

Russian Diplomats to Face Fraud Charges in U.S.

By [The Moscow Times](#)

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WASHINGTON — Dozens of current or former Russian diplomats and their spouses based in New York have been charged on suspicion of stealing \$1.5 million from a government health care program aimed at helping the poor, U.S. federal prosecutors said.

The 49 defendants are accused of involvement in the "systematic" fraudulent submission of falsified applications for benefits under the U.S. health care program Medicaid.

During the period of the purported fraud scheme from 2004 to August 2013, the defendants falsely underreported their income or fraudulently claimed that their children were U.S. citizens to obtain Medicaid benefits associated with costs for pregnancy, birth and young children, U.S. prosecutors said Thursday.

During the same period the defendants spent "tens of thousands of dollars" on luxury vacations and expensive watches, clothes, shoes and jewelry at luxury retailers like

Swarovski, Prada and Tiffany & Co., the U.S. Attorney's Office for the Southern District of New York said in a statement.

"Diplomacy should be about extending hands, not picking pockets in the host country," U.S. attorney for the Southern District of New York Preet Bharara said in the statement.

Each of the defendants named in the complaint is a current or former diplomat — or the spouse of a diplomat — who allegedly committed the offenses while working in New York City at the Russian Mission to the United Nations, the Russian consulate, or the Russian Trade Representation, Bharara's office said.

The Russian defendants face allegations of obtaining nearly \$500,000 in fraudulent Medicaid claims, part of a total of \$1.5 million in fraudulent claims supposedly made by the defendants and dozens of other accused conspirators not named in the complaint, prosecutors said.

The Russian Embassy in Washington said Thursday that it doubts the accusations are justified.

"We have been informed about these reports. There are serious doubts that they are well-founded. All these reports need to be examined," an embassy spokesman said.

Eleven of the 49 defendants are currently in the United States, five of whom are working at the Russian Mission to the United Nations and five of whom are spouses of the diplomats, Bharara's office said in a statement.

The other defendant currently residing in the U.S. is employed at the Russian Embassy in Washington but was working for the Russian Consulate in New York at the time of the alleged offenses, according to the statement.

The remaining 38 defendants are no longer residing in the United States, prosecutors said Thursday.

Each of the defendants has been charged with one count of conspiracy to commit health care fraud and one count of conspiracy to steal government funds and make false statements relating to health care matters, charges that carry maximum sentences of 10 years and five years in prison, respectively, Bharara's office said.

All of the defendants named in the unsealed complaint have diplomatic immunity, and none have been arrested, Bharara's office said.

Bharara has run afoul of the Russian government in recent years in connection with his role in overseeing the extradition and trials of Konstantin Yaroshenko and Viktor Bout, Russian nationals who committed no crimes in the U.S. but were arrested in third countries and subsequently transferred into U.S. custody.

In April, Bharara was one of 18 U.S. citizens that Moscow barred from entering Russia in response to a U.S. blacklist of the same number of Russian citizens targeted under the Magnitsky Act sanctions enacted by Washington to punish alleged Russian rights abusers.

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