

Russia's Deputy Prime Minister Rips New Space Center

By [Jake Rudnitsky for Bloomberg](#)

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A series of corruption scandals, cost overruns and mishaps at Russia's new Vostochny Cosmodrome have brought long-simmering questions about the leadership of the country's space agency into public view.

"The situation is unacceptable for everyone, including the construction of the first stage and the second stage" of the space center, Deputy Prime Minister Yury Borisov told Vedomosti newspaper in an interview published Monday, adding that the Defense Ministry may take over part of the work.

Borisov, formerly a powerful and secretive official responsible for procurement at the Defense Ministry, became deputy prime minister last year in place of Dmitry Rogozin, who was appointed to head Roscosmos by President Vladimir Putin. While Russia views the cosmodrome as a national security priority, with its current Soviet-era launch base located at

Baikonur in neighboring Kazakhstan, the \$3 billion project has been plagued by controversy.

Rogozin, who's frequently highlighted the threat posed by Elon Musk's SpaceX venture to Russia's launch industry, quickly took to Twitter to defend himself. "It's always been this way: some build, while others criticize," Rogozin wrote. "It's part of the business."

Related article: [Russian Rocket Launched Carrying Space Observatory](#)

Splits within the Kremlin elite have become more visible since Putin's re-election last year to what may be his final presidential term under Russia's constitution, amid jostling by rival factions. Last month, for example, Rostec State Corp. chief Sergey Chemezov, a longtime Putin ally and fellow spy, contradicted the official line that recent Moscow election protests should be put down [forcefully](#), warning instead that the country risked stagnation without a healthy opposition.

Putin ordered Russia's Investigative Committee to examine construction at Vostochny during a visit to the space center after a planned first rocket launch was delayed in 2015. Months earlier, workers who hadn't been paid for months went on hunger strike and appealed to Putin for help by painting a message on the roof of their barracks.

The Prosecutor General's Office has opened a series of criminal cases after uncovering 10 billion rubles (\$150 million) in losses during construction at Vostochny. In one sparkling example of corruption, a contractor accused of stealing 4 million rubles was detained in Minsk, Belarus, while driving a [Mercedes](#) covered in Swarovski crystals.

While the space center went into operation in 2016, officials uncovered a critical defect on one of Vostochny's launchpads as recently as last November, RBK news website [reported](#). In 2017, a satellite launch failed after the rocket was programmed with coordinates for takeoff from another launchpad.

Alexei Kudrin, the head of Russia's Audit Chamber, told lawmakers last year that he had found 760 billion rubles (\$11.4 billion) of financial violations in Roscosmos's books, including several billion that had been "basically stolen," describing the space agency as "the champion in terms of the scale of such violations." Roscosmos said the criticism related to a 2017 audit, before Rogozin's appointment.

Rogozin, who was responsible as deputy premier for the space industry, threatened in 2015 to "rip off the heads" of construction staff involved in corruption after Vostochny risked having its electricity cut off over unpaid bills, according to the Interfax news service.

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