

Ex-Bank of Moscow Head Charged With Stealing \$29 Million

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Ex-Bank of Moscow head Andrei Borodin

Russian investigators have accused the former head of the Bank of Moscow of embezzling 1 billion rubles (\$29 million) from the bank between 2008 and 2010, the Interior Ministry said Thursday in an online statement.

Investigators believe that Andrei Borodin — who was granted asylum in Britain in February 2013 — set up an organized group in 2008 that included, among others, the Bank of Moscow's former first deputy president, Dmitry Akulinin, and deputy president Alexei Cytnikov. The group is suspected of having made fictitious foreign currency transactions over a two-year period while skimming off the difference between exchange rates.

Borodin and his alleged accomplices face up to 10 years in prison if convicted on charges of embezzling large sums of money while acting as part of an organized group.

Borodin, who presided over the bank from 1995 to 2011 and served as a financial adviser to former Moscow Mayor Yury Luzhkov, already faces a fraud charge in Russia. In late 2010, Russian investigators opened a criminal case against both him and Akulinin on suspicion of embezzling 12.7 billion rubles (\$373 million) from Moscow's budget by loaning money to shell companies that then transferred the cash to Luzhkov's billionaire wife, Yelena Baturina, the owner of property development company Inteco.

The Tverskoi District Court in April 2011 removed Borodin from his position at the Bank of Moscow, which was Moscow's investment vehicle under Luzhkov, before arresting him in absentia in May 2011.

But the banker was already gone, having fled Russia two months prior. He was put on an Interpol wanted list later that year.

That same year the Bank of Moscow was sold to VTB, Russian's second-largest banking group. Luzhkov, meanwhile, had been ousted in 2010 by then-President Dmitry Medvedev, who said he had lost confidence in the city chief.

Borodin has said that the bank's sale and the charges against him were politically motivated.

"The Kremlin decided to take control of all assets which in one way or another are connected to the city of Moscow, or to Mr. Luzhkov," Borodin told The Telegraph last year.

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