

Police Conduct Raids in Glonass Embezzlement Case

By [The Moscow Times](#)

November 07, 2012

The  Moscow Times

City police have raided a fly-by-night firm used to steal more than \$18 million in state funds intended to develop the Glonass satellite navigation system.

Police said in a [statement](#) on their website that they raided the firm after finding one of its stamps in the office of a director at Russian Space Systems, a public corporation that operates Glonass, sometimes called Russia's answer to the U.S. Global Positioning System, or GPS.

The statement added that the firm was not authorized to conduct business activity, citing economic and financial documents.

The Interior Ministry first suspected Russian Space Systems of inappropriately using budget money in July, when it opened a criminal investigation on embezzlement charges.

According to a ministry spokesman, the investigation revealed that Russian Space Systems

transferred payments for ostensibly fulfilled contracts to the bank accounts of two companies controlled by the company, after which the payments were siphoned off via a chain of fly-by-night firms.

Police said in the statement they believe that a total of about 2 million rubles (\$64,000) had been stolen from the Glonass project, roughly 600 million rubles of which was stolen via fly-by-night firms.

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