

Ex-Envoy in Real Estate Swindle

February 09, 2011

The  Moscow Times

A former Hungarian ambassador in Moscow was arrested in his country over alleged real estate machinations in the Russian capital that have cost Hungary's budget more than \$30 million, The Associated Press reported.

Arpad Szekely, 53, who headed the mission from 2005 to 2008, was detained together with former Foreign Ministry senior official Marta Feksz Horvath and Miklos Tatrai, ex-head of Hungary's state asset managing agency, prosecutors said Tuesday.

Investigators said that during Szekely's time in Moscow, the building of the Hungarian trade mission, worth \$52 million, was sold for \$21.3 million to an offshore company called Diamond Air, the Magyar Hirlap national daily reported earlier.

The building is currently owned by the Regional Development Ministry, which plans to relocate its main office there. The move is not initiated yet, as the ministry plans to renovate the building first, announcing in December a tender worth another \$50 million, Vedomosti reported Wednesday.

Szekely and the other suspects denied charges, prosecutors said.

Interestingly enough, Szekely, a graduate of the Moscow State International Relations Institute, later became the head of Trigranit, a leading Hungarian real estate developer which was involved in a variety of projects in Russia.

The building in question, a towering piece of late Soviet architecture, is located on the downtown Krasnopresnenskaya Naberezhnaya, right across the Moscow river from the government's office.

"I have been in this building many times and I always wondered why such a small country keeps such a huge trade mission," an expert on Russian-Hungarian relations told The Moscow Times on Wednesday.

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