



STATE DUMA
FEDERAL ASSEMBLY OF RUSSIAN FEDERATION
FIFTH CONVOCATION

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

25 December 2009

№ LIS-767/GD

**To the Prime Minister
of Russian Federation**

V.V. PUTIN

Dear Vladimir Vladimirovich!

Successful development of Russia's economy depends primarily on the availability of reserve energy capacity, which the country doesn't have today. Therefore it is necessary to take urgent measures 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. Under the plan, 28 nuclear power units should come into operation in Russia by 2020, not including nuclear power plants abroad.

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

After voucher auctions, 30% interest and a "golden share" of Atommas OJSC remained in State property. Curtailment of work on developing nuclear energy in Russia made "Atommas" start the production of other goods. To do this, the company needed a cash loan which it was forced to take at 216% interest per annum. The amount owed on these loans represented only a small portion of the net book value of assets of Atommas OJSC, but still served as a pretext for the Territorial Agency for insolvency (bankruptcy) proceedings of Rostov region to initiate bankruptcy proceedings of this nuclear industry giant. At the same time the real market price of Atommas was significantly higher than its book value.

Bankruptcy of Atommas OJSC was carried out for the benefit of "EMK-Atommas" which was created on the premises of the former and illegally inherited the basic production assets and all liquid assets of Atommas OJSC, after which Atommas OJSC was forcibly liquidated on 25.11.1999.

Based on the appeal of the Committee on Industry, Construction, Transport and High Technology of the State Duma of RF from 21.10.2000 ref № 3.11-21/1312 the Audit Chamber of RF has scrutinized the facts of the bankruptcy of Atom mash OJSC. According to the audit results the Audit Chamber of the Russian Federation issued a Decree of 22.02.2002, №6(289) "On results of a thematic inspection of legality, efficiency and expediency of the management and the use of federal property on the enterprises of power engineering". The inspection has determined that, with the complicity of certain officials, the State and Atom mash suffered tremendous damage. In particular, the government has been unlawfully deprived of its 30% stake in Atom mash OJSC.

Loans worth over 30 billion rubles received by "Energomash" did not bring any economic effect. Organizers of the bankruptcy of Atom mash OJSC decided to bankrupt "EMK-Atom mash" JSC itself this time (re-registered to "Energomash-Atom mash" LLC) together with enterprises 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 response to the State Duma (outgoing №08-8786 from 12.11.2009), State Corporation "Rosatom" fully shares the concerns over the subsequent fate of the former Atom mash OJSC, currently known as "Energomash-Atom mash" LLC. The limitation period (15 years) for grave crimes against the state will not expire any time soon. Moreover, in fact the statute of limitations is not applicable to the bankruptcy of Atom mash, the strategic enterprise, because the crimes were committed by offenders who enjoyed the cover provided by top officials, therefore all attempts to institute criminal proceedings have been illegally suppressed. It is therefore necessary that the Investigative Committee of the Prosecutor's Office of Russian Federation conducts an independent investigation of the bankruptcy of Atom mash OJSC - possibly on the basis of the auditing materials of the Audit Chamber of Russian Federation №3.11-21/1312 from 21.10.2000. As a result of the investigation and confirmation of the facts of deliberate bankruptcy of Atom mash 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 Atom mash OJSC bankrupt. This will help the State to return its 30% share in Atom mash OJSC and sue the "Energomashcorporation" JSC to return the property complex to Atom mash and compensate for the damage caused.

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

I. Sechin, S. Sobyenin, Y. Chaika and A. Bastykin - informed.

Please consider the appeal on the merits for appropriate action.

Attachments: 7 documents on 21 pages.

Respectfully yours,

Deputy of SD FA RF



A.I. LISITSYN

(The Russian text of this letter is an original.)