

U.S. Opens Investigation Into Russian Helicopter Deals

By [The Moscow Times](#)

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Afghan defense officials walking to an Mi-17 chopper in Kabul in 2008. **Ahmad Masood**

WASHINGTON — The U.S. Defense Department has opened a criminal investigation into an Army aviation unit that awarded tens of millions of dollars worth of contracts to Russian and U.S. firms for maintenance and overhaul of Russian-made helicopters, according to people familiar with the matter.

The investigation, which has not been made public before, is led by the Defense Criminal Investigative Service. Investigators are examining potentially improper payments by the Army aviation office to contractors as well as possible personal connections between members of the Army unit and the contractors, said the sources, speaking on condition of anonymity.

No charges have been filed.

The maintenance deals are part of a broader Defense Department program that is buying and overhauling Russian-made Mi-17 helicopters for use by Afghanistan. The aircraft are being purchased by the Pentagon from a Russian manufacturer through Russia's powerful state-owned arms dealer, Rosoboronexport, which is not a focus of the criminal probe. The Pentagon has touted the program — budgeted at about \$1.1 billion for acquisition of the latest set of choppers — as the quickest way to beef up the Afghan Air Force's special mission wing before U.S. troops withdraw next year.

In addition to the criminal probe of the maintenance and overhaul contracts, investigators with the office of the Special Inspector General for Afghan Reconstruction (SIGAR) are also said to be looking at the much more lucrative helicopter-acquisition program. The unit cost of the new helicopters has escalated dramatically in recent years, according to watchdog groups and government documents, from about \$10.5 million each in 2009 to \$19 million today.

Phil LaVelle, a spokesman for SIGAR, said the office was "in the preliminary stages" of its probe and was "working with other federal agencies relating to the purchase of Mi-17 helicopters for the Afghan government."

Lawmakers in both houses of Congress have demanded that the Pentagon halt its dealings with Rosoboronexport, in part because the Russian firm supplies weapons to the government of embattled Syrian President Bashar Assad.

Rosoboronexport officials did not respond to requests for comment. In an interview with Interfax on Aug. 23, Rosoboronexport general director Anatoly Isaikin said some Congressional members' opposition to buying Mi-17s through his firm "is a vivid example of lobbying for the national industry's interests," referring to U.S. defense contractors cut out of the lucrative helicopter deals.

In an Aug. 5 letter to General Martin E. Dempsey, chairman of the U.S. Joint Chiefs of Staff, 13 U.S. Senators wrote that they had "deep concern over your support for the ongoing Department of Defense procurement of helicopters from Rosoboronexport," given the "real risk of both Russian corruption in these deals and over reliance on a potentially hostile power."

The criminal probe could deal a further blow to support for the Mi-17 program.

A focus of the current investigation, officials said, concerns ties between the former chief of the Army's Non-Standard Rotary Wing Aircraft office in Huntsville, Alabama, and two Russian-owned subcontractors, Avia Baltika and St. Petersburg Aircraft Repair Co, or SPARC. The firms are independently owned and not controlled by Rosoboronexport.

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