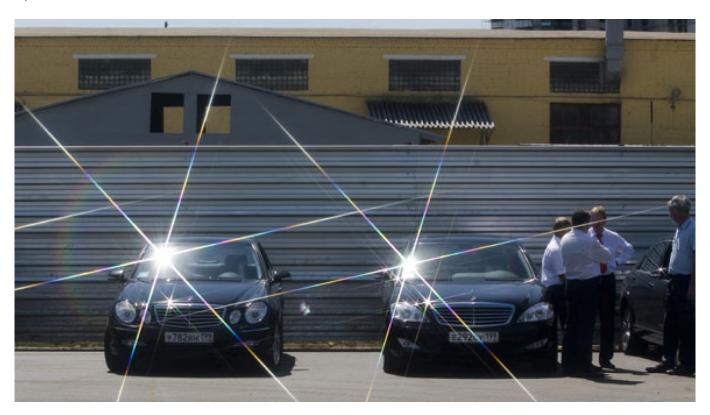


Report: Investigators Drop Daimler Corruption Case Against Military

By The Moscow Times

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Daimler's Russia unit paid a fine in 2010 for breaking U.S. anti-bribery laws by giving kickbacks to state officials. Above, state-owned Mercedes sedans and their drivers. **Maxim Stulov**

Investigators have reportedly dropped inquiries against military officials and employees of four companies implicated in a 2010 corruption case involving kickbacks for state purchases of Mercedes automobiles.

German carmaker Daimler agreed in April 2010 to pay \$185 million to settle charges of violating United States anti-bribery laws brought by the U.S. Justice Department and the U.S. Securities and Exchange Commission. Daimler's Russian subsidiary pled guilty to two counts of violating U.S. statutes.

In its filing in the case, the Justice Department described Daimler's business in Russia as "substantial" and named its main state clients as the Interior Ministry and the Federal Guard Service, as well as the military and the cities of Moscow, Ufa and Novy Urengoi.

On Wednesday, Izvestia reported that the Investigative Committee has opted not to open cases against officials from the Defense Ministry and the Ufa administration or against employees of the companies Daimler Chrysler Avtomobili RUS, Urengoigazprom, Mashinoimport, and Dorinvest, all of whom were implicated in the case by U.S. authorities.

The daily cited a letter from Investigative Committee deputy head Vasily Piskaryov to State Duma deputy Sergei Petrov as the source of information for its report.

Piskaryov said in the letter that fraud cases have been opened only against police and Federal Guard Service officials, for stealing money paid via state contracts for Mercedes cars.

The Izvestia report also said Russian officials did not request materials regarding the case from U.S. authorities as they said they had. The newspaper cited a letter from the Justice Department to Transparency International indicating that Russian security services had not made any requests for materials.

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