

Person review

# Volodymyr Petrovych Yevtushenkov



# Volodymyr Petrovych Yevtushenkov (September 25, 1948)

## Summary

### Money laundering:

- in 2014 in the Russian Federation, Yevtushenkov was accused of money laundering and illegal acquisition of a controlling stake in Bashnafta;
- in 2017, Spain conducted an operation to arrest members of the money laundering mafia. Among those arrested was Arnold Spivakovskiy, a manager and project manager of AFK "Sistema", who was also listed as an employee of the woodworking company "Sokilskyi Dok" (part of Segezha Group (AFK "Sistema"));
- on March 7, 2019, MTS (part of AFK Sistema) entered into an agreement with the US Department of Justice and the Securities and Exchange Commission to pay \$850m for bribes in Uzbekistan. The investigation indicated that money laundering took place through the banking structures of Latvia, Hong Kong, the Netherlands, Sweden, France, Switzerland, Russia and the USA;
- in September 2020, the American edition of BuzzFeed and ICIJ published data on suspicious FinCEN information leakage operations. Where was the information about the payments of the Russian telecommunications operator MTS to the address of an offshore company close to Anar Makhmudov, the son of the ex-Minister of National Security of Azerbaijan, Eldar Makhmudov. In 2015, according to FinCEN documents, MTS transferred Caspian Telecommunication from the British Virgin Islands for \$5.3m;
- Delta Bank transferred \$150m offshore through the correspondent account of Yevtushenkov's Luxembourg bank, East-West United. The scheme is called back-to-back and is used for money laundering.

### Kronstadt (TOV "ITR"):

As of April 2022, AFK "Sistema" continues to own 49.66% of the company through the affiliated company JSC "RTI" together with JSC "BM-Bank" - Bank of Moscow of Roman Ivanovich Avdeev. The other 49.66% belongs to the Closed Equity Investment Fund "Technofund" of the managing company Atlanta. The rest is with Alyoshin Borys Serhiyevich, adviser to the president of the Russian aircraft construction corporation UAK.

### Ministry of Defense of the Russian Federation:

Yevtushenko as a lawyer. a person of JSC "Sistema" owns the company RTI, which supplies radar stations "Voronezh" for the Ministry of Defense of the Russian Federation - designed for the detection and tracking of ballistic and cruise missiles. From 2021, the production of military UAVs began.

## Sanctions

7 April 2022 Added to Australia's sanctions list. On April 13, 2022, it was added to the UK sanctions list. After the British sanctions, he transferred 10% of AFK Sistema to his son Felix Yevtushenkov and left the position of chairman of the board of directors.

## Overseas properties:

- UK, two houses with a total value of £31m:
- 7 Holland Park Mews, London (W11 3SU);
- 31 Holland Park, London (W11 3TA). - France, three villas:
- Willa Waikiki – Saint Jean Cap Ferrat 40 avenue du Général de Gaulle; - Villa Nouadhibou – Saint-Jean-Cap-Ferrat, 26 Bd du Plan des Abeilles; - Saint-Jean-Cap-Ferrat, 19 Av. du Plan des Abeilles – price €7m.

## Biography:

Born in the village of Kamenshchyna, Smolensk region. In 1973 he graduated from the Moscow Chemical and Technological Institute named after D. I. Mendeleev, and in 1980 the Faculty of Economics of Moscow State University, Doctor of Economic Sciences. From 1975 to 1982, he worked as a workshop manager, deputy director, and chief engineer of the Karachariv Plastics Plant. In 1982, he became the chief engineer and deputy director of Polimerpobut NPO. Formed in the CPSU.

In 1987, he was appointed head of the Technical Department of the Main Department of Science and Technology of the Moscow Executive Committee. In 1990, Yevtushenkov assumed the post of chairman of the Moscow City Committee for Science and Technology. In 1999, he was a sponsor of the Luzhkov bloc "Batkivshchyna" in the Duma elections.

