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Russian Regulators Find Illegal Cartel Where Navalny Says He Unmasked 'Putin's Favorite Chef'

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Russia's Federal Antimonopoly Service announced on Monday that it's uncovered a price-fixing cartel in the Defense Ministry's procurement contracts, and the companies involved are the same ones opposition leader Alexei Navalny says belong to Yevgeny Prigozhin, the billionaire known as "Vladimir Putin's favorite chef." Antitrust officials say the cartel coordinated procurement bids to inflate prices on contracts.

The agency's announcement doesn't mention Prigozhin, however, and it limits the cartel's actions to deals worth 2 billion rubles, not the 23 billion rubles in contracts Navalny's group says went to Prigozhin's companies.

The St. Petersburg news site Fontanka was the first to report Prigozhin's possible ties to defense contracts worth billions. In January 2016, the website published a story about five

unknown companies founded by retired police officers and supposedly controlled by Prigozhin. The year before, these businesses won no-bid defense deals worth almost 30 billion rubles ($530.2 million).

Related article: Navalny Unmasks a Cartel Allegedly Earning Billions in Russian Defense Deals

According to Navalny, Prigozhin operates several similar schemes that have won a total of 180 billion rubles ($3.2 billion) in Russian defense contracts, including multiple no-bid procurement deals.

Writing on Facebook, Lyubov Sobol, a lawyer for Navalny's Anti-Corruption Foundation, said she can't explain why the Federal Antimonopoly Service identified only some of the companies in what she says is Prigozhin's cartel. She also lamented that officials chose to ignore evidence that Prigozhin uses a firm called "Concord Management and Consulting" to run the cartel.

The Anti-Corruption Foundation says it will file a police report against those responsible for the cartel, following the Antimonopoly Service's full report, which is expected in a few weeks. If convicted, executives at these companies could face up to six years in prison.

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