



**General Prosecutor's Office
of Russian Federation**

ul. B. Dmitrovka, 15a
Moscow, Russia, GSP-3, 125993

22.10.2007 №23/1-237-07

RE: KHAN-1600/GD of 20.08.2007
KHAN-1630/GD of 24.09.2007

To the Deputy Chairman of the State
Duma Committee for constitutional
legislation and state building

Kharitonov A.N.

Dear Alexander Nikolaevich!

The General Prosecutor's Office of Russian Federation has reviewed your appeals we received from the Government Staff of RF related to the Statement of S.P. Yakunin, the President of YACONTO LLC: about a formal attitude of the staff of the Russian Ministry of Transport towards his proposal to construct a new seaport and a new naval base in Tuapse region of Krasnodar territory, and about violations of law during the bankruptcy of Atom mash OJSC.

It appears that YACONTO LLC has been addressing the MinTrans regarding the construction of these objects since 2002. The ministry suggested that the company provides standard technical and economical feasibility studies of the investments and the project. However, this has not been done.

As per the Russian Ministry of Transport, on the offsite meeting of the Committee for national maritime policy of the Russian Federation Council which took place on 21.03.2007, attended by the representatives of the Federation Council of the Federal Assembly of Russian Federation, administration and Legislative Assembly of Krasnodar territory, Tuapse city and "Tuapse trade port" JSC, a decision not to support the project for construction of a new commercial seaport and a naval base for the Black Sea fleet with its infrastructure, as proposed by YACONTO LLC, was taken. At the same time, YACONTO LLC's nongovernmental investment integrated program will be reviewed in case necessary documents are submitted.

On 19.07.2006 the prosecutors of Krasnodar territory have initiated a criminal case on the facts of oil pollution of the Tuapse trade port water area, under p. 2 of art. 252 of CC RF (marine pollution); the proceedings have been stopped

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on 19.06.2006 on the basis of p. 1, ch. 1 of art. 208 of CCP RF (person to be brought to justice as an accused was not identified).

Having reviewed this case, the Southern transport prosecutor's office identified incompleteness of the conducted investigation and, on 14.09.2007, sent a request to the Chief of Southern transport investigative department of the Investigative Committee under the prosecutor's office of RF for correction of law violations. Decision of 24.09.2007 to suspend the preliminary investigation was cancelled; proceedings on the case were resumed.

Facts of embezzlement of oil emulsion during its collection from the water surface near the Tuapse trade port were not proved. According to a contract between the "Tuapse trade seaport" JSC and "NAFTA-T" LLC, the latter hands the emulsion over to the ballast water treatment plant and sells the resulting petroleum product.

Verification of the arguments regarding law violations during the bankruptcy of Atomash OJSC showed that the said company was declared insolvent (bankrupt) on 30.09.1997 by the decision of the Arbitration court of Rostov region due to arrears to the budgets of all levels. Under the court's regulation of 11.11.1997, bankruptcy proceedings were instituted against the company; the process concluded on 25.10.1999. The company was removed from the federal registry of legal entities due to liquidation on 25.11.1999.

Besides, on 06.06.2005, having verified the information about the premeditated bankruptcy of Atomash OJSC, the Volgodonsk Internal Affairs department of Rostov region issued a Resolution not to institute bankruptcy proceedings for absence of crime. Having identified incompleteness of the verification and violations of the criminal procedure code, the prosecutor's office of Volgodonsk cancelled the above Resolution on 18.10.2007 and returned the materials for an additional verification. The execution and results of the verification are being controlled by the prosecutors of Rostov region.

The Staff of the Government of Russian Federation and the applicant have been informed of the above.

First Deputy
General Prosecutor
of Russian Federation



A.E. Buchsman

(Original text is in Russian.)