

Kremlin Probing State Companies Over Corruption

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President Vladimir Putin has instructed major state companies to unofficially provide tax and financial authorities with information about their deals monthly in an effort to probe corruption.

The Federal Tax Service and Federal Financial Monitoring Service receive the information in order to check whether corporate management is affiliated with any businesses, a government official said on condition of anonymity, Vedomosti reported.

The process was earlier coordinated by Putin's powerful ally Igor Sechin, who monitored the information during his tenure as a deputy prime minister until 2012.

Information on the presumed violations of state companies' executives was used by the Kremlin to launch a campaign against the management of state-owned power companies. The campaign led to the dismissal of several top executives in 2011–2012.

According to an enquiry initiated by Sechin, 169 out of the 352 power company CEOs probed by the authorities were affiliated with other businesses.

In February, RusHydro CEO Yevgeny Dod was publicly grilled by Putin, who questioned him about a company allegedly affiliated with him. The company had purportedly failed to implement a supply contract with RusHydro.

The government has representatives on the boards of state companies, who are obliged to report about the situation at their companies to the state.

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