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California Homes, Camp Artek, Mosinzhstroi – Real Estate in Brief

By The Moscow Times

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Senator Suspects Lesin's California Homes

A U.S. senator has called for an investigation into the money behind Gazprom Media head Mikhail Lesin's alleged purchases of real estate worth more than $28 million in Los Angeles, California.

According to Senator Roger Wicker of Mississippi, Lesin, who was a media executive before serving as Russia's communications and mass media minister from 1999 to 2004, also owns "multimillion dollar assets in Europe," including an estate reportedly purchased while he was still in public office.

"That a Russian public servant could have massed the considerable funds required to acquire and maintain these assets in Europe and the U.S. raises serious questions," Wicker wrote in a letter to U.S. Attorney General Eric Holder.

Citing documents provided by Wicker's office, Radio Free Europe/Radio Liberty, or RFE/RL, reported that the California properties in question include a 1,200-square-meter home in Beverly Hills purchased for $13.8 million in 2011; a 985-square-meter house in Brentwood, purchased for $9 million in 2012; and a 630-square-meter property bought for $5.6 million, all of which were purchased by companies with ties to Lesin's children.

Wicker also called for an inquiry into whether "similarly situated Russian individuals and companies [have] assets in the U.S. in violation of FCPA [the Foreign Corrupt Practices Act] and AML [Anti-Money Laundering]."

A Justice Department spokesman told RFE/RL that the letter had been received and is now under review. *(MT)*

State Invests $587 Million in Camp Artek

The Russian government intends to invest 21 billion rubles ($587 million) in reconstruction and development of the Artek children's camp on the recently annexed Crimean peninsula, Deputy Prime Minister Olga Golodets said, RIA Novosti reported Monday.

"The development program for Artek has already been approved ... the government has allocated a lot of money for putting the camp to rights," Golodets said during a visit to another Crimean children's camp.

Founded in 1925, Artek was one of the largest children's camps of the former Soviet Union. Located on the Black Sea coast about 12 kilometers from resort center Yalta, the camp contains 36 dormitories, five museums, five swimming pools, a 7,000-seat stadium and a yacht club.

The camp hosted a record 35,000 children in 2010, according to its website. *(MT)*

Mosinzhstroi Declared Bankrupt

Engineering and construction giant Mosinzhstroi, formerly a go-to contractor for the Moscow city government, has been declared bankrupt, Vedomosti reported Monday, citing a copy of the Moscow arbitration court's decision.

Mosinzhstroi announced in April that its shareholders had begun the liquidation process on account of the company's "difficult financial position." At that time, its debts were estimated at more than 7.5 billion rubles ($210 million), Vedomosti reported.

According to SPARK-Interfax, a company database, Mosinzhstroi's order portfolio between 2011 and 2013 amounted to about 13.1 billion rubles ($366 million) — less than the 14.4 billion rubles ($402 million) of claims that were filed against it during that time.

To pay off its creditors, the company could give up two of its downtown Moscow assets — its business center, Bronnaya Plaza, and an office building on Malaya Bronnaya Ulitsa, a spokesman said previously. Real-estate consultancy Jones Lang LaSalle told Vedomosti that the business center could sell for between $22.6 million and $36.5 million, while the building on Malaya Bronnaya will bring in from $4.8 million to $7.2 million. *(MT)*

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