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South Ossetia Cabinet Sacked Over Economic Failure

By The Moscow Times

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The view looking north from Nikosi on the Georgian border toward Tskhinvali, the capital of South Ossetia. **Marco Fieber**

TSKHINVALI — South Ossetia's president has dismissed his cabinet of ministers, holding the top officials responsible for failing to improve the republic's economy over the past 18 months despite substantial financial aid from Russia.

South Ossetia, a Georgian separatist region recognized by Russia as an independent state in 2008 after a brief conflict with Tbilisi, has received up to 37 billion rubles ($1 billion) in Moscow aid packages, but has yet failed to fully recover economically.

President Leonid Tibilov said the cabinet, led by Prime Minister Rostislav Khugayev, had been unable to work together and failed to comply with the president's orders and ensure the timely allocation of funds in line with the republic's investment program.

The cabinet's dissolution comes amid allegations of widespread corruption among former ministers and their deputies who have been placed on an international wanted list.

Numerous financial violations were uncovered last year by the Russian Audit Chamber as the result of checks into the spending of the Moscow-allocated funds, Tibilov said.

"Although [violations] were made in previous years, the republic's current cabinet took no steps to eliminate and prevent the generated causes. These and several other serious problems and failures made me take the decision to dismiss the cabinet," Tibilov told a government meeting.

The president appointed First Deputy Prime Minister Domenti Kulumbegov as acting prime minister. All outgoing ministers will continue performing their duties until a new cabinet is formed.

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