

December 29, 2010 – Vedomosti. “Sweeping Out Palace”

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The author of the revelatory letter to the President on corruption among the closest milieu of the Prime Minister was indeed businessman Sergei Kolesnikov, a partner of Vladimir Putin's friends from St. Petersburg. He told Vedomosti that it was his civic stand.

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The letter to President Medvedev about construction of a “recreation facility” of Vladimir Putin worth USD 1 billion, that is being built on the Black Sea shore, was published last week on the website of corruptionfreerussia.com (in Russian and English versions). As its author, Sergei Kolesnikov was stated, who, judging by the text of the letter, is a longtime business partner of Vladimir Putin's acquaintances Nicholay Shamalov and Dmitry Gorelov. The former, like Putin, was co-founder of the famous co-op Ozero, and Gorelov, is a shareholder of bank Russia, as well as Yury Kovalchuk, one of Prime Minister's friends.

Vedomosti managed to trace by documents that Shamalov and Gorelov have a partner, Sergei Kolesnikov, and then to get in touch and talk by Skype with the author of the letter. The fact that the person Vedomosti talked to was really Sergei Kolesnikov, a businessman from St. Petersburg, co-owner of Petromed, was confirmed by his good acquaintance. Currently, the businessman is abroad, and he told Vedomosti that he had written a letter to Medvedev on corruption and was expecting his reaction.

In his letter, the businessman claims that a “recreation facility” “for personal use of the Prime Minister of Russia” is being built on the Black Sea shore near the village of Praskoveevka (Gelendzhik region) since 2006, and since 2007, a vineyard is cultivated for production of elite wines. Kolesnikov calls all this the “Project South”, and its cost reached USD 1 billion, “judging by reports and cost estimates”, which he examined in October 2009, the letter says. Formally, the object is owned by Shamalov's company, but Kolesnikov is sure that it is intended for Putin. “If this is a palace of Shamalov, why then the state covers expenses to build a road to it, a power transmission line?” wonders the author of the letter in a conversation with Vedomosti. He claims to have seen this facility first-hand.

Collaboration of Kolesnikov and Shamalov started 10 years ago, and he wrote to Medvedev about that as well. The letter says, in the early 2000's Nicholay Shamalov, then a representative of Siemens in the North-Western Russia (see the sidebar), contacted Petromed with a proposal on behalf of Putin "to provide funding for a number of major contracts in the field of public health". "We knew that Shamalov was a close friend of Putin", writes Kolesnikov. It was said that contracts would be financed by oligarchs ready for charity to help the new president, and a pre-condition of funding was transferring by Petromed 33% of the contract amount to foreign accounts, says Kolesnikov in his letter.

He further points that the first deposit in the amount of USD 203 mln was received in 2001 from Roman Abramovich through the Pole of Hope foundation, and USD 14.9 million was granted by Alexei Mordashov's Severstal.

Kremlin's press service spokesperson declined to comment. Dmitry Peskov, Prime Minister's Press Secretary, says that Putin has no relation to the Black Sea Palace. Shamalov and Gorelov did not respond to requests from Vedomosti, and Petromed CJSC refused to comment Kolesnikov's letter. So did a representative of Abramovich.

The purpose of the open letter was "to present a simple, clear and easy to check structure so that the Russians and the President knew the truth", explained Kolesnikov to Vedomosti. "What they will do is their decision, but now they know the truth", he continues. What Kolesnikov has done is unprecedented, admits a source close to Medvedev's milieu, but he doubts that the President will react to this letter.

"Why has Kolesnikov done it?" wonders his acquaintance businessman from St. Petersburg. "Never before have I noticed any dissident spirit in him!" He adds that for many years Kolesnikov supported not only business relationship but also friendship with Shamalov, and it is not clear what made him make public complaints about his former partner to the President.

"As for Shamalov, I took this decision long ago and I am glad to end any relationship with this man", says Kolesnikov. "As for Gorelov, I would like to hope that he will understand my deed. I do not know if he will or will not understand it, but I want to hope." He understands possible consequences of his step, but "hopes to come back to Russia".

Among the joint projects of Kolesnikov and Gorelov with Shamalov, there is a construction of a shipyard in Vyborg, which requires RUB 38 bln (Bank for Development and Foreign Economic Affairs will finance 60%), this project was approved by Vladimir Putin. Gorelov, Shamalov and Kolesnikov were co-founders of Module group of companies, specializing in construction of pre-engineered modular buildings: medical centers, administrative buildings. This group is engaged in deliveries of block modules of medical centers: only one of such centers was worth RUB 3 bln of which RUB 2.5 bln were allocated from the budget. And St. Petersburg based Petromed holding controlled by Kolesnikov and Gorelova supplied medical equipment to Russia, including equipment produced by Siemens. Nicholay Shamalov worked then for the North-Western Division of Siemens Medical Solutions, his son Yuriy was a commercial project coordinator of Siemens LLC, Deputy Sales Director of Siemens from 1997 to 2003. Since 2003, he is the president of Gazfond, Russia's largest non-governmental pension fund.