

Dvorkovich to Meet Rostelecom Board

By [The Moscow Times](#)

December 09, 2012

The  Moscow Times

Deputy Prime Minister Arkady Dvorkovich will meet the board of Rostelecom this week amid reports he may suggest replacing the management of the state-controlled telecoms operator after the house of its CEO was searched in a fraud probe.

Aliya Samigullina, spokeswoman for Dvorkovich, told Reuters on Friday he plans to meet Rostelecom's board to discuss the reorganization of Rostelecom and its state-controlled shareholder Svyazinvest.

A source close to Rostelecom's shareholders said the meeting would take place on Dec. 12, with the company's budget and plans for 2013 known to be on the agenda.

"I admit that (the management reshuffle) may be discussed but I see no legal grounds for it," the source said.

Vedomosti cited two sources as saying Dvorkovich might touch on the idea of replacing the company's management.

The government owns a 53.2 percent stake in former fixed-line monopoly Rostelecom, which was transformed last year into a multi-service provider by merging with Svyazinvest's regional operators.

Russian investigators in November searched the home of Alexander Provotorov, chief executive of Rostelecom, and the home of a minority shareholder, Konstantin Malofeyev in a probe unrelated to Rostelecom.

The investigation is linked to a \$225 million loan by VTB to finance a business deal in 2007 in which, investigators suspect, Malofeyev was involved on both sides of the transaction. It follows a slew of scandals that has soured the mood of investors toward Russia.

Newspapers reported in October that Provotorov, who took the helm at Rostelecom in July 2010, could be replaced by Vadim Semyonov, the head of state telecoms holding company Svyazinvest who studied law with Prime Minister Dmitry Medvedev.

Rostelecom declined comment.

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