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Pipe Baron Komarov Arrested for Bribery

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ChPTZ Group's Andrei Komarov.

Police and security officers have detained one of the country's wealthiest people, Andrei Komarov, the majority owner of ChelPipe, on suspicion of attempting to bribe a federal auditor.

In addition to Komarov, who is worth $750 million according to Forbes, the agents detained his lawyer Alexander Shibanov. ChelPipe is the country's third-largest maker of steel pipes for oil and gas.

The "culprits" offered $300,000 to the auditor for changing his report of violations at the company, a statement from the Interior Ministry said Thursday. The auditor alerted law enforcement agencies.

Shibanov was detained as he handed over the cash, a separate statement from the Investigative Committee said. Komarov was apprehended later.

An Interior Ministry spokesman said Komarov's detention took place Wednesday, Vedomosti reported.

Investigators said ChelPipe broke the law on military mobilization readiness at its enterprises, gaining 2 billion rubles ($56 million) in additional revenues in 2011 in the process.

The auditor who uncovered the purported wrongdoing works for state-owned company Promresurs.

The Federal Security Service and the Interior Ministry have assigned their officers responsible for economic security to the case, the Investigative Committee said.

ChelPipe board chairman Alexander Fyodorov said Komarov's detention was unrelated to the company's routine business. ChelPipe carried on its work as usual, he said in a statement posted on the company's website.

"The company has fulfilled and will fulfill all its obligations," the statement said.

Alexei Makarkin, an analyst at the Center for Political Technologies consultancy, said the case appeared devoid of any political motives and did not look like it was part of any broader crackdown.

"He is not identified as a super-influential figure in society," Makarkin said of Komarov.

Komarov owns 90 percent of ChelPipe Group, which brings together pipe plants in Chelyabinsk and Pervouralsk. He sits on the company's board.

Komarov's estimated wealth ranked him as 138th richest person in Russia in Forbes magazine's latest ranking.

In the waning days of the Soviet Union, he worked as an aide to the director of Moscow's theater Satirikon. But he quickly found his path in business, becoming deputy director of ChelPipe in 1996.

Komarov served a considerable stint as a member of the Federation Council, the parliament's upper house, from 2005 to 2011.

The company supplies large pipes to Gazprom, Rosneft and Transneft, some of the mainstays of the Russian economy.

ChelPipe previously obtained favors from the government. In 2012, the company received state guarantees to restructure its debt of 86.6 billion rubles ($2.4 billion).

Its annual sales top $2 billion.

Komarov collects Soviet art of the 1930s, and his favorite painter is Kuzma Petrov-Vodkin, according to Forbes.

Komarov came up with the idea to paint all equipment at a new plant gold so it would look like the inside of a giant Swiss watch, Bloomberg reported in July 2010, citing ChelPipe's chief

financial officer Sergei Moiseyev.

That was the sight that then-Prime Minister Vladimir Putin saw when he visited the operation that month.

In May 2011, ChelPipe dropped plans to float its shares in London, saying its likely valuation by investors was below its expectations.

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