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Shoigu Offers Help to Swindled Homebuyers

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Moscow region Governor Sergei Shoigu **Dmitry Abramov**

A case of alleged real estate fraud in the Moscow region heated up Monday as local authorities, including Moscow region Governor Sergei Shoigu, cracked down on both the developer and bureaucrats.

The measures hold out promise of relief for buyers of apartments in the Moscow region town of Obukhovo, located in the Noginsk district east of Moscow.

Though they paid for the housing, the owners haven't been able to move in, as gas lines aren't hooked up, neighborhood roads aren't finished and other basic infrastructure isn't in place. A buyers' group told RIA-Novosti that the problem affects about 500 families.

On Monday, Shoigu, who replaced Governor Boris Gromov last month to become the first new head of the region in 12 years, instructed the Moscow region's prosecutor's office to examine

the problems.

"I ask that this situation be thoroughly investigated," Shoigu said in a conference call with district and city heads in the region.

In addition, the deputy chairman of the regional government, Roman Filimonov, called for a criminal case against both the builder and the bureaucrats who gave the permits for the apartment construction.

The problem of defrauded homebuyers "has a systemic nature in many districts," Filimonov said.

The tough words from top regional officials follow a weekend sit-in at the almost-finished apartment development. Dozens of apartment owners gathered in one of the residences Sunday, RIA-Novosti reported.

The case has been brewing for weeks, with tens of Noginsk apartment buyers protesting in front of the main government building in Krasnogorsk on May 12. The homebuyers found out that the developer was selling apartments twice, the homebuyers' group told RIA-Novosti.

A longtime federal Cabinet minister before President Dmitry Medvedev appointed him governor in April, Shoigu had promised in the first weeks of his term to deal with the issue of homebuyers cheated by unfinished, undelivered or uninhabitable housing.

State Duma Deputy Yelena Nikolayeva, a United Russia member who sits on the Duma's housing committee, has released numbers suggesting that the Moscow region, along with the Samara region in southern Russia, has the greatest number of defrauded homebuyers.

Last year's reform of federal bankruptcy law has the potential to help the tens of thousands of Russians grappling with unscrupulous developers. The amended law forces developers that are declaring bankruptcy — a tactic for worming out of contractual obligations to homebuyers — to pay off investors, said Roman Zaitsev, a lawyer and associate with legal firm Salans in Moscow.

In the Obukhovo case, the rights of the would-be apartment dwellers depend on the language in their contracts. The law requires developers to deliver housing in livable condition, Zaitsev said, but the hookup of specific utilities can be contingent on supplemental contracts or other measures.

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