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Moscow Threatens Western Companies With Arrests, Seizures: Report

By AFP

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The Russian embassy in the United States on Sunday dismissed the report as "fake." **Sophia Sandurskaya / Moskva News Agency**

Russian authorities, facing potential economic calamity as Western sanctions take hold, have threatened foreign companies hoping to withdraw from the country with arrests and asset seizures, the Wall Street Journal reported Sunday.

Russian prosecutors have issued warnings to several foreign entities — via calls, letters and in-person visits — including to Coca-Cola, McDonald's, Procter & Gamble, IBM and Yum Brands, the parent company of KFC and Pizza Hut, according to the business daily, citing sources familiar with the matter.

They have threatened to arrest officials who have criticized the government or to seize assets, including intellectual property.

"The warnings have prompted at least one of the targeted companies to limit communications between its Russian business and the rest of the company, out of concern that emails or text messages among colleagues may be intercepted, some of the people [familiar with the matter] said," according to the Wall Street Journal.

The Russian embassy in the United States on Sunday dismissed the report as "fake."

"We urge local media to abandon the vicious practice of spreading fake news. The Wall Street Journal opus is pure fiction," it said on Facebook.

It added that the decision to continue business activities in Russia "is entirely up to the Americans."

Russia has faced unprecedented sanctions imposed by Western governments after the invasion of Ukraine, with a growing list of companies announcing their withdrawals from the country or their plans to suspend activities there.

Russian authorities have boosted efforts to prevent money from leaving its borders and to support the ruble, which has already seen a precipitous drop in value against the dollar.

Without using the word "nationalization," Russian President Vladimir Putin has said he is in favor of appointing "external" administrators to head such foreign companies in Russia "in order to transfer them to those who want to make them work."

The prosecutor's office on Friday meanwhile ordered "strict control" of companies that had announced a suspension of their activities in Russia, warning especially of increased monitoring of labor legislation compliance, under penalty of prosecution.

Coca-Cola, McDonald's, Procter & Gamble and Yum Brands did not respond to requests for comments by AFP Sunday.

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