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Investigators Open New Cases in Defense Ministry Corruption Scandal

By The Moscow Times

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Investigators said Wednesday that they had detained another suspect and are investigating two more incidents as part of a criminal probe into the fraudulent sale of Defense Ministry property that ostensibly led to Anatoly Serdyukov's dismissal as defense minister.

The two additional cases of alleged fraud at Defense Ministry companies bring the estimated loss to the federal treasury to more than $200 million.

Andrei Lugansky, general director of Bezopasnost i Svyaz, a subsidiary of the Slavyanka defense services holding company, was arrested Monday, the Investigative Committee said in a statement Wednesday.

Lugansky, along with Alexander Yelkin, the owner of Bezopasnost i Svyaz, whom authorities arrested more than a week ago, is suspected of hiding and destroying materials that could have been used as evidence of illegal activity and "taking part in activities aimed at putting

pressure on witnesses."

Investigators will ask a court to order that Lugansky be held in pretrial detention.

Investigators also added two new incidents to the probe, increasing the number of criminal cases to seven and the loss of revenue to 6.7 billion rubles ($215.3 million), Alexander Sorochkin, head of the Investigative Committee's military investigative department, said at a news conference, Interfax reported.

Sorochkin refused to elaborate on the new fraud incidents.

In late October, the Investigative Committee's military investigative department opened five cases on charges of fraud and abuse of office following the discovery of a scam involving the fraudulent sale of real estate and shares belonging to Oboronservis, a company that manages state military suppliers.

On Nov. 6, Putin fired Serdyukov as defense minister, citing the need to "create the conditions for an objective investigation" of the Oboronservis case.

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