PRESS RELEASE

ON THE INITIATION OF A CRIMINAL CASE

AGAINST THE MANAGERS OF THE COMPANIES OF N. D. TOROKHOV

(OWNER OF RUSSIAN COMPANIES: JOINT-STOCK COMPANY FIRM “SMUR”, JOINT-STOCK COMPANY “KVANT-TELECOM”, AND BENEFICIARY OF CONTROLLED FOREIGN COMPANIES: “GLOBAL KVANT SERVICES”, “GLOBAL QTCOM. CORP.”, “TELEGRAPH 42 MANAGEMENT GMBH”, “KVANT TELECOM KAZAKHSTAN”.)

Once again, I ask our esteemed partners and colleagues - heads of telecom operators - to take into account the new information contained in this press release and refrain from cooperation with these companies, directly or indirectly owned by N. D. Torokhov.

Joint-Stock Company “Kvant-Telecom” owned by N.D. Torokhov was included in the sanctions list by the decree of the President of Ukraine.

To circumvent these sanctions, N.D. Torokhov created the companies “Global Kvant Services”, “Global Qtcom. Corp.”, “Telegraph 42 Management GmbH”, “Kvant Telecom Kazakhstan”.

The link and excerpt from the sanctions list is below:

https://www.president.gov.ua/storage/j-files-storage/00/60/70/39d86cb1b96061dba732a8588ab1a7d2_1527145800.pdf

Annex 2

to the decision of the National Security and Defense Council of Ukraine

from May 2, 2018

"On the application and abolition of personal special economic and other restrictive measures (sanctions)"

LEGAL ENTITIES,

to which restrictive measures (sanctions) are applied

S / n	Identification data (full name and details of the legal entity)	Type of restrictive measure (according to the Law of Ukraine "On Sanctions")	Term of application
430.	JSC “Kvant-Telecom” (Joint-Stock Company “Kvant-Telecom”, ITN 3662124236, IEC 366201001, OKPO 99812890, Russia Federation, Voronezh, Eremeeva st., 22)	1) blocking of assets - temporary restriction of a person's right to use and dispose of property belonging to him; 2) restriction of trade operations; 3) prevention of capital flight outside Ukraine; 4) suspension of economic and financial obligations; 5) ban on the use of radio frequency	Three years

		resources; 6) restriction or termination of the provision of telecommunications services and the use of public telecommunications networks; 7) termination of issuance of permits, licenses for import to Ukraine from a foreign state or export from Ukraine of currency values and restriction of issuance of payment cards issued by residents of a foreign state; 8) a ban on the registration by the National Bank of Ukraine of a participant in an international payment system, the payment organization of which is a resident of a foreign state; 9) prohibition of transfer of technologies, rights to objects of intellectual property rights	

In clause 4 - clause 6 of Appendix No. 2 to the decision of the National Security and Defense Council of Ukraine dated May 2, 2018 "On the application and cancellation of personal special economic and other restrictive measures (sanctions)" it is indicated that in relation to JSC “Kvant-Telecom” (ITN 3662124236, IEC 366201001, OKPO 99812890, Russia Federation, Voronezh, Eremeeva st., 22) the following restrictive measures have been introduced in accordance with the Law of Ukraine "On Sanctions":

1) blocking of assets - a temporary restriction of the right of a person to use and dispose of his property;

2) restriction of trading operations;

3) prevention of the withdrawal of capital from Ukraine;

4) suspension of performance of economic and financial obligations;

5) prohibition of using the radio frequency resource;

6) restriction or termination of the provision of telecommunication services and the use of public telecommunication networks;

7) termination of the issuance of permits, licenses for the import into Ukraine from a foreign state or export from Ukraine of currency values and restrictions on the issuance of cash;

8) prohibition of the National Bank of Ukraine to register a participant in an international payment system, the payment organization of which is a resident of a foreign state;

9) prohibition of transfer of technologies, rights to objects of intellectual property rights

The relevant authorities of the EU countries and the United States have been informed about these restrictions, therefore, the interaction of foreign partners with JSC “Kvant-Telecom”, “Global Kvant Services” and “Global Qtcom. Corp.” entails significant potential risks.

However, knowing about these sanctions, nevertheless, JSC “Kvant-Telecom” intensively advertises and offers partners communication channels for sale at dumping prices on the China-Kazakhstan-Europe route precisely through Ukraine, without informing partners about these potential business, reputation and financial risks.

This fact especially clearly characterizes the attitude of the owner and management of JSC “Kvant-Telecom” towards their colleagues and partners, and the dumping tactics used by him (copying the well-known scorched earth policy) solves the current problems, but undermines the market.

The interaction of JSC firm “SMUR” (another company also owned by N.D. Torokhov) with PJSC “Rostelecom” has already led to the initiation of a number of criminal cases and cases of restricting of competition.

At present, numerous publications have appeared in authoritative publications (Kommersant Publishing House, Vedomosti, etc.) concerning the criminal case initiated against the management of JSC firm “SMUR” on the basis of a cartel conspiracy within the framework of the “Digital Economy” project.

JSC firm "SMUR" together with JSC “Kvant-Telecom” and foreign firms “Global Kvant Services”, “Kvant Telecom Kazakhstan”, “Global Qtcom. Corp.” and “Kvant Global GM” owned by Voronezh businessman N.D. Torokhov and his family.

N.D. Torokhov is the sole shareholder of JSC firm “SMUR” and JSC “Kvant-Telecom” and an active participant in the construction market of the Voronezh region.

In April 2019, PJSC “Rostelecom” posted an open request for quotations in electronic form for the right to conclude an agreement for the construction of communication lines for the implementation of the federal project “Information Infrastructure” of the national program “Digital Economy of the Russian Federation” in the Voronezh Region for the needs of PJSC “Rostelecom”.

(https://zakupki.rostelecom.ru/2158619/?sphrase_id=356267)

In accordance with the summarizing protocol (No. 31907748082/4) of the request for quotations based on the results of matching the bids, the commission decided to approve the results of the rebidding / procurement and recognize the procurement Winners as:

- Limited Liability Company "ProektStroyService",

- Limited Liability Company "AKