

Kremlin Chief Says He Knew About Corruption Probe

By [The Moscow Times](#)

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President Vladimir Putin's chief of staff has acknowledged that he was aware of alleged embezzlement of state funds earmarked for Russia's satellite navigation system, a statement seen by some as a sign of an intensifying battle among the Kremlin clans.

Sergei Ivanov said he discussed the probe with police officials but didn't speak publicly about it for several years, to prevent the culprits from covering up their deeds. Ivanov, a KGB veteran like Putin, said years in the spy service taught him to be sly with the enemy.

"I have spent a large part of my life in foreign intelligence," he told Channel One television. "The most horrible thing there is betrayal, and here we had the same thing. I had to be patient and not let my feelings show, because I realized that if I did that it would tip them off and push them to cover up their trail."

Ivanov's comments, broadcast late Sunday, come after a Russian police official said Friday

that the Interior Ministry was investigating the allegations of embezzlement of 6.5 billion rubles (\$205.6 million) earmarked for Russia's Glonass satellite navigation system. As a former Cabinet member, Ivanov previously oversaw the development of the system that competes with the GPS navigation system run by the United States.

The allegations follow a military corruption scandal that led to last week's ouster of Defense Minister Anatoly Serdyukov, and some observers alleged a link between them.

Some commentators saw Ivanov's comments as a clumsy attempt to avoid blame for allowing corruption to flourish at the ambitious project that has seen a series of humiliating failures in recent years, including the loss of three satellites in a failed launch in December 2010.

"It's a specifically Russian way of investigating corruption: After learning that someone intends to steal state funds through shell companies you just hide and wait for two or three years," Anton Nosik, a prominent blogger, wrote in a sardonic post Monday.

Valery Morozov, an anti-corruption activist, said in his blog that the claims of embezzlement appeared to reflect the infighting among the Kremlin clans. Ivanov was widely seen as a driving force behind Serdyukov's ouster, and the other camp seemed to strike back with the claim of corruption in Glonass, Morozov said.

Vladimir Milov, a former deputy energy minister turned opposition leader, said in a commentary posted Monday on Gazeta.ru that Putin seems unable to mediate the escalating conflicts between his lieutenants.

"Simply speaking, Putin has rarely shown up at work and has been reluctant to play the role of an efficient arbiter on domestic conflicts that he did so well at the peak of his popularity," Milov wrote.

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