

Putin Faults Fiscal Discipline, Orders Review of Companies

By [The Moscow Times](#)

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Prime Minister Vladimir Putin said he is "very disappointed" by asset-stripping schemes discovered at electric energy companies in the country, and expressed surprise at the compensation of some of the sector's executives.

"We need to bring order here," Putin said after announcing the results of the probe into energy companies' operations at the meeting of the governmental commission on the electrical power sector taking place in the Khakasia republic, in south-central Siberia.

Putin named two executives of OGC-3, who have left the company's management and are now claiming compensation of 324 million rubles (\$10 million). "What did they do personally? Capitalization was increased as a result of the electrical power reform and investments by the state. Just look at those amounts!"

The prime minister also said he was requesting government agencies to do a thorough

review of state companies to check for corruption schemes and their offshore activities.

"I request the Energy Ministry, the Economic Development Ministry, industry agencies within two months to check companies with a government stake such as Gazprom, Vneshekonombank, and it wouldn't hurt Sberbank either," Putin said.

He added that he was not speaking only of power engineering. Similar checks should be documented at all companies with a state stake and all infrastructure facilities.

"I request infrastructure companies with state involvement — Gazprom, Transneft, Russian Railways, Sovcomflot, Vneshekonombank, Vneshtorgbank, Rosatom — to report on adopted measures," he said.

"Unquestionably, this should be done together with law enforcement bodies," he said.

"I hope law enforcement bodies will make relevant decisions where direct breaches of law are apparent, and where a conflict of interest is apparent we must adopt personnel decisions as fast as possible and think of advancing the regulatory groundwork," Putin said.

Shares in RusHydro, the country's largest renewable energy producer, dived the day following Putin's statement that the company should cut its prices by 12.5 percent on average next year.

Putin requested the Finance Ministry and VEB work out a financing plan to ensure RusHydro carries out planned investments.

(Bloomberg, Interfax)

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