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Security Forces Raid Russia's Third-Largest Gold Producer Over Environmental, Safety Violations

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Russian security services raided the offices and facilities of Yuzhnouralzoloto (South Ural Gold), the country's third-largest gold producer, as part of an ongoing investigation into environmental violations and workplace safety breaches, the state-run TASS news agency reported Wednesday.

According to TASS, Federal Security Service (FSB) officers searched the company's headquarters in the Chelyabinsk region as well as its central mine and affiliated organizations.

Agents "identified violations of environmental protection regulations and industrial safety standards," an FSB representative told TASS.

Investigators also "discovered the operation of industrial facilities in the Plastovsky and

Yetkulsky districts that caused pollution in protected water zones" and a "deterioration of environmental conditions."

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Yuzhnouralzoloto, which operates across the Chelyabinsk and Krasnoyarsk regions as well as the republic of Khakassia, previously contested a fine from the Federal Service for Environmental Supervision (Rostechnadzor) related to safety violations, the FSB source told TASS.

In 2024, the company produced 10.6 tons of gold and reported revenue of 25 billion rubles ($320 million), but also posted a net loss of 7.2 billion rubles ($90 million).

A source cited by the RBC news website said FSB agents also searched the office of Konstantin Strukov, the company's billionaire owner and president.

Yuzhnouralzoloto has not publicly commented on the raids.

A law enforcement source told the Kommersant business daily that Yuzhnouralzoloto has been linked to six fatal workplace incidents in recent years, which the source said suggests "a negligent approach" to industrial safety.

One of the company's most serious environmental disasters occurred in April 2024, when a dam at a technical reservoir at the Svetlinsky deposit collapsed.

The incident released industrial waste containing arsenic into the Baturovka and Sanarka rivers, contaminating roughly 3.5 million square feet of agricultural land.

The Chelyabinsk regional prosecutor's office estimated the damage at 3 billion rubles ($38 million) and filed a lawsuit against the company to recover the cost.

Regulators later determined that the dam had been built in violation of safety codes and was operating without necessary permits.

In addition to the FSB investigation, the Plastovsky city court is reviewing seven lawsuits filed by the environmental prosecutor's office against the company. Two have been partially resolved, with the company paying 113 million rubles ($1.5 million) in damages. The total compensation sought across all cases exceeds 654 million rubles ($8 million).

Rostechnadzor suspended operations at the company's four key mines for three months last year due to "systemic industrial safety violations."

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