

# Officers Seen Misrepresenting Income

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Many members of the Armed Forces have little disposable income, despite being provided with some benefits. **Igor Tabakov**

Officers of the armed and security forces widely flout the law by doing business or cheating in their mandatory income statements, Chief Military Prosecutor Sergei Fridinsky said Wednesday.

Military and civil personnel in "virtually every" branch of the military checked by the prosecutor's office have engaged in founding or running companies, he said.

"The number of such cases not only doesn't decrease, but is growing," Fridinsky said, Interfax reported. "The scale of violations turned out to be impressive."

✘Anti-corruption activists maintain these investigations should become regular and prompt harsher punishment.

A military academy chief co-founded a company in 2005 and has since combined military

service and entrepreneurship, the prosecutors said, neither naming the person nor the institution.

Fridinsky's office uncovered this and almost 380 other violations as it conducted an investigation of income statements high-ranking officers submitted to the presidential administration. President Dmitry Medvedev ordered the probe in the beginning of last year.

❑ In another breach of the law, Fridinsky said a deputy commander of the Northern Fleet didn't state his wife's holdings of a car, two apartments and a garage abroad. The naval officer also held back the fact that his spouse had eight bank deposits.

❑ Fridinsky didn't say what punishment, if any, the violators face.

Yelena Panfilova, Moscow director of German-based international countercorruption watchdog Transparency International, said the toughest penalty for these types of offenses is a pink slip.

"They simply get fired and are left to enjoy their pillage," she said of corrupt officials. "But fighting corruption means punishing corrupt officials."

In addition, any meaningful campaign to combat graft would require that investigations into income statements become regular, rather than get underway only by a presidential order, she said.

"It would be important that they don't have this random nature," Panfilova said.

The government also requires that Cabinet officials, directors of state corporations and their relatives state their incomes every year.

The Cabinet recently broadened the net by binding chief executives of all state-controlled companies, such as electricity company Inter RAO and bank VTB, and their regional executives to submit income statements on a yearly basis. The Cabinet published this decree at the end of last month — and the deadline for the statements was Tuesday.

Under the decree, the top executives don't have to disclose their real estate assets, but will report their liabilities, such as loans, stock holdings and any companies where they are beneficiaries. Cabinet spokesman Dmitry Peskov said these statements would not be public, Vedomosti reported Wednesday.

Executives at some companies, such as Aeroflot and Federal Grid Company, were still trying to collect and file their information on the day of the deadline. Other executives, including those at Russian Railways and electricity generator RusHydro, had met the deadline, the companies said.

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