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Amnesty Plan Could See Thousands Freed

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Thousands of jailed businessmen are expected to be freed this summer as part of the amnesty plan approved by President Vladimir Putin and set for review by the State Duma by mid-July.

The plan, one of business ombudsman Boris Titov's first and most important initiatives, was met with great skepticism when first unveiled, and many are still doubtful that it will be fully implemented.

Titov, a sparkling wine producer and business lobbyist appointed by Putin a year ago to head the newly established business ombudsman agency, said the president's decision to approve the amnesty was a great victory, but the plan could face strong resistance from law enforcement agencies and courts.

"The amnesty plan is just a first step; there will be strong resistance from investigators and courts, and we will need to persuade them [to change their attitude]," Titov said Saturday

at a St. Petersburg Economic Forum session on the results of his agency's work for last year.

The amnesty plan was one of Titov's first initiatives as business ombudsman, but few people believed it would be accomplished, especially after Putin criticized the plan last month and said it should be improved.

According to the new plan approved by Putin, the amnesty will apply to people who were convicted of economic crimes for the first time and who either repaid the damages caused or were ready to do so.

Amnesty will apply not only to those who were convicted but also to people whose cases were investigated and not passed to court.

The new version of the plan contains 30 articles that will be covered by the amnesty, including fraud, embezzlement, illegal banking activity and money laundering.

Twenty articles were deleted from the final version of the plan.

"Some articles could be interpreted in different ways, so the president was worried that counterfeiters, for example, would be covered by the amnesty too," said Alexei Nazarov, one of the plan's authors and deputy president of Delovaya Rossia, a business lobby group.

According to Delovaya Rossia, 9,500 people convicted of economic crimes that would be covered by the amnesty plan are currently in jail.

Nazarov said up to 6,000 people were expected to be released, and of the more than 100,000 people convicted with a punishment other than imprisonment, the majority would also be acquitted.

In order to become law, the amnesty plan must be approved by the State Duma. In his speech on Friday, Putin said the plan should be considered by the lower chamber before the summer break, which starts in mid-July.

Titov said State Duma speaker Sergei Naryshkin told him the amnesty plan was expected by the Duma on Sunday.

But both observers and authors of the plan say it may not be fully implemented, citing opposition from law enforcement agencies.

"It's difficult to persuade law enforcement authorities to acknowledge that an entrepreneur was not guilty. So amnesty is a serious ideological step, as it goes against the opinion of the majority of people. But it will show that a business class is needed in society, and it will demonstrate to law enforcement authorities that we are determined to defend this class," Titov said.

Deputy Interior Minister Igor Zubov, who also took part in Saturday's session, confirmed Titov's fears, saying that plenty had already been done to ensure the rights of business people and calling on the ombudsman to help law enforcement agencies investigate cases against entrepreneurs.

The lawyers of former oil tycoon Mikhail Khodorkovsky and his business partner Platon Lebedev said they did not believe the amnesty would cover their clients.

Khodorkovsky and Lebedev were convicted of fraud and tax evasion and have been in jail since 2003.

Due to the complexity of that case, Titov said, an expert analysis was necessary to decide whether the two could qualify for amnesty.

According to a court decision, the damages caused by Khodorkovsky and Lebedev's crimes amounted to 892 billion rubles ($27 billion), which they did not pay back.

Yevgenia Vasilyeva, former head of the Defense Ministry's property relations department, is currently under house arrest over allegations that state-owned defense firm Oboronservis fraudulently sold real estate assets at a loss of 7.5 billion rubles ($237 million) to the budget. She will not be cleared of the charges.

"Amnesty will not be applied to people who stole money from the state budget," Titov said.

"There is a barrier for those who worked with the state budget, so if Vasilyeva is found to be guilty, she won't be covered by the amnesty."

Opposition leader Alexei Navalny, who has been charged with fraud and embezzlement, will not be cleared either, since he pleaded not guilty to the charges, his lawyer, Vadim Kobzev, told Vedomosti on Friday.

Summing up the results of his work, Titov said another significant achievement was his agency's push to amend legislation to stipulate that fraud cases cannot be opened without a complaint from a wronged party. Investigators often use fraud charges to put pressure on businessmen, he said.

One of the cases against Navalny was opened without a complaint, but the amendment only came into effect on Jan. 1 of this year, when Navalny had already been charged.

As for his plans for next year, Titov said he planned to develop a regional network of business ombudsmen and pay special attention to foreign investors' rights. Currently, more than 50 ombudsmen work in the regions, he said, and a person has already been appointed to manage work with foreign investors.

Once the amnesty plan is accomplished, he said, he intends to shift his agency's focus to attracting foreign investors and making Russia a place where foreign and domestic investors can successfully conduct business.

"We want to make doing business in Russia not only safe, but profitable as well," he said.

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