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Accused of Shady Accounting, Ekho Moskvy Pleads Patriotism

By The Moscow Times

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Alexei Venediktov

Widely respected liberal radio station Ekho Moskvy will be called to justify its spending after an audit ordered by its majority shareholder Gazprom Media found an "inconsistency" in the station's accounting.

Editor-in-chief and prominent media personality Alexei Venediktov on Tuesday explained the discrepancy as the result of public service announcements the station had run free-of-charge for the police department, who needed to hire local police officers.

"Apparently auditors thought that this had to have been a commercial advertisement, for which we must have received money. We did not receive money and considered this entirely patriotic," Venediktov told RIA Novosti.

Citing Vladimir Shemyakin — first deputy chief of Gazprom Media and owner of a 66 percent

share in Ekho Moskvy and the media arm of state-run energy giant Gazprom — Vedomosti reported Monday that an audit by financial consultancy PricewaterhouseCoopers had revealed an "inconsistency" between the amount of advertising time sold and the station's recorded revenues in 2013.

"We do not know if this inconsistency is slovenliness, embezzlement or a banal exchange, so it is too early to reach conclusions. Nonetheless, we are extremely concerned," Shemyakin told the newspaper.

Venediktov promised that everything will be spelled out for the station's board of directors. "I have already explained all this to [Gazprom Media CEO] Mikhail Lesin," Venediktov said. "If I have to ask the police department to explain it to Mr. Shemyakin, I will."

The audit will be considered at the next meeting of Ekho Moskvy's board of directors, the date of which is yet to be set. Gazprom Media will insist that the reasons for the discrepancy are accounted for and that the station undergoes a business audit, Shemyakin said.

The news raises concerns that Ekho Moskvy could be next in the line of fire amid what many have called a government crackdown on media, which has seen independent television channel Dozhd chased off all major channels and former state news agency RIA Novosti liquidated in favor of a new structure, Rossia Segodnya, with an explicitly propagandistic agenda.

In February, Ekho Moskvy's shareholders nominated a new chief executive for the station on Gazprom Media's request. Their choice, Yekaterina Pavlova, is married to a Kremlin public relations aide and had previously held a post as deputy head of the state-owned Voice of Russia station. Her predecessor, Yury Fedutinov, had been chief of Ekho Moskvy since 1992.

Venediktov said at the time that the decision amounted to pressure on the station's editorial policy. Shemyakin denied the accusations, and has said that the audit is "a completely standard procedure following a change in upper management."

Ekho Moskvy has been majority-owned by Gazprom Media since 2001, although U.S. company EM-Holding, whose members include Fedutinov, Venediktov and the station's journalists, together own the remaining 33-percent stake. While its financial records are not public, Fedutinov and Shemyakin told Vedomosti that the station drew in revenues of about $10 million in 2013.

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