

# Police to Set Up New Department to Fight Privatization Crime

By [The Moscow Times](#)

December 26, 2013

**The**  **Moscow Times**

The Interior Ministry will create a department for fighting crimes related to the privatization of state property, Vedomosti reported Thursday, citing an unidentified ministry official.

The government, which is scraping around for money amid weak economic growth, is looking to raise 455.2 billion rubles (\$14 billion) from the sale of state property over the next two years.

The new ministry department will investigate cases of collusion between state officials and the potential buyers of state assets as well as their possible affiliations, according to a proposal drafted by the Investigative Committee this fall.

To remove the risk of fake tenders, the Investigative Committee has proposed removing bidders suspected of affiliation with each other from the auctioning process without returning their down payments.

Even if a connection between buyers of state property is established after a sale has taken place, the deal may still be canceled by a court.

Meanwhile, government officials who provide insider information and preferential treatment to bidders may be fined up to 1 million rubles and sentenced to up to six years imprisonment, the proposal says.

The proposal would also allow law enforcement agencies to conduct court-sanctioned investigations into bidders of state property, which may include monitoring their business activities, tapping phone conversations and reading their mail.

The new department will submit all discovered violations to judicial authorities for further legal action, an Investigative Committee official told Vedomosti.

The new department will mostly focus on current efforts to protect state property from illegal privatization, but earlier privatization deals may also be investigated if authorities find evidence of criminal activities, the Interior Ministry official said.

The new department will concentrate its efforts on monitoring the privatization of small and medium-sized businesses in an attempt to increase the state's revenue from their sale, because decisions regarding the privatization of large state firms are generally made on the top government level, state officials say.

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