

Feeding Trough Frenzy to Blame for Russian Governor's Arrest, Analysts Say

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Alexander Khoroshavin

The shock overnight detention of Sakhalin region Governor Alexander Khoroshavin is a sign that elite groups around President Vladimir Putin have intensified their fight for influence in Russia's resource-rich regions, analysts told The Moscow Times on Wednesday.

Khoroshavin, 55, was the first governor in almost nine years to be detained while in office. His official residence, dacha and Moscow apartment were all searched before he was flown to the capital on Wednesday, where the Investigative Committee has opened a criminal case into large-scale bribe-taking.

The Federal Security Service has conducted a total of 10 searches in Sakhalin and five in Moscow, discovering large sums of money “in rubles and foreign currency” as well as jewelry, expensive watches and phones at Khoroshavin's residence, the Investigative Committee

statement said. Under Russian law, the governor faces up to 15 years in prison if charged and convicted.

Khoroshavin has been governor of the Sakhalin region in Russia's Far East since 2007, when he was nominated by Putin and approved by local deputies.

Due to its lucrative oil and gas projects, the Sakhalin region has become one of the richest in Russia in the last decade. Prior to his appointment as regional governor, Khoroshavin was mayor of the small town of Okha, where Russia's biggest oil company — state-owned giant Rosneft — has its main outpost in the Sakhalin region, and he was a point man of the company's head, Igor Sechin, pundits said.

Sechin is widely considered to be one of Putin's closest allies, having worked with him since the 1990s. He is one of the most influential figures in Russia's oil and gas industry.

While connections with Moscow and the inflow of oil money allowed Khoroshavin to maintain a stable position in the region, it now seems that other groups within the elite in Moscow have made a grab for a slice of the pie, analysts said.

Experts spoken to by The Moscow Times declined to speculate as to who or which factions in particular could be behind the detention.

“The main reason for this is the fight for resources: Huge sums are getting paid by oil companies in Sakhalin under production sharing agreements [in which the state grants investors the exclusive right to develop an oil and gas field]. It is emblematic that the annual payments were due to be made in April,” Rostislav Turovsky, a political scientist with the Center for Political Technologies think tank, told The Moscow Times in a phone interview.

Exxon Neftegaz Limited — a subsidiary of U.S. ExxonMobil — has paid more than \$1.7 billion in taxes to the regional budget since it launched its Sakhalin-1 oil production consortium in 2005, according to the company's website. The 2015 regional budget was forecast to receive a total of 122 billion rubles (\$1.95 billion) in revenue.

War Against Corruption

The Russian government has portrayed the detention as a demonstration that it has gotten serious about fighting corruption in the country.

“The very fact that a criminal case has been opened against government officials at such a senior level confirms the government's determination to fight corruption,” the Investigative Committee's statement said.

“Therefore, it would not be out of place to remind government servants at all levels who 'confuse their own wallet with that of the state': Stop before it is too late!” it said.

Valentina Matviyenko, speaker of the Federation Council — the upper house of the Russian parliament — told journalists Wednesday that Khoroshavin's detention is “a bold confirmation that the government is seriously determined to fight corruption.”

Putin himself spoke of a “trend of decreasing corruption” at a meeting with Interior Ministry

officials Wednesday.

Putin's spokesman Dmitry Peskov told Interfax that the president, who will decide Khoroshavin's professional fate, has been “duly briefed” about the detention.

Pressure From the People

Khoroshavin has also recently come under fire from the All-Russia People's Front (ONF), a coalition of pro-Kremlin groups that is associated with Vyacheslav Volodin, first deputy head of the presidential administration, analysts said.

The ONF published a statement last September saying that Khoroshavin had spent more than 850 million rubles (\$13.7 million) on refurbishing the government's offices in Yuzhno-Sakhalinsk, the regional capital. According to the online statement, 200,000 rubles (\$3,200) was spent on a remote-controlled “intelligent toilet bowl” complete with a “hydromassage” function and a hair dryer.

But the main reason behind Wednesday's arrest was the fight for Sakhalin's lucrative resources, analysts said.

“What we are seeing is the struggle between various groups in the Kremlin at a time when the pie is shrinking,” Alexei Titkov, a political analyst at the Higher School of Economics, told The Moscow Times.

“The public complaints about him came from the All-Russia People's Front, which means Volodin. At the same time, the manner of his detention means that somebody from the law enforcement agencies was involved too,” he said.

According to Mikhail Vinogradov, an analyst who tracks regional politics with the Peterburgskaya Politika think tank, similar fights are currently ongoing in other Russian resource-rich regions, including the Khanty-Mansiisk, Yamal-Nenets and Nenets autonomous districts.

In February 2014 — less than two years after then-President Dmitry Medvedev reintroduced direct gubernatorial elections — Putin signed a law allowing the president to nominate candidates for the post of governor in Russia's four autonomous districts with the subsequent approval of the local legislature. The Chukotka region, also located in the Far East, likewise constitutes an autonomous district.

“These are attractive regions, so the fight for them is ongoing,” Vinogradov said.

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