

Defense Plant Chief in \$9M Graft Case

By [Natalya Krainova](#)

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The director of a Murmansk region military plant faces jail time on charges of embezzling more than 265 million rubles (\$9 million) allotted for repairs of a nuclear-powered warship, Northern Fleet prosecutors said Friday.

Fyodor Barashko, director of privately owned Zvyozdochka (Little Star), is accused of billing the Defense Ministry 356 million rubles for repairs to the heavy missile cruiser Pyotr Veliky last year, though the factory only performed repairs worth 90.7 million rubles, prosecutors said in a [statement](#).

The rest was believed to have been pocketed by Barashko, who co-owns the factory, said the statement posted on the web site of the Chief Military Prosecutor's Office.

Barashko faces up to 10 years in prison on charges of large-scale fraud. The statement did not specify whether he has been detained.

The investigation is likely to fuel an ongoing clash between the Defense Ministry and the

domestic defense industry. The army has accused weapons makers of inflating prices, while the weapons makers have complained of military officials dragging their feet over paying for contracts.

Despite the spat, the Defense Ministry has made advance payments on almost 70 percent of defense orders for this year, Deputy Minister Mikhail Mokretsov said at a government meeting Thursday, Rossiiskaya Gazeta [reported](#).

"We understand that these are respectable factories, and we have no worries about the orders not being fulfilled," Mokretsov said.

The Federation Council on Thursday approved the allocation of 100 billion rubles (\$3.6 billion) for defense orders in 2012.

The ministry is spending more for military equipment, allotting 43 percent of its budget to the cause in 2010 and 46 percent this year, Rossiiskaya Gazeta said. The spending will reach 50 percent next year and 60 percent in 2013, despite planned salary increases for military personnel.

The Defense Ministry and the Interior Ministry will receive the biggest cuts in the federal budget next year, Rossiiskaya Gazeta reported Friday, without elaborating on the figures.

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