
Former CEO of one of OAO Sovkomflot subsidiaries convicted

The court has recognized the evidence collected by Main Investigations Directorate of the Russia's Investigative Committee as sufficient to convict former CEO of one of OAO Sovkomflot (OJSC) subsidiaries Yuri Privalov. He was found guilty of crimes under part 4 of article 160 (misappropriation of money committed by an organized group and on an especially large scale), part 5 of article 33, part 4 of article 160 of the Russian Federation Criminal Code (complicity in misappropriation of money committed by an organized group and on an especially large scale).

According to investigators, in the period between 200 and 2005 Privalov together with other other members of criminal organization stole money of OAO Sovkomflot subsidiaries and OAO Novoship (OJSC) and its subsidiaries. The money was stolen by means of overstating fees paid to foreign brokerages on the sale transactions of the ships owned by OAO Sovkomflot and OAO Novoship. After the brokerages received their fees, its overstated part was transferred to the accounts of companies controlled by members of the criminal organization. As a result this way they stole over \$67 million.

The circumstances of the crime are connected with the deals arranged in foreign countries between foreign firms controlled by the companies Sovkomflot and Novoship. It is established that the stealing was carried out with the participation of famous English brokerages H. Clarkson and Co. Ltd and Galbraith's Ltd which transferred the stolen funds to the accounts of the accused in Swiss banks. Accordingly in order to prove the circumstances of the stealing investigators had to forward requests on legal assistance to Swiss Confederation, Great Britain, Republic of Korea, Republic of Cyprus, Kingdom of Norway and to more than 10 other foreign states. Taking into account the documents received from these countries and their translation all circumstances of the crimes and persons involved were established.

Yuri Privalov was detained in Swiss Confederation and delivered up to Russian law enforcement bodies. Taking into account requirements of the current criminal procedure laws the final charges were reconciled with the competent bodies of the Swiss Confederation before being brought to Privalov. The persons under investigation are also former CEO of Sovkomflot Dmitry Skarga, President of Novoship Tagir Izmaylov, Russian businessman Yuri Nikitin and head of Novoship London subdivision Vladimir Mikhaylyuk. The court has issued a decision to prosecute them as the accused. Investigating bodies have twice requested Great Britain to extradite the abovementioned persons, but were refused.

Within the framework of the criminal case investigators have carried out more than 100

examinations, including bank documents seized from Swiss banks and documents provided by competent bodies of Great Britain seized from brokerages H. Clarkson and Co. Ltd and Galbraith's Ltd. About 100 interviews were carried out in the territories of different countries. In all, investigators found and proved 130 vessels purchased or sold by the accused. At present active work is ongoing in the framework of international legal commissions.

The court sentenced Privalov to 4.5 years in prison.

17 September 2012

Page address: <https://en.sledcom.ru/news/item/510917>