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Russian Regulator Uncovers $20B in Space, Defense Industry Spending Violations

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Spending violations uncovered by a state auditor have reportedly doubled in Russia in the past year, with the defense and space industries accounting for the majority of misspent funds.

The Russian space agency has been the Audit Chamber's top target for financial violations in annual reports, including the Roscosmos federal space agency and a new spaceport in Russia's Far East.

Related article: Audit Reveals $1.8 Billion Financial Violations at Russia's Space Agency

Russia's Audit Chamber found 1.87 trillion rubles ($20 billion) in spending violations in 2017, up from 965.8 billion rubles in 2016, the RBC business portal reported Wednesday.

Budget funds were reportedly misspent the most in the space and defense industries, at 785.5 billion rubles and 544.5 billion rubles respectively.

The Audit Chamber also reportedly found 84.7 billion of misspent budgetary funds in the healthcare sector, followed by 51 billion rubles in education and 23.8 billion rubles in transportation.

In nominal terms, the violations nearly doubled from 3,800 in 2016 to 6,500 last year.

The spike may have been caused by higher-quality auditing and economic and geopolitical "uncertainty," RBC cited Natalya Akindinova, a director at the Higher School of Economics Center for Development, as saying.

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