## Current activity:

Since 1993, he has been the chairman of the board of directors and on April 12 owned 59% of the shares of the Sistema. However, on April 13, 2022, he transferred 10% of the company to his son Felix Yevtushenkov due to British sanctions. Also, on April 15, Yevtushenko left the position of chairman of the board of directors of JSC "Sistema".

According to the description on the website, the company is represented in 25 countries and in 2022 owns:

- Telecom MTS – 49.94%;
- forestry holding Segezha Group – 62.2%;
- online store OZON – 31.8%;
- development company Group "Etalon" – 29.8%;
- the network of private medical clinics Medsi – 95.5%;
- Agroholding "Step" – 91.3%;
- pharmaceutical company Binnopharm Group – 75.3%;

- managing hotel company Cosmos Hotel Group – 100%;
- clothing sales company Concept Group – 42.9%;
- real estate rental company Business-Real Estate – 100%;
- Bashkir electric grid company BESK – 91%;
- developer of servers, satellites, smart watches and IoT Sitronics Group – 100%;
- biotechnology company Sistema Biotech – 99%;
- bank in Luxembourg East-West United Bank – 100%.

According to the archive the page for December 2021, two more companies were listed on the site:

- Element – a joint venture in the field of microelectronics "Rostech" and AFK "Sistema";
- Aeromax is a drone operator.

### **History:**

In 1994, "Sistema-Telecom" acquired a controlling stake in OJSC "Vimpelcom", and then together with OJSC "MGTS" established "TC Center" on a parity basis. MGTS transferred AFC to the trust management of its subsidiaries, in particular, JSC "Moscow Cellular Communication", JSC "Interregional Transit Telecom", JSC "Mobile TeleSystems" (MTS. From 1997 to 1999, Yevtushenkov was the chairman of the board of directors of JSC "TV-Center". In 2001, MTS acquired 100% of the St. Petersburg mobile operator "Telecom-XXI", in March 2003 Yevtushenkov's holding acquired 10% of the German company Deutsche Telekom, which owned a large share in MTS. In 2006, AFC acquired the cable operator ) AFC "Sistema" currently owns controlling stakes in MTS, "Children's World" and "Medsi" clinic network.

### **Bashnaft, charged with money laundering:**

In 2014, Yevtushenkov was charged with money laundering and the illegal acquisition of a controlling stake in Bashneft, and was taken into custody under house arrest. Because of the war, the shares were returned to the state and sold to Rosneft. In 2016, the charges were dropped due to lack of evidence. In December 2017, Sistema signed a settlement agreement and paid Bashnafta 100 billion rubles. According to the Forbes ranking for 2019, his fortune was estimated at \$1.5b, while in 2014 he owned \$9b.

### **Other:**

- since 2000 has been a member of the board of the Russian Union of Industrialists and Entrepreneurs (RSPP).
- since 2001, he heads the Industrial Policy Committee of the RSPP. Since 2001, he has headed the Committee on Industrial Policy of the RSPP, since February 2021 co-chairman of the joint Committee on Industrial Policy and Technical Regulation of the RSPP.

- since 2002, he is a member of the board of the Russian Chamber of Commerce and Industry (CCI), a member of the Governmental Commission on Science and Innovation Policy, the Council for Science and High Technologies under the President of the Russian Federation, the Council for Competitiveness and Entrepreneurship under the Government of the Russian Federation, and the National Council for Corporate Governance.
- in 2004 he was elected chairman of the board of trustees of the Development Fund of the State Russian Museum, where AFK Sistema is considered a partner.

### **Luxembourg:**

East-West United Bank (Assets - €667m) bank in Luxembourg, since 2007 belongs to AFC "Sistema". According to the description of the bank, on sistema.com one of the points of the bank's development is synergy with companies of the Sistema AFK Group, such as MTS Bank and Sistema Capital. February 27, 2022 Etienne Schneider left his post on the board of directors of AFK Sistema and Jeannot Krecké at EWUB due to sanctions against the Russian Federation. In the document, East-West United Bank is listed as a bank of the USSR. From 1974 to 1992, the main shareholder of the bank was the State Bank of the USSR.

