

Press-release of 06.07.2010

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On 17th June 2010, the Federal Antimonopoly Service (FAS Russia) initiated a case against the Authority of Solnechnegorsk Municipal District of the Moscow Region, upon the signs of violating Part 1 Article 17 of the Federal Law "On Protection of Competition" (bid-rigging collusion). FAS Russia suspects that the District Authority exercised actions that resulted in preventing, restricting or eliminating competition in course of the auction for the contract for developing built-up areas in Povarovo urban settlement, Solnechnegorsk Municipal District, that took place on 10th January 2008.

FAS Russia established that on 8th December 2007 the District Authority published a notice in a special issue of the "Senezh" newspaper about the 3-lot auction on 10th January.

On 14th December 2007, "Senezh" published a notice that governed by the Urban Development Code the District Authority decided to cancel the auction.

According to the documents submitted to FAS Russia by the District Authority, the auction nevertheless took place on 10th January 2008, which is confirmed by information published in "Senezh" issue on 25th January 2008. It said "The Auction Organizer - the United Bidding Commission of Authority of Solnechnegorsk Municipal District of the Moscow Region - would like to inform about the outcome of the auction for the right to conclude a contract for developing the built-up areas in Povarovo urban settlement, Solnechnegorsk Municipal District. The auction was organized in accordance with the decision of the Council of Deputies of Solnechnegorsk Municipal District of the Moscow Region "On approving a municipal programme of Solnechnegorsk Municipal District for developing the built-up areas in Povarovo urban settlement" and on the basis of the Order of the Head of Solnechnegorsk Municipal District of the Moscow Region".

Following the outcome of the auction, contracts were awarded, that obligate the auction winners to deposit monetary funds to the Moscow Regional Office of the Federal Treasury towards the payment for the right to conclude the contract, describing the purpose of the payment as "the funds further to the auction outcome".

"FAS Russia believes that such actions by the District Authority resulted in preventing, restricting or eliminating competition in course of the auction as all comers could not take part in the auction" says Alexander Kinyov, the Head of the FAS Russia's Cartel Department.