
In Vladimir Region, local businessmen found guilty of economic crimes committed while executing government contracts



A court has recognized the evidence collected by the Vladimir Region Office of the Investigative Committee sufficient to convict businesspersons Pavel Gavrillov and Larisa Demidova. They were found guilty on 9 counts of crimes under Part 4 of Article 159, Part 3 of Article 30, Part 4 of Article 159 (fraud and plotting a fraud on a very large scale) and Part 4 of Article 171.1 (money laundering) of the RF Penal Code.

The court and investigators have established that in May 2013, Gavrillov being the actual director of three limited liability companies registered in the towns of Kovrov and Nizhny Novgorod devised a criminal plan how to steal budget funds from the Defense Ministry to implement which he employed an acquaintance of his Larisa Demidova appointing her a nominal director of the firms under his control. Having some experience in electronic bidding for government contracts and being acquainted with some persons involved in cashing funds he calculate the scheme precisely.

He picked electronic notices of the Defense Ministry on government contracts planned to be

concluded on conditions of maximum advance payment. His main aim was to get budget money without actually caring about executing any of the contracts.

After they got advanced payments the accomplices created an artificial circulation of documents, concluded fictitious contracts on supplies and transferred federal budget funds to bank accounts of 5 affiliated enterprises and phony firms to make it look like they were executing the contracts. By means of forged documents and financial transactions the dishonest businessmen then cashed and laundered the money.

In 2013, the accomplices managed to conclude 9 government contracts on the supply of household goods, special equipment and tools for the Defense Ministry by offering economically ill-grounded low price and which were prepaid for in the amount of 357 million rubles.

Gavrilov and Demidova did not execute any of the contracts, but took the advanced payments. The Defense Ministry terminated the contracts with the businesspeople in court.

The criminal activity of Gavrilov and Demidova was broken up in 2014 by the regional office of the Federal Security Service. The accused pleaded not guilty.

The investigators did a lot of work to document the evidence, questioned more than 200 witnesses, ran over 20 complex forensic inquiries, including accounting, chemical, technical ones in order to check the authenticity of the documents and examined more than 300,000 objects. The court recognized the evidence allowable and based the sentence on it.

The Court has sentenced Gavrilov to 5 years in prison and a fine of 1 million 400 thousand rubles, Demidova to 4 years in prison and a fine of 1 million 200 thousand rubles. At present, the investigators together with prosecutor's office are working to compensate for the damage done through civil trials.

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