### **Money laundering, with a back-to-back:**

A foreign bank, on the instructions of the owner of a Ukrainian bank, issues loans to offshore companies controlled by a Ukrainian. Funds in correspondent accounts of a Ukrainian bank in a foreign bank become a guarantee of loans. Then the loan is not returned and the guarantee funds from the settlement are transferred by another offshore company to repay the loan.

According to the Deposit Guarantee Fund of Ukraine (FGV), 14 Ukrainian banks withdrew \$846m and €75m through Meinl Bank, Bank Winter&CO and East-West United under this scheme. The ECB subsequently revoked Meinl Bank's license, but in 2020 the ECB's decision was suspended by a court. Specifically, through East-West United, the Ukrainian Delta-Bank made a concession of the debts of Real Estate Company LLC and Bonnie and Clyde LLC under the credit line agreement in favor of the Cypriot Ablonar Management Ltd and reflected the amount for this operation of \$43.4m to the bank in its balance sheet East-West United. These funds were confirmed by a fictitious SWIFT message. This transaction has not been confirmed by East-West United.

In 2020, FGV put up for auction the rights to receivables from operations that arose as a result of Delta Bank's conduct through a correspondent account opened at East-West United. The starting price was UAH 4.5 billion (\$150m), but the auction did not take place.

### **Kronstadt Group, Ministry of Defense of the Russian Federation:**

The Kronstadt Group was created as a result of the reorganization of the business of the Transas Group for the following areas: products and solutions for the aviation industry, as well as products and solutions for defense, security and vocational education. In 2015, AFK Sistema acquired 100% of Kronstadt Group for ~\$75m.

Until February 24, 2021, JSC "Sistema" owned 98.64% of the company, then it was transferred to "Aeromax" LLC, which in turn also owns JSC "Sistema". As of April 2022, the following are the owners of "ITR" LLC (formerly Kronstadt): 49.659% in JSC "CENTR-TELCO" – which through a group of companies specializing in software development, means of communication, creation and maintenance of computing infrastructure – JSC "RTI" (site) is owned by JSC Sistema and JSC BM-Bank. According to investigation "Scheme" From 2021, the production of military UAVs began; 49.659% in the Closed Joint Investment Fund Combined "Technofund" – the management company of LLC "UC Atlanta" (website). The director and owner of 100% of Atlanta is Andriy Oleksandrovich Musokhranov; Fund Corporation of the UAC for Science and Technology.

### **Ukraine, Vodafone:**

From 2004 to 2019 he owned telecommunications operator Vodafone in Ukraine through the legal entities LLC "VF Retail", "VF Ukraine", "IT Smartflex" and "PTT Telecom Kyiv" through the Dutch legal entity MTS – Preludium BV. In 2019, Yevtushenkov sold the Ukrainian Vodafone to the Azerbaijani, the owner of the mobile operator in Baku, Bakcell – Nasib Hasanov for \$734 million.

Since 2016, Yevtushenkov has been the founder of "ITM-Ukraine" LLC together with the the Czech legal entity of the developer of electronic chips and boards NVision Czech Republic – the plant is located in the Czech Republic, in the city of Votice and is owned by the Russian MTS (Telecom LLP) and the Dutch Baggio Holding BV, which is also a subsidiary of MTS of Russia.

According to the "ITM-Ukraine" profile on work.ua, the company engages in the import of special equipment, however, according to customs registers, they did not import. In 2017, Vodafone Ukraine announced a tender for the implementation of the Mobile ID project (linking EDS to a SIM card), the winner of which was "ITM-Ukraine". In 2019, they received a license to use the networks of Ukraine for the calculation of telecommunication services within the framework of the Vodafone operator. In 2021, mobile operators, including Vodafone, abandoned the use of Mobile ID, the service was paid and uncompetitive against free EDS from banks.

