

Former Altai Duma Member Charged with \$13M Insurance Fraud

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A second round of fraud and money laundering charges have been filed against a former regional Duma deputy from the republic of Altai and his son, who were previously convicted for similar violations.

Alexander Kufayev and son Igor Kufayev stand accused of absconding with more than 424 million rubles (\$13.4 million) in funds from the regional and federal budgets in 2008 in the form of agricultural insurance subsidies, a representative from the regional investigation department told Interfax.

Investigators believe the pair created false expenditures by closing more than 1,000 fictitious crop insurance contracts in the name of the Altai branch of the insurance company ArgoStrakhovaniye-Sibir.

This second case was developed on evidence acquired during investigations for the first trial,

which found the Kufayevs and five accomplices guilty of embezzling about 500 million rubles (\$15.8 million) in state funds between Feb. 2011 and Oct. 2011, also in the form of crop insurance subsidies.

Alexander Kufayev was sentenced to 4 years and 3 months in prison, while his son received 6 years and the remaining members of the group received terms ranging from 3 to 4 years.

In August, the appellate court of the republic of Altai reduced the punishments of almost all members in the group and ruled that the former deputy can serve out the rest of his sentence on probation. Igor Kufayev's sentence remains unchanged.

Criminal cases have been opened on charges of fraud and money laundering, offenses which carry penalties of up to 10 and 7 years imprisonment, respectively.

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