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Fugitive Ex-Official Faces $135M Embezzlement Charges

By Alexander Bratersky

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The former top finance official for the Moscow region has been arrested in absentia for embezzling 3.8 billion rubles ($135 million) from the regional administration, putting the region on the verge of bankruptcy.

Alexei Kuznetsov, who left the country in 2008 and is currently on an international wanted list, is accused of fraud and money laundering, Investigative Committee spokesman Vladimir Markin said Thursday.

Kuznetsov's former deputy Valery Nosov and businessmen Dmitry Kotlyarenko and Vladislav Telepnyov were also charged. A conviction carries a maximum 10-year prison sentence.

Nosov and Kotlyarenko are currently in pretrial detention, while Telepnyov is free.

Investigators say the four stole the money from the region's utilities companies, sending

them fake bills and pocketing the payments.

Kuznetsov has denied wrongdoing, telling Vedomosti in 2009 that the case was fabricated by business enemies whom he did not name. He said he had left the country for fear of being denied a fair trial.

The Investigative Committee said in a statement that it has asked foreign law enforcement agencies to help find Kuznetsov. The businessman's current whereabouts is unknown, but he holds U.S. citizenship and was earlier reported to be living in the United States.

Officials have said Kuznetsov's group could have pocketed assets worth a combined 30 billion rubles. Some assets, mostly real estate, were returned to the state last year, the Interior Ministry said in October.

The case has damaged the reputation of Moscow region's veteran governor, Boris Gromov. Media reports have suggested that the Kremlin intends to use the scandal as pretext to remove him.

A reporter with Forbes Russia, Anna Sokolova, published a book on the Moscow region's financial woes earlier this year. Most of its print run of 5,000 copies was briefly impounded by regional police prior to publication in April, but later released.

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