

Tax Fraud Bill Reveals Rift Between Kremlin, Cabinet

By [The Moscow Times](#)

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President Vladimir Putin's proposal to restore investigators' power to open tax cases independently of the tax authorities has met with staunch resistance in the Economic Development Ministry and outright criticism from Prime Minister Dmitry Medvedev that could develop into the first official government condemnation of a bill submitted by the president, Vedomosti reported Tuesday.

The ministry declared a return to the old order to be ill-advised in a letter circulated in the government Monday, government officials and Deputy Economic Development Minister Sergei Belyakov said.

"Anything could be initiated," Medvedev said Tuesday, "especially when ordered and paid for, which, unfortunately, happens quite often when one structure is fighting with another."

Allowing the Interior Ministry to open tax cases carries major risks, including potential abuse

of authority by investigators and a rise in the number of groundless prosecutions, Belyakov said.

The bill could also call into question the consistency of the government's policies, he said, adding that executives from large foreign companies, in a meeting with officials on Oct. 21, complained of mixed signals from the government.

Reforms to the Criminal Code instituted in 2011 gave the Federal Tax Service the exclusive authority to file tax cases, which supporters say has reined back previously rampant corruption among investigators who used the threat of prosecution to pressure and control business.

Government officials met with Putin's economic aide Andrei Belousov on Monday, where it was made clear that the bill could not simply be repealed. There was consensus, however, that a complete return to the previous system would be absurd, a participant said.

Interior Minister Vladimir Kolokoltsev does not oppose modifications to the bill, but it is "crucial for him" that his ministry regain the right to open tax cases, the official said.

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