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Moscow Court Jails Exiled 'Putin Banker' Sergei Pugachev 14 Years in Absentia

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A Moscow court sentenced exiled businessman Sergei Pugachev to 14 years in prison in absentia on charges of embezzlement and misappropriation on Tuesday, more than a decade after his bank collapsed and he fled the country.

Pugachev, once a powerful senator and founder of Mezhprombank, was known in the 2000s as "Putin's banker" due to his close ties to the Kremlin.

Mezhprombank, established in 1992, became one of Russia's largest before defaulting on 200 million euros in eurobond payments in 2010. A Russian court declared it bankrupt the same year.

Authorities accused Pugachev of misappropriating more than $700 million in bailout funds provided by the Russian Central Bank. On Tuesday, the Tverskoy District Court found him guilty and issued a 14-year prison sentence to be enforced upon his extradition.

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The court estimated damages to the bank at 92 billion rubles ($1.1 billion) but fined Pugachev just 800,000 rubles, according to the business newspaper Kommersant.

Pugachev's lawyer said the exiled businessman had sought to have the case transferred to France, where he has lived since 2011.

A French citizen since 2009, Pugachev left Russia after a falling-out with members of President Vladimir Putin's inner circle in the aftermath of the 2008 financial crisis.

Since his departure, Pugachev has accused the Kremlin of seizing his assets without compensation and dismantling his multibillion-dollar business empire.

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