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Billionaire Ex-Senator Pugachyov Scrapped From Wanted List

By The Moscow Times

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The Moscow City Court canceled an arrest warrant for banker and former Senator Sergei Pugachyov on Friday, just days after a lower court had issued the warrant in an attempt to extradite him to Russia.

The Basmanny District Court had ordered Pugachyov arrested in absentia last week, acting on a request by the Investigative Committee. The order would have allowed Russian authorities to ask for an international arrest warrant from Interpol and to seek Pugachyov's extradition, Kommersant reported Thursday.

The Moscow City Court overturned the ruling on a technicality and sent the case back to the lower court for review, Interfax reported.

Defense lawyers had argued to the Moscow City Court that Pugachyov wasn't trying to flee but simply happened to be living outside Russia.

"Pugachyov isn't trying to hide from investigators. He left Russia in 2011 and hasn't come back across the border," his lawyer Alexander Gofshtein said, Interfax reported.

He said investigators had never tried to establish his client's whereabouts. He did not say where Pugachyov is living.

Pugachyov, whose holdings include the insolvent French luxury food chain Hediard, is wanted in Russia in connection with an unrelated bank fraud case.

Pugachyov's bank, Mezhprombank, obtained a bailout of 40 billion rubles, or about $1.2 billion at today's rate, from the Russian Central Bank to buoy it during the 2008-09 global recession and support domestic lending. But the money disappeared in loans to what Central Bank officials believe were front companies, according to Kommersant.

Gofshtein said that the case against Pugachyov concerned entrepreneurial activity — a white-collar crime — and didn't merit taking him into custody.

Investigators believe that after the probe into Mezhprombank was opened, Pugachyov ordered his staff to destroy the bank's electronic database "and other evidence," an unidentified investigator told Interfax.

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