigative Committee is weighing whether to charge Navalny with"inflicting harm with no intent of embezzlement," which carries a penalty of up to two years in prison.

The case has been in the works since last year and, most recently, the Kirov region branch of the Investigative Committee dropped it in January. Belykh, a rare example of a liberal opposition politician-turned-governor, has repeatedly said he has no complaints about Navalny.

Navalny, whose day job is a lawyer, sarcastically greeted the news about the investigation, writing on his blog, "Finally the campaign against corruption has borne its first fruits and investigators have found the real villains."

He did not elaborate on his claim that the case was fabricated by VTB, Transneft and United Russia. Calls to his cell phone went unanswered Tuesday evening.

Transneft spokesman Igor Dyomin said the company did not take Navalny's claim seriously. "We pay no attention to fools," he said by telephone.

VTB and United Russia officials were not immediately available for comment.

Transneft's reputation suffered a blow last year when Navalny, a minor shareholder in the company, accused it of embezzling $4 billion during the construction of the East Siberia-Pacific Ocean oil pipeline. Navalny cited a leaked Audit Chamber report to back up his accusations. The company said that funds were misused under its previous management and that it had opened an internal inquiry into the matter. No one has been charged with wrongdoing.

In March, Navalny started calling United Russia a "party of crooks and thieves," a phrase that caught on quickly and is now widely used by bloggers.

Also this year he started the web site Rospil.info to track rigged state tenders. The site claims to have identified shady deals worth a combined 1.6 billion rubles ($57 million).

Raising the specter of a state crackdown on the donation-driven web site, the Federal Security Service last month asked the popular search engine Yandex for information about people who have donated funds to support Rospil.info. Donors sent payments to Navalny through the web payment system Yandex.Dengi. When some of the personal information was leaked to a third party, Navalny accused the FSB of passing the data to Nashi, the pro-Kremlin youth group

that has harassed government critics in the past. The FSB has not commented, and Nashi has denied involvement.

The Yabloko and Right Cause parties, as well as a member of the Kremlin's human rights council, Kirill Kabanov, expressed concern in separate statements Tuesday that the fraud case against Navalny might be fabricated.

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