

Defense Researchers Arrested for \$16M Embezzlement

By [The Moscow Times](#)

October 29, 2013

The  Moscow Times

Investigators have opened a criminal case against former officials at a Defense Ministry research institute on suspicion of stealing 500 million rubles (\$15.7 million) through falsified government contracts, the Investigative Committee said Tuesday.

Andrei Beltov — former head of the ministry's economics, information science and control systems institute — and his deputy Dmitry Ostrovsky are suspected of having siphoned off the funds over a two-month period in 2013, committee spokesman Vladimir Markin told Interfax.

Investigators said that Beltov and Ostrovsky colluded with members of a criminal group, forging documents while carrying out a state order to develop aircraft communication systems. The illegally obtained money was then transferred to the accounts of affiliated legal entities, some of which were in the United States.

Investigators found documents incriminating Beltov and Ostrovsky and seized more than 20 million rubles during a search, Markin said.

Their arrests have been sanctioned on the investigators' request, the committee said in a statement.

The pair face up to 10 years in prison if convicted of embezzlement.

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