

## Watchdog Slams Implementation of Arms Disposal Program

By The Moscow Times

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Russia's arms disposal program has failed to meet any of its declared goals in the past two years, the government's financial controller said.

The statement comes after the Audit Chamber checked the fulfillment of the federal program for the industrial disposal of arms and combat hardware until the year 2020, a project being coordinated by Russia's Defense Ministry.

"The results of implementing the federal program indicate that the disposal of armaments and combat hardware lags considerably behind the program indicators," the Audit Chamber said in a report based on the results of an audit into the program's fulfillment in 2011-12.

The assignments for the disposal of combat materiel were fulfilled by 8.5 percent only in the first two years of the program, including 6.7 percent for munitions, 4.6 percent for rockets and 6 percent for small arms cartridges, the report said.

"Of 599 planes and helicopters slated for disposal in 2011-12, none of them was disposed of," the Audit Chamber said.

The auditors have also found that the Defense Ministry's property management department, Oboronservis, exaggerated prices in state contracts for arms disposal.

"The prices in state contracts with Oboronservis exceed the price parameters of state contracts signed in open tenders by more than 1.5 times," the report said.

According to auditors, the price of the disposal of one 5.45 to 9 mm cartridge was 0.47 rubles under a 2011 state contract with the Urals testing range state enterprise while the disposal price under a contract with Oboronservis was already 0.71 rubles, or 51 percent higher.

"The costs for the disposal of 86,500 cartridges for small arms under a contract with Oboronservis were exceeded by 21.1 million rubles [\$650,000] due to the price difference. The total cost overrun is 30.3 million rubles [\$930,000], considering all munitions items included for disposal," the report said.

The Audit Chamber's findings follow several criminal probes launched by the Investigative Committee into alleged corruption at Oboronservis, a Defense Ministry holding company dealing with the repair and maintenance of ministry installations, equipment and real estate. Several of Oboronservis' top executives have been arrested on charges related to fraudulent property deals.

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