

Avilon Dropped by Daimler For Anti-Corruption 'Issues'

By [Rachel Nielsen](#)

June 21, 2012



Mercedes sells its cars to the government directly, bypassing its dealers. **Igor Tabakov**

Daimler will sever ties with one of the country's biggest dealerships for Mercedes-Benz cars because the German automaker has "issues" with the dealer's anti-corruption measures, a media report said Thursday.

Citing an anonymous source within Mercedes-Benz Rus, Izvestia [reported](#) that the Daimler Russian subsidiary would drop well-known Avilon as a seller.

One out of every five Mercedes vehicles in Russia is bought through Avilon, the dealer says on its website.

Avilon didn't immediately return e-mailed and faxed requests for comment. Mercedes-Benz Rus spokesman Andrei Rodionov said the division doesn't comment "on relationships with dealers."

It wasn't clear how Avilon might have violated the anti-corruption rules at Mercedes-Benz Rus. The division said more than a year ago that it would stop using middlemen to sell its posh vehicles to Russian government agencies and companies in the Moscow area.

Mercedes-Benz today sells directly to state customers, spokesman Andrei Rodionov said. The more than 500 dealerships nationwide that offer Mercedes-Benz cars sell to individuals and private companies, he said.

The change in sales approach came after a vast bribery scandal in which the U.S. Justice Department alleged that Daimler and its subsidiaries paid tens of millions of dollars to officials in at least 22 countries to land contracts for its vehicles.

Mercedes-Benz Rus [admitted](#) in U.S. district court in April 2010 to making improper payments to Russian federal and regional officials and pleaded guilty to one count of conspiracy to violate the U.S. Foreign Corrupt Practices Act and one count of violating it.

It agreed to pay about \$27 million in fines. Daimler promised to pay a total of \$185 million in fines to the U.S. government for all of the divisions caught up in the case.

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