

Russian Prosecutors Open Investigation Into McDonald's Charity

By The Moscow Times

October 08, 2014



Ronald McDonald House Charities in Essen, Germany.

Following a wave of forced closures of McDonald's restaurants across Russia, state prosecutors have opened an investigation into the U.S. fast-food giant's charity arm, Ronald McDonald House Charities (RMHC), newspaper Izvestia reported Wednesday.

Prosecutors suspect that McDonald's is using RMHC to manipulate its accounts or launder money, the paper said, citing a letter from Moscow deputy prosecutor Yury Katasonov to Russia's lower house of parliament, the State Duma.

The move comes on top of an ongoing crackdown on McDonald's in Russia seen by many as retaliation for Western sanctions over Russia's actions in Ukraine. Twelve McDonald's branches, including three huge Moscow restaurants, have been closed by sanitary inspectors since Russia's consumer protection watchdog began a nationwide wave of spot checks in August. The probe was opened after a request from Duma deputy Andrei Krutov, who told Izvestia: "It is clear to the naked eye that the amount of funds collected [by RMHC] does not match its declared expenses."

Krutov said the charity had more than doubled its assets over the past year but reduced its tax contributions.

RMHC's head in Russia, Svetlana Polyakova, on Wednesday told news agency Interfax that the fund had handed over documents to prosectors earlier this month, but denied any wrongdoing.

The sudden regulatory zeal faced by McDonald's is backed by a patriotic wave of anti-U.S. sentiment that followed Russia's seizure of Crimea from Ukraine in March.

Firebrand politician Vladimir Zhirinovsky in August urged Russians to rip down a "disgusting" McDonald's sign in Moscow. Earlier this year, he said it was time to kick McDonald's out of Russia, "and then proceed to Pepsi."

Ronald McDonald House Charities was started 40 years ago to help children with medical issues. It has been operating in Russia since 1995 and has helped thousands of Russian children and families, Polyakova said.

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