

# Corruption Hampers Russian Arctic Militarization Dreams

**Two sub contractors used funds to buy property, rather than construct radar installations.**

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Russia is militarizing the Arctic. This fact is almost undeniable, and has gained increasing attention in Western policymaking circles over the last few years.

But while the buildup cannot be ignored, the Western narrative appears to have outpaced Russian realities. A recent report suggests the Arctic project is bogged down in graft.

As part of a broader military modernization project, Moscow is working to revamp lagging Soviet-era defense installations on its vast, northern frontier. The efforts began no later than 2014, when the Russian Defense Ministry formed a Northern Joint Strategic Command. This

Arctic command structure will have four combat brigades, 14 airfields, 16 deepwater ports and a fleet of almost 50 icebreakers to keep lanes clear for the Russian navy's Northern Fleet.

But according to the Kommersant daily, the Arctic militarization project is running into major corruption scandals. Contractors working on radar and air traffic control installations in the northern holdouts of Wrangel Island and Cape Schmidt have been found pilfering nearly 3 billion rubles (\$50 million) from state contracts, Kommersant reported, citing the Russian Investigative Committee.

The contractor in question is Rusalyans Stroi, and attention has fallen specifically on the company's two owners, Dmitry Bushmanov and Alexei Ekkert, who have been accused of "large scale fraud." On March 9, the Moscow City Court ordered they be incarcerated until at least May 17 while investigators familiarize themselves with case materials.

Initially, the two were developing the Arctic air defense and control installations as subcontractors for Spetsstroi, a large construction firm that receives major tenders for government infrastructure projects. Spetsstroi has gained infamy over the past three years as the prime contractor on the Vostochny Cosmodrome — a project that has run massively over budget and seen routine and embarrassing construction delays.

If the Vostochny saga is any indication, the Arctic militarization project is running into similar problems.

According to Kommersant, Spetsstroi passed the contract for the Wrangel Island and Cape Schmidt radar and air control installations to Bushmanov and Ekkert's firm. Investigators contend that they were supposed to begin work immediately. But, in light of the project's geopolitical importance, the businessmen thought they could inflate the cost estimates of their projects without proper due diligence.

Rather than building radar installations and air traffic control facilities — both vital components of a working air defense network — Bushmanov and Ekkert used the money to purchase homes and apartments for their families, investigators say. Authorities have seized these assets as part of the investigation, Kommersant reported.

Russia's military buildup in the Arctic is real. But it appears Western nations with interests in the Arctic will now have more time to prepare their own strategies for matching Russia in the far north.

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