

Norilsk Pension Fund Sees Mismanagement

By [The Moscow Times](#)

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Norilsk Nickel's Private Pension Fund is preparing a statement for law enforcement agencies regarding damages caused to the fund by the company's top management, headed by former chief executive and head of Onexim Group Mikhail Prokhorov, the fund's president Yelena Akifiyeva told Interfax.

The fund also plans to turn to Prokhorov in an open letter on compensation for losses of funds set aside for payments to Norilsk employees.

Akifiyeva said that as a result of the fund's management by Norilsk's top executives, led by Prokhorov, the fund lost 3.1 billion rubles (\$100 million). In 2008, the fund posted a balance-sheet loss of 2.1 billion rubles, including 1.7 billion rubles on pension reserves financed by Norilsk Nickel and its employees, and 400 million rubles on pension savings.

In addition, the fund held securities totaling about 1 billion rubles, losses on which have not

yet been booked as a result of ongoing litigation with the issuers. As Norilsk Nickel chief executive, Prokhorov appointed the board of the fund and essentially controlled its activities, Akifiyeva said.

She said about 95 percent of the fund's assets were invested through Rosbank Management — which was owned by Prokhorov's Onexim Group. Rosbank Management bought securities that had an appraised value that was multiple times below the purchase price.

A spokesman for Prokhorov's presidential campaign headquarters told Interfax that Prokhorov has not been chief executive of Norilsk Nickel for more than five years. "During this time, audits surely should have been performed at the fund, reports submitted to government agencies," he said. "We consider the fact that any claims of damages are being made after the passage of this time to be a provocation and attempt to slander the presidential race of participant Mikhail Prokhorov," the spokesman said.

A representative of Onexim told Interfax that all funds suffered losses during this crisis period and that Norilsk Nickel's pension fund was no exception. "It's strange that this topic has resurfaced now," he said, recalling that the fund had already made these claims against Rosbank Management. The management company went bankrupt in 2009, being unable to restructure debts it accumulated as a result of the financial crisis.

"The results of 2008 do in fact show that the management of the fund at that time was ineffective. Now all problems have been resolved, the fund is showing a decent return and is fulfilling all the obligations to clients that it has assumed," a spokesman for Norilsk Nickel said. Rosbank Management — later renamed RBusiness Asset Management — was acquired by Onexim following the split of assets between former business partners Vladimir Potanin and Prokhorov.

But the asset management company filed for bankruptcy in December 2009 under the weight of claims totaling billions of rubles.

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