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INDEPENDENT NEWS FROM RUSSIA

Naval Installation Returned After Fraudulent Sale

By The Moscow Times

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Two moored submarines of the Northern Fleet fly the blue cross of the Andreyevsky flag, the navy's ensign.

A court has ordered the return of a strategically important naval fuel installation to the navy after it was allegedly sold off illegally by a key suspect in a massive property scam, military prosecutors said Friday.

The Northern Fleet's refueling complex in Murmansk, a vital facility that supplied fuel to naval ships, was sold last year after then-Defense Minister Anatoly Serdyukov said it was no longer a core asset for the Russian military.

The complex, including railroad sidings, fuel oil tanks, boiler houses and fuel pumping stations, was sold for almost half its market value of 455 million rubles ($14 million), prosecutors said.

The court ruled that the deal to sell the facility was illegal due to "violations during its signing," prosecutors said.

The deal was supervised by Yevgenia Vasilyeva, formerly head of the Defense Ministry's property management administration, known as Oboronservis. Vasilyeva is the prime suspect in a massive fraud case involving sales of hundreds of millions of dollars' worth of the ministry's real estate assets, prosecutors said.

The oil terminal's buyer, Kommandit Service, claimed the allegations were false and the deal covered only the parts of the terminal that were built by the company in 2005 using its own funds.

Earlier this year, the courts invalidated the sale of land in St. Petersburg, also authorized by then-Defense Minister Serdyukov. Russia's Defense Ministry has been also trying to get back real estate that was sold off in Moscow and the Krasnodar region.

The Oboronservis scandal prompted President Vladimir Putin to fire Serdyukov last November as details began to emerge about the affair.

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