

Cleaning Supplies Company CEO Accused of Defrauding Russian Military

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Alexander Avilov / Moskva News Agency

Russian law enforcement authorities [said](#) Thursday that they arrested the head of a cleaning supplies company on suspicion of defrauding the Russian Defense Ministry through government contracts.

Federal investigators accused Lenbytkhim CEO Denis Mikhailov of misappropriating over 20 million rubles (\$218,600) from a contract with Voentorg, the military's clothing and food supplier, which was valued at 115 million rubles (\$1.2 million).

"Mikhailov deliberately inflated prices for raw materials," Russia's Investigative Committee, which probes major crimes, said in a statement.

Mikhailov was arrested in St. Petersburg and charged with large-scale fraud, a crime that carries a maximum punishment of 10 years in prison.

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Last month, Voentorg CEO Vladimir Pavlov was [arrested](#) on similar charges of defrauding the government by supplying overpriced toiletry kits to the military.

Investigators said they are looking into potential involvement by Voentorg and the Russian Defense Ministry's resources department in the case against Lenbytkhim.

Authorities are also probing the legality of Mikhailov and his family's properties and vehicles in St. Petersburg and Turkey, valued at over 100 million rubles (\$1.1 million).

Voentorg's parent company was sanctioned by the EU in June 2022 following Russia's full-scale invasion of Ukraine.

Since late April, a number of senior military officials have been arrested on various corruption charges, part of an apparent purge within the military that also saw the dismissal of Sergei Shoigu as Russia's defense minister.

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