

St. Pete Authorities Say City Lost \$97M in Pipe Scheme

By [The Moscow Times](#)

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St. Petersburg authorities have dismantled a syndicate that they say cost the city 3 billion rubles (\$97 million) by installing some 600 kilometers of substandard heating and water pipes.

Top officials in the city's energy and engineering committee and a state treasury department, as well as the heads of several private firms including installer Petrokom and supplier Rustrubprom, took part in the scheme to defraud the city budget, the Interior Ministry said Thursday.

More than 200 law enforcement officials participated in exposing the scheme and conducting 30 searches, the ministry said in a statement. From the apartment of the head of the city's energy and engineering committee, police seized 18 million rubles, \$100,000 and 100,000 euros.

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