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Police Search Master Bank CEO's Apartment

By Howard Amos

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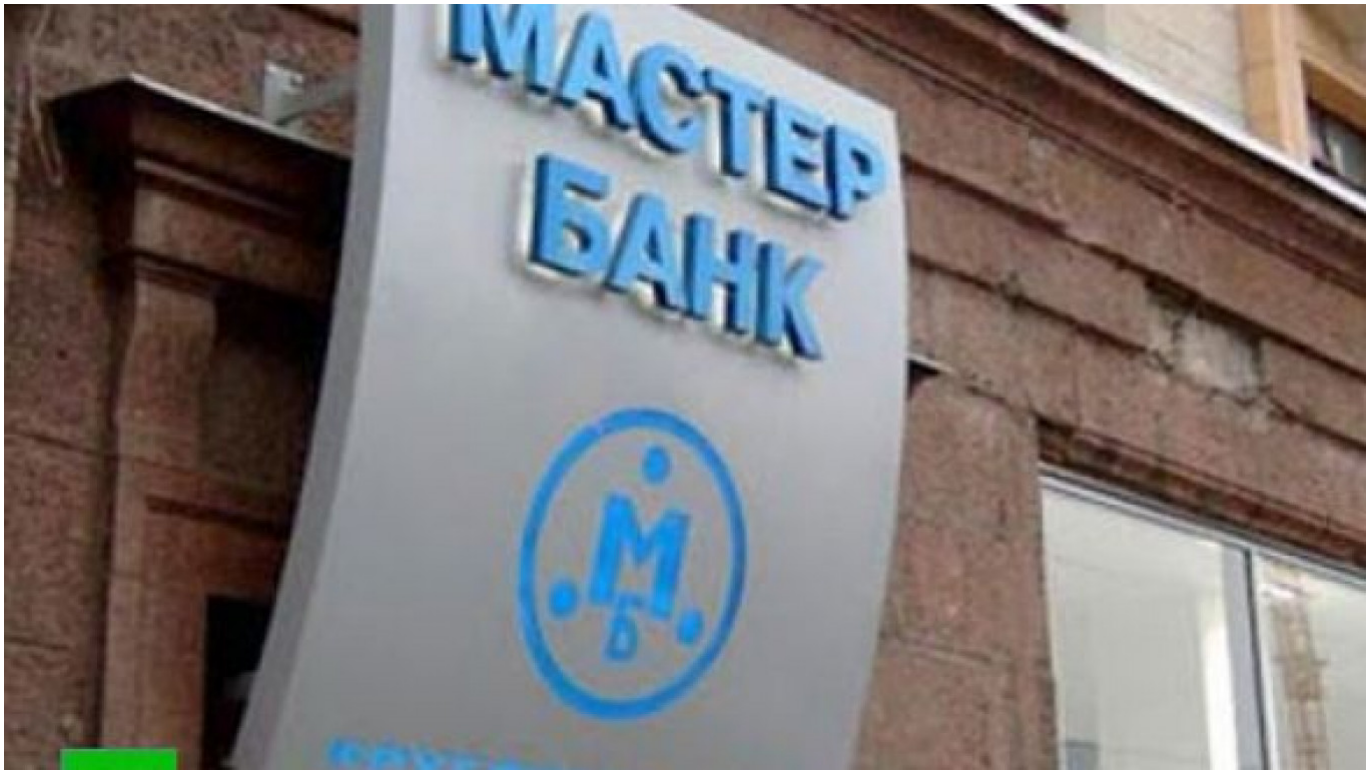

State-run television carried pictures of the police raids, in which two former Master Bank specialists were detained.

As part of an ongoing investigation into a money-laundering scheme valued at upwards of 2 billion rubles ($61 million), police searched the apartments of top executives at mid-sized Master Bank, the Interior Ministry said Monday.

Master Bank's chief executive, Boris Bulochnik, whose family controls about 85 percent of the bank, was one of those whose property was searched and documents and electronic equipment confiscated, according to a statement released by the ministry's economic safety and anti-corruption department.

Two employees of the bank's corporate banking division have already been arrested as part of the investigation into a criminal scheme that allegedly involved the use of *odnonevki*, which are companies created for short periods of time specifically to illegally transfer money.

Master Bank, which counts the cousin of President Vladimir Putin, Igor Putin, as a member of its board of directors, refused to confirm or deny that police searches had taken place.

"The bank acts strictly within the boundaries of the law," Igor Putin said in an e-mailed statement. "However, sometimes there are attempts to link the bank and its chief executive with dishonest companies and deliberately create a negative background."

"I am sure that this has no significance," he added.

Privately owned Master Bank, which has grown rapidly over the last five years, has the third-largest number of cash machines in Russia. It is ranked the country's 66th biggest bank in terms of assets, according to financial website Allbanki.ru.

Chief executive Bulochnik, one of the founders of the Moscow museum dedicated to explorer and artist Nikolai Roerich, directly holds 5.5 percent of Master Bank. His wife, Nadezhda Bulochnik, is chair of the board of directors.

The huge money-laundering scheme that may have links to state companies was uncovered in February 2011 and an executive from Master Bank, Meri Tevanyan, was charged the following month. Yevgeny Rogachev, vice president of corporate banking, was the latest arrest in the ongoing investigation.

Igor Putin, who was briefly employed by Master Bank in 2010, was appointed to the current board of directors in March 2011, shortly after the money-laundering scheme was first uncovered by police.

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