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Russian Steel Magnate Detained in Cyprus on Fraud Charge

December 15, 2016



Dmitry Gerasimenko **gubernator74.ru**

The owner of Volgograd Steel Works Red October Dmitry Gerasimenko has been detained in Cyprus on charges of fraud, the Kommersant newspaper reported Thursday.

Russia's Interior Ministry suspects Gerasimenko's involvement in the theft of a $65 million loan from VTB Bank.

In November Gerasimenko, a resident of Western Europe, travelled to Cyprus where he was detained on arrival. He was released on bail a short time later.

Gerasimenko's alleged accomplice Sergei Zatsepin remains in custody in Russia. His lawyers deny the charges against him and have accused Russian authorities of deliberately delaying the investigation.

Gerasimenko was added to an Interpol wanted list after a Moscow court accused him in absentia of "organizing embezzlement on a large scale."

According to the investigation a $65 million loan given to the Red October Steel Works was stolen between 2007-09 via transfers into the accounts of other legal entities.

Red October's equipment was auctioned after the company the went bankrupt in 2012. The profits were used to establish a new company, also called Volgograd Steel Works Red October.

Dmitry Gerasimenko has pleaded his innocence saying he joined the company in 2011, after the money is believed to have been stolen.

Russian authorities recently changed the charge to fraud, claiming the case is no longer related to the stolen money, but rather the company's property, which they say is equal in value to the loan.

Gerasimenko told Kommersant that he travelled to Cyprus resolve the situation, adding that, even though Cyprus has previously extradited Russian citizens, he is optimistic about the outcome of the case.

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