### **Ukraine, Sitronics:**

From 2016 to 2020 was listed beneficiary of the data center "Sitronics Telecom Solutions Ukraine" in 2021 renamed to "Seaton Group" Seeton. In the Russian Federation, there is an eponymous developer of servers, satellites, smart watches and IoT, Sitronics Group, the main shareholder of which is AFC "Sistema". Since 2020, the Ukrainian Sitronics has also been owned by Ramiz and Artem Hasanov, children of Nasib Hasanov.

According to the court case, from 2016 to 2017, Sitronics along with 9 other legal entities by persons who illegally inflated the price of software, which led to waste of budget funds and tax evasion. "Sitronics" overstated the price of realized licenses by a total amount of UAH 22.4m for customers, who in turn avoided paying VAT due to the price increase:

Overpayment	Customer	Amount of non-payment of VAT	Comment
UAH 16m	SE "NAEK" <u>Energoatom</u> "	-	-
UAH 3.5m	PRAT " <u>VF Ukraine</u> "	UAH 7.5m	At that time Yevtushenkov
owned UAH 1.3m	"Interpipe" (1, 2, 3)	UAH 7.5m	-
UAH 1.1m	SE "NEC " <u>Ukrenergo</u> "	-	-
UAH 0.7m	PRAT <u>Ukrhydroenergo</u> "	UAH 0.7m	-

The court gave the investigator access to Sitronics documents. After the court's decision on access to the documents, "Sitronics" ceased to appear in the court proceedings in this case, probably because the investigators did not find evidence.

### **France**

Together with his wife is the founder of the French companies SCI Kristine, SCI Petr and SCI Umbto through which they own three villas in France.

### **Sanctions:**

In June 2018, two members of the US Congress from the Republican Party – Mark Walker and Ileana Ros-Leitinen – asked the country's authorities to check whether Volodymyr Yevtushenkov, as well as AFK "Sistema" and MTS under his control, should be included in the sanctions list USA. According to their data, Yevtushenkov's companies participated in large investment projects in the annexed Crimea. Also made a statement about the participation of AFK Sistema in 2016 at the Interregional Forum of the All-Russian People's Front.

According to news for 2017, Yevtushenkov's "Sistema" structures participated in the design by the "Moskapbud" company and the construction of the "SGM Group" medical center in Crimea. In 2016, SGM Group was engaged in the construction of an emergency hospital in Sevastopol. Since April 7, 2022, it has been added to Australia at number 119. In April 2022, it entered sanctions list (1) of Great Britain.

### **Connections:**

#### **Ukraine**

**Yanukovych Viktor Fedorovich** – President of Ukraine from 2010 to 2014. According to investigations, Yanukovych was the actual owner of the hunting ground "Kedr" in the village of Sukholuchcha, Kyiv region. In 2012, "Kedr" received a 49-year lease of 30.4 thousand hectares of land. The founders of lawpersons are listed: deputy of the Ukrainian Communist, **Yuriy Boyko** – during the presidency of Yanukovych, he held the position of vice-prime minister of Ukraine; former deputy of the Party of Regions, **Serhiy Tulub** – head of the Cherkasy Regional State Administration during Yanukovych's time.

According to investigations based on documents from Yanukovich's residence in Mezhyhirya, Yevtushenkov, Boyko and Demishkan were among the 28 members of the "Kedr" club, who each year contributed from UAH 600,000 for club membership. Yanukovich twice awarded Yevtushenkov with the "Named Firearm" in 2010 and 2011.

### **NVision Czech Republic**

- Dmytro Khomchenko (16.10.1976) – Member of the Supervisory Board from 2019 to 2021.
- Paolo Baldo (11.11.1961) – Member of the Supervisory Board from 2019 to 2021. Citizen Italy;
- Dzhabiev Giorgiy (January 28, 1985) – member of the Supervisory Board from 2019 to 2021. Citizen of the Russian Federation;
- Anton Kokorin (July 9, 1982) – member of the Supervisory Board from 2019 to 2021. Citizen of the Russian Federation;
- Yermilov Andrii Volodymyrovych (April 12, 1982) – member of the supervisory board from 2019 to 2021. Citizen of the Russian Federation;
- Armen Avetisyan (April 7, 1978) – member of the Supervisory Board since 2021. Citizen of the Russian Federation;
- Oleksiy Katunin (April 4, 1989) – member of the Supervisory Board since 2021. Citizen of the Russian Federation;
- Andriy Plavych (June 12, 1975) – member of the Supervisory Board since 2021. Citizen of the Russian Federation;
- Oleg Mintush (April 15, 1993) – member of the Supervisory Board since 2021. Citizen of the Russian Federation.

### **Negative:**

- related to organized crime, cooperation in financial support of people from the entourage of the former president of Ukraine Viktor Yanukovich;
- according to an entry on livejournal.com, Yevtushenkov is associated with the raiding of the "Lito" enterprise in St. Petersburg, which was engaged in the production and supply of vegetables. According to the record, Sistema, by intimidation of shareholders, bought the company's shares, after gaining control over the company, the capacity was destroyed, and a shopping center was built in its place;
- On March 7, 2019, MTS concluded (1) with the US Department of Justice and the Securities and Exchange Commission an agreement to pay \$850m for bribes in Uzbekistan. It was previously established that MTS and Vimpelcom paid ~\$500m in bribes to the daughter of the President of Uzbekistan. It is indicated that money laundering took place through the banking structures of Latvia, Hong Kong, the Netherlands, Sweden, France, Switzerland, Russia and the USA;
- In September 2020, the American edition of BuzzFeed and the International Consortium of Investigative Journalists (ICIJ) published data on the suspicious operations of the largest international banks, which became known thanks to the largest leak of information from the American Network for combating financial crimes (Financial Crimes Enforce).



There is information about payments made by the Russian telecommunications operator MTS to an offshore company close to Anar Makhmudov, the son of the former Minister of National Security of Azerbaijan, Eldar Makhmudov. In 2015, according to FinCEN documents, MTS transferred \$5.3m to Caspian Telecommunication from the British Virgin Islands;

- In 2017, Spain conducted an operation to arrest members of the money laundering mafia. Among those arrested was Arnold Spivakovsky (known as Arnold Tamm). In 2017, Spivakovskiy was listed as a manager and project manager of JSC Sistema, as well as an employee of the woodworking company Sokilskyi Dok (part of Segezha Group controlled by Sistema). Was released on €750k bail, died in Spain in 2019.

### **Assets:**

According to Forbes, on 04'22 – \$1.7b.

### ***UK***

According to investigation, since March 2019 owns two houses in London with a total value of £31m, addresses: 7 Holland Park Mews, London (W11 3SU) and 31 Holland Park, London (W11 3TA).

### ***France***

Owns three villas in France: Willa Waikiki – Saint Jean Cap Ferrat 40 avenue du Général de Gaulle; Villa Nouadhibou – Saint-Jean-Cap-Ferrat, 26 Bd du Plan des Abeilles; villa for €7m – Saint-Jean-Cap-Ferrat, 19 Av. du Plan des Abeilles

### ***Airplane***

Boeing 737-7FY flight number P4-AFK. On March 20, 2022, he flew from Moscow to Abu Dhabi, UAE

### **Family:**

- Yevtushenkova Nataliya Mykolaivna (1950) – wife.
- Tetyana Volodymyrivna Yevtushenkova (1976) is a daughter, since 1999 she worked in her father's corporation, overseeing MTS. Now holds one of the positions in Sberbank.
- Yevtushenkov Felix Volodymyrovych (November 14, 1978) is a senior managing partner of JSC "Sistema", chairman of the board of directors of PJSC MTS.
- Olena Baturina is the wife's younger sister. A widow, she was married to the former mayor of Moscow, Luzhkov (died in 2019).