The Moscow Times
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St. Petersburg Metro Boss Suspected of Embezzlement

February 18, 2015



Vladimir Garyugin

Investigators have opened a criminal case against the head of the St. Petersburg metro in connection with a multimillion-dollar embezzlement case.

Vladimir Garyugin faces charges of abuse of power for a scheme that investigators say cost the city's budget at least 466 million rubles ($7.4 million), according to an online statement by the Investigative Committee.

The statement said Garyugin and accomplices "used their powers against the legal interests of the organization [the metro] and with the aim of deriving benefits and advantages for other individuals upon signing an investment agreement on the construction of the lobby vestibule for the Admiralteiskaya metro station."

The case against Garyugin stems from financial violations uncovered in November by St. Petersburg's Audit Chamber.

At that time, the Audit Chamber revealed massive financial discrepancies in the activities of the committee responsible for developing public transportation in the city, with more than 9 billion rubles having disappeared from 2011 to 2013, news agency Interfax reported.

The Audit Chamber said investors in five different projects to construct above-ground vestibules for the metro got much more than they bargained for, having significantly underpaid the state budget for the projects but received more land area than was agreed upon, Interfax reported.

On Tuesday, a series of raids were conducted on employees of the metro in connection with the case against Garyugin, with "large sums of money in rubles and foreign currencies" confiscated, according to the investigators' statement.

The press service of the St. Petersburg metro on Wednesday said employees had cooperated with investigators. "But we have our own arguments about the situation, and we will defend our interests in court," a spokesperson told Interfax.

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