

Rosneft Head Sechin Says Bashneft Is Not Yukos 2.0

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The logo of Sistema JSFC is seen on its headquarters building in Moscow.

Rosneft head Igor Sechin has rejected widespread comparisons between the case against billionaire Vladimir Yevtushenkov and an earlier case ending in the imprisonment of former oil magnate Mikhail Khodorkovsky, saying Yevtushenkov, unlike Khodorkovsky, "doesn't have blood on his hands."

"Yevtushenkov never eliminated his competitors, and that was a practice at Yukos [Khodorkovsky's now-defunct oil company]," Sechin said in an interview with Bloomberg published Tuesday.

Yevtushenkov, the chairman and majority shareholder of oil-to-telecoms conglomerate Sistema, was arrested earlier this month on charges of money-laundering in the course of an investigation into Sistema's acquisition of mid-sized oil producer Bashneft between 2005 and 2009.

The events have evoked widespread comparison to the case against Khodorkovsky's Yukos, then Russia's largest oil producer, in the early 2000s. Yukos' management was convicted of fraud in 2005 and its assets seized and sold off at state auctions, where they were then scooped up by rising state energy monopoly Rosneft. The Hague's arbitration court ruled in July that Russia must pay out \$50 billion in damages to the defunct oil giant's shareholders.

Khodorkovsky, who was released by a presidential pardon in December after serving more than a decade in prison, was among the first to accuse Sechin of ordering the case against Yevtushenkov in a bid to absorb Bashneft's assets.

Khodorkovsky accused Sechin of running Rosneft into the ground in an interview with RBC. The company's oil production has fallen to its lowest levels since the purchase of TNK-BP in 2013, Bloomberg reported, citing data from the Energy Ministry.

"It's important to [Sechin] that one person doesn't notice [the decrease in production] — it's clear who. And since [Russian President Vladimir Putin] isn't very well-versed in such matters, it's possible to use the absorption of Bashneft by Rosneft to conceal the breakdown of the parent company," Khodorkovsky said.

In the interview with Bloomberg, Sechin denied any past or current interest in purchasing Basheft.

"The market has known about the skeletons in the closet for a long time. ... I think that is precisely why we never considered buying this asset," Sechin said.

As for the claim that Khodorkovsky has "blood on his hands," Sechin appears to be referencing claims that Yukos dabbled in murder to rid itself of unwanted competition. Partner Leonid Nevzlin was charged with conspiracy to commit murder in 2008 and found guilty in absentia, while the former company's security chief, Alexei Puchugin, is serving time for multiple murder convictions. Both deny the charges.

Khodorkovsky's spokeswoman told Bloomberg that her client has never been charged with murder or conspiracy to commit murder.

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