
Case against Zhanna Bulakh, accomplice of former Moscow Region finance minister Alexei Kuznetsov



The Investigative Committee's Major Cases Directorate continues an investigation in stealing money from the Moscow Region budget on a very large scale. The accused are former first vice-chairman of the Moscow Region Government – Minister of Finance of Moscow Region Alexei Kuznetsov, his ex-wife Zhanna Bulakh, who was also head of GIRgrupp company and some other individuals.

Investigators have enough evidence that Bulakh was involved in fraud under Part 4 of Article 159 and money laundering under part 3 of Article 174.1 of the RF Penal Code. A court ruled to place her in custody in absentia. Competent bodies of the USA confirmed that she was staying in the USA and couldn't be extradited as there is no respective agreement between the USA and the Russian Federation. The case against her was severed to form a separate lawsuit and was forwarded to the prosecutor to sign the indictment. By now the case has been referred to court in absentia which is possible under the legal procedure laws if the accused is hiding from justice abroad.

According to the investigators as part of an organized group led by Kuznetsov and his first deputy Valery Nosov, Bulakh was involved in fraudulent purchase from municipal housing utility companies the right to claim debts from Moscow Region municipalities and in money laundering. In addition, the accomplices stole money by a sales deal on equity shares of Rosveb owned by OAO

Mosobltrastinvest, an open corporation and owned by OAO Moscow Region Mortgage Corporation received after selling the third series of bonds of OAO Moscow Region Mortgage Agency. Pecuniary damage sustained stands at 11.8 billion rubles.

Bulakh had organized and devised the fraud scheme, coordinated actions of the accomplices, supervised the flow of funds on the accounts of companies controlled by the accomplices.

They laundered the money by sham transactions involving different entities controlled by the accomplices, including Bulakh, whose accounts had been opened in MZB bank also controlled by Kuznetsov, Nosov and Bulakh. This way, the money were transferred to accounts of non-resident companies registered the Republic of Cyprus in offshore area. They spent the stolen money to buy elite real estates in Switzerland and France, two hotels in France, 10 expensive cars, a yacht registered on the Caimans and other property.

Investigators also stopped Bulakh from smuggling antiquities of artistic and historical value to Finland before she went to the USA. There were 1,357 items, including newspapers and books; paintings, a pass-partout with icons and paper subscriptions; paintings and framings; furniture; crockery, flatware, statues, china; coins; armor, outfits, clothes and gears; cold arms; cap pistols and some other items, all of which had been bought by stolen money so they were arrested.

The scheme was uncovered thanks to meticulous analysis of financial and accounting documents seized from RIGgrupp and other companies controlled by the accused. The investigation was also complicated by the necessity to get a large number of documents from foreign states. In cooperation with foreign competent bodies the investigators managed to collect the evidence and find out what the ill-gotten money was spent on.

Valery Nosov, Vladislav Telepnyov and Yelena Kuznetsova were convicted earlier, while Alexi Kuznetsov is being extradited from France to Russia.

Official spokesperson for the RF Investigative Committee S.L. Petrenko

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