

First Prison Sentence Handed Down in Defense Ministry Corruption Scandal

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A Moscow court on Wednesday handed down the first jail sentence linked to rampant corruption at Oboronservis, a company that was responsible for selling off unwanted Defense Ministry property.

Dinara Bilyalova — a former general director of Mira, a company managed by Oboronservis — got four years in prison and a fine of 800,000 rubles (\$22,500), the Investigative Committee said Wednesday.

Investigators said that 123 million rubles was deposited into Mira's account under the guise of agent fees over an 18-month period. The money was later shared among the perpetrators and also used to acquire Defense Ministry property at reduced prices.

Bilyalova was detained in summer 2013 and pleaded guilty to fraud charges during the preliminary investigation.

As part of a plea bargain, Bilyalova gave testimony against Yevgenia Vasilyeva — who was

indicted in October for her alleged role in the fraudulent sale of Defense Ministry properties — as well as a number of lesser suspects.

Investigations into large-scale fraud in the ministry sprang up in 2012, prompting President Vladimir Putin to fire former Defense Minister Anatoly Serdyukov.

Serdyukov was formally charged with negligence in December 2013 after he was accused of using the ministry's troops and funds to develop a resort in the Astrakhan region. Russian media reported last month that he had been pardoned under an amnesty, but no official confirmation was given.

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