

Former Kremlin Insider Says Suing Russia for \$15 Billion

By [The Moscow Times](#)

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Sergei Pugachyov

Former billionaire Sergei Pugachyov, once dubbed the Kremlin's banker, is suing Russia for \$15 billion over what he describes as the state's illegal appropriation of his assets, Pugachyov told television station Dozhd.

Pugachyov did not say what stage the legal case was in, but said that he wrote President Vladimir Putin a year ago announcing his intention to seek damages from the Russian government.

"This is happening already. It's already in the process of international arbitration," Pugachyov told Dozhd on Wednesday.

Once a senator in Russia's upper house of parliament, Pugachyov fled Russia for London in 2011 after a criminal investigation was opened in 2010 over the collapse of Russian bank

Mezhprombank, which he co-owned. Investigators alleged that Pugachyov created a \$2 billion shortfall by siphoning off bailout money that the state gave the bank in the aftermath of the global financial crisis of 2008-09.

Pugachyov, meanwhile, says the shortfall was caused by the expropriation of his businesses, including the forced fire sale of shipyards worth billions of dollars to the massive state-owned United Shipbuilding Corporation.

Where the former billionaire has found the money to pay for this court process, however, is unclear. In a March interview with the Financial Times, Pugachyov said he no longer had enough money to pay his lawyers and would be representing himself in the ongoing case over the breakdown of Mezhprombank.

Pugachyov is not the first businessman to seek billions in compensation from the Russian state in recent years. The shareholders of defunct oil firm Yukos, which was dismantled in the mid-2000s and the majority of its assets absorbed by state oil firm Rosneft, last year won a \$50 billion settlement against Russia at a court in the Hague. Russia has yet to honor the ruling.

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