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U.S. Asks Europe To Seize $1 Billion in Russian Telecoms Bribery Case

By Matthew Bodner

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Bloomberg reported last month that the U.S. believed these companies funneled money to a Gibraltar-based firm.

The U.S. Justice Department has requested that European authorities in several countries seize approximately $1 billion in assets linked to the daughter of Uzbek President Islam Karimov, as part of an ongoing international corruption probe into a series of telecoms deals, The Wall Street Journal reported Thursday.

Last year, the U.S. Justice Department joined European authorities in investigating two major Russian telecom companies — VimpelCom and MTS — as well as Sweden's TeliaSonera for paying hundreds of millions of dollars to Gulnara Karimova in exchange for access to cellular frequencies in Uzbekistan.

VimpelCom on Friday denied any wrongdoing, stressing that it is cooperating with the international investigation.

“VimpelCom is not a defendant in this case, and [the investigation] does not apply to assets currently owned by VimpelCom,” said company spokesperson Artyom Minayev, news agency RIA Novosti reported.

Bloomberg reported last month that the U.S. believed these companies funneled money to a Gibraltar-based firm, Takilant, which is believed to have connections to Karimova, according to a 2014 Financial Times report.

Takilant held a minority stake in VimpelCom's Uzbek subsidiary from 2007 to 2009, Bloomberg reported last year. In March 2014, VimpelCom claimed its Amsterdam headquarters had been raided by Dutch prosecutors in connection with the international investigation.

In June, the Justice Department filed a court complaint in New York claiming that MTS and VimpelCom had passed $300 million to shell companies connected to an unidentified Uzbek government official in exchange for access to the Uzbek telecoms market, Bloomberg reported, citing the court document.

“It is not completely clear what forms the basis of the U.S. Justice Department claims, but if all the payments were made in U.S. dollars, this might be why the Justice Department has established its jurisdiction in this case,” Alexander Nadmitov, an expert in asset seizures at the Moscow-based law firm Nadmitov, Ivanov and Partners, told The Moscow Times on Friday.

No companies or officials have been implicated in the investigations, The Wall Street Journal reported. The Russian government is unlikely to take any measures in response, said Alexei Kravtsov, chairman of the Moscow Arbitration Court.

Russian telecom firms VimpelCom and MTS are registered in Amsterdam, listed in the U.S., and subject to the laws of both countries.

“If any company is positioning itself as Russian and seeks protection from Russia, it is advisable to register and pay taxes in Russia,” Kravtsov said.

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