

# Testimony Given in Otkritie Fraud Case

By [The Moscow Times](#)

July 16, 2013



Urumov arriving at court in London. **Neil Hall**

Trader George Urumov, a Russian national accused by a British-based subsidiary of one of Russia's largest financial groups of fraud totaling \$183 million, denied participating in false trades and paying bribes to colleagues during a hearing in London's High Court.

Urumov was giving evidence for the first time Monday in a civil case brought by Otkritie Securities Limited, part of Russia's Otkritie Financial Corporation, which alleges that he defrauded the company by failing to split an agreed \$25 million "sign-on fee" evenly between himself and four bond traders when they were recruited by the firm in 2010.

The company says Urumov kept \$20.5 million for himself and that he used more than \$12 million to pay bribes to two Otkritie employees who had supported his recruitment.

Dressed in a gray suit, Urumov told the court that he had not paid any bribes and that the \$12 million he paid his colleagues, Ruslan Pinayev and Sergei Kondratyuk, was because he was taking over a large portion of trading that earned the pair substantial profits.

"[Kondratyuk] was unhappy ... I was impeding his ability to earn huge profits for himself. I told them [Kondratyuk and Pinayev] I would potentially compensate them for their loss," Urumov said.

Otkritie also alleges that Urumov worked with Pinayev, Kondratyuk and another colleague, Eugene Jemai, to misprice Argentinian government securities.

The trio paid \$213 million for Argentinian warrants in 2011, saying there was a binding forward trade to sell them to a third party at a higher price, according to court documents. But no forward sale was arranged and Otkritie said it later found out the warrants were worth only \$53 million.

"I was not aware there was fraud," Urumov said. "I thought this was simply a commercial misunderstanding."

Barrister Steven Berry, acting for Otkritie, repeatedly dismissed Urumov's testimony as a "pack of lies" and accused him of inventing untruths on the spot.

The company earlier said none of its clients had suffered any loss in the alleged frauds and it has already recovered \$52 million. The trial is ongoing.

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