

About 50% of City Transport Funds Misspent

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Metro fare cards adorning a tree at the GUM department store. Construction projects are the key source of waste. **Vladimir Filonov**

Moscow city transport companies including the Moscow Metro, Mosgortrans and Moscow Metrostroi have misspent almost half of the funds allocated for improving the capital's transport infrastructure over the past three years, auditors said Tuesday.

Financial violations in the transport sector between 2008 and 2010 amounted to 232 billion rubles (\$7.7 billion) out of more than 500 billion rubles in total city spending in the area, said Sergei Ryabukhin, an auditor with the Audit Chamber.

Audit Chamber chairman Sergei Stepashin said separately Tuesday that the extent of violations prompted auditors to keep looking into the industry's affairs.

“The situation is difficult. We saw such a large number of irregularities that we will have to

prolong these enquiries,” he said, Interfax reported. "It is time to involve law enforcement agencies.”

Ryabukhin's findings are included in the preliminary results of an inquiry into six Moscow government departments as well as Moscow Metro, Mosgortrans and Moscow Metrostroi, which the Audit Chamber presented Tuesday. The budget watchdog will send the results to the Prosecutor General's Office on Thursday, Ryabukhin said, provided the Moscow government has no complaints. The final results will be unveiled by Feb. 4.

Ryabukhin did not comment on specific cases, but said a significant chunk of the suspected violations — 122 billion rubles — is connected to public procurement tenders. More than 85 billion rubles (\$2.8 billion) is suspected to have been inappropriately allocated, while more than 15 billion rubles is thought to have been lost to failure to follow guidelines on effective spending, the auditor said. Other misspending is thought to account for 6.9 billion rubles.

The chairman of the Moscow Control and Auditing Chamber, Viktor Dvurechensky, singled out metro construction projects for inefficient spending.

“We could save a third, or 29 percent, on the cost of constructing one kilometer of track on the metro with the introduction of integrated solutions,” he told reporters.

The report shows that a kilometer of metro line currently costs 3.4 billion to 6.9 billion rubles while a kilometer of road costs 1.5 billion to 4.8 billion rubles.

Mayor Sergei Sobyenin has said City Hall plans to build 50 kilometers of metro line by 2015, extending a system that is currently 300 kilometers long.

The report comes two weeks after federal prosecutors accused metro chief Dmitry Gayev of embezzling \$3.6 million and urged Sobyenin to fire him. During a television phone-in last week, the mayor promised to make a decision on Gayev's fate before the end of the year, after receiving the results of the Audit Chamber investigation.

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