



STATE DUMA
FEDERAL ASSEMBLY OF RUSSIAN FEDERATION
FIFTH CONVOCATION

**DEPUTY
OF THE STATE DUMA**
(2008-2011)

25 December 2009

№ LIS-768/GD

**To the Deputy Prime Minister
of Russian Federation**

I.I. SECHIN

Dear Igor Ivanovich!

Successful development of Russia's economy depends primarily on the availability of reserve energy capacity, which the country doesn't have today. Thus, we should undertake urgent actions to build capacity through intensive development of nuclear power engineering enterprises. For this, we need to solve the problem of restoring the country's industrial potential so that industrial enterprises can quickly start producing modern high-tech equipment for nuclear power development in Russia. According to the plan, 28 nuclear power plants should come into operation in Russia by 2020, not including NPPs abroad.

Atommas OJSC, the flagship of national nuclear engineering, was designed to produce 8 sets of VVER-1000 reactor equipment per year. Construction of Atommas began in 1975, and already in 1981 it started producing equipment of its core profile. By the end of 1989 Atommas reached a level of production of 4 sets per year. Its production premises occupied 6 square kilometers and were equipped with unique modern equipment, 80% of which was purchased from the world's leading manufacturers, including Western companies: Italmimpianti, ESAB, Varian, Mannesmann AG.

After voucher auctions, 30% stake and one "golden share" of Atommas OJSC remained in State property. Cessation of nuclear energy development in Russia made Atommas initiate production of other goods. That required a loan, which the company was forced to take at 216% interest per annum. The accounts payable, being just a tiny fraction of the net book value of assets of Atommas OJSC, nevertheless served as a pretext for the Territorial Agency of the Federal Office for Insolvency (Bankruptcy) Proceedings for Rostov region to initiate bankruptcy proceedings against the nuclear industry giant. At the same time, the real market value of the property of Atommas OJSC was much higher than its net book value.

Bankruptcy of Atommash OJSC was carried out for the benefit of “EMK-Atommash” JSC which was created on the premises of the former. It illegally “inherited” the core production facilities and all liquid assets of Atommash OJSC, after which Atommash OJSC was forcibly liquidated on 25.11.1999.

On the basis of the instruction of the Committee on Industry, Construction, Transport and High Technology of the State Duma of RF (ref №3.11-21/1312 from 21.10.2000) the Audit Chamber of RF has inspected the facts of the bankruptcy of Atommash OJSC. Having concluded the audit, the College of the Audit Chamber of the Russian Federation issued a Decree of 22.02.2002, №6(289) “The results of thematic inspection of legality, effectiveness and expediency of disposal and use of federal property in power engineering”. The audit has determined that, with the complicity of certain officials, both the State and Atommash suffered tremendous damage. In particular, the State has been deprived of a 30% stake in Atommash OJSC.

Loans in the amount of over 30 billion rubles received by “Energomash” did not bring any economic effect. Organizers of the bankruptcy of Atommash OJSC decided to bankrupt “EMK-Atommash” JSC itself this time (now re-registered as “Energomash-Atommash” LLC) together with companies in Barnaul, Chekhov, Belgorod, Engels, Yekaterinburg and other cities of Russia. All these companies belong to the British company “Energomash” UK Ltd with a registered capital of 158 thousand U.S. dollars, the owner of “Energomashcorporation”.

In its reply to the Russian State Duma (out. №08-8786 of 12.11.2009), State Corporation “Rosatom” fully shares concern about the fate of the former Atommash OJSC and currently “Energomash-Atommash” LLC. Period of limitation for grave anti-state crimes (15 years) will not expire soon. Moreover, the limitation is, in practice, not applicable to the bankruptcy of the Atommash strategic company, since all the offenses have been carried out under the cover provided by high-ranking officials, as a result of which, all attempts to institute criminal proceedings have been illegally suppressed. This is exactly why it’s crucial that the Investigative Committee under the Office of Prosecutor General conducts an independent investigation of the bankruptcy of Atommash OJSC, the grounds for which can be set by the audit materials of the Audit Chamber of RF №3.11-21/1312 of 21.10.2000. As a result of the investigation and confirmation of the facts of deliberate bankruptcy of Atommash OJSC an Order (a Protest) can be issued and submitted to the Supreme Arbitration Court of Russia in order to cancel the Definition of the Arbitration Court of the Rostov region on the recognition of Atommash OJSC bankrupt. This will help the State to return its 30% share in Atommash OJSC and sue the “Energomashcorporation” JSC to return the property complex to Atommash and compensate for the damage caused.

After the restoration of status quo, re-equipment and return of skilled workers and professionals, Atommash OJSC will be able to restart its production in public interest.

V. Putin, S. Sobyenin, Y. Chaika and A. Bastrykin are informed.

Please consider appeal on the merits for appropriate action.

Attachment: 7 documents on 21 pages.

Respectfully yours,

Deputy of SD FA RF



A.I. LISITSYN

(Original of this text is in Russian.)