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Muscovites Overcharged for Electricity in Energy Scam

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Three former bosses at Moscow's defunct Regional Energy Commission (REC) have been arrested for running an electricity scam that cost Moscow residents millions of dollars, the Kommersant newspaper reported Tuesday.

Former REC head Pavel Grebtsov and his deputy Sergei Sasim are accused of abuse of office which allegedly resulted in almost the entire city and region of Moscow being overcharged for electricity.

Russia's Investigative Committee say that the pair "groundlessly submitted claims to the REC from the United Moscow Electricity Company (MOESK) for gross revenues," which resulted in higher housing and utility bills for Moscow residents.

The cost to billpayers from the falsified claims is currently estimated at 130 million rubles ($2 million), though this figure could increase dramatically as the investigation goes on,

Kommersant reported.

A third man, former first vice chairman of the REC, Mikhail Yakovlev, was also arrested. He is accused of employing his own third party companies at inflated prices to calculate energy tariffs, according to Kommersant.

MOESK have yet to comment on the case, except to say that they are providing materials requested by the investigators.

Moscow Mayor Sergei Sobyanin liquidated the REC earlier this year, handing its responsibilities to the city's department for economic policy and city development.

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