

Otkritie Exec Accused of Embezzlement

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Russian brokerage Otkritie Financial, partly owned by state-run VTB Group, said in a civil lawsuit that a senior executive in its London office embezzled at least \$17.8 million in signing bonuses meant for colleagues.

George Urumov told Otkritie when he joined the bank as global head of fixed income in January that he would bring four colleagues with him from Knight Capital Group Inc. if they all received \$5 million "golden hellos," the brokerage said in a lawsuit filed in London on Oct. 6. Instead, Urumov arranged for three payments, of \$500,000, \$750,000 and \$1 million, and kept the remainder of the \$25 million pool, according to the filing.

Otkritie, based in Moscow, said it suffered a loss of at least \$23 million through the deception. While at Knight Capital, Urumov "built a successful franchise in less than 18 months, trading in excess of \$100 billion of bonds," Otkritie said in a statement Jan. 17. Before Knight Capital, he worked for HSBC Holdings, where he was director of trading for Europe, the Middle East and Africa, and as a trader for Lehman Brothers Holding, according to Otkritie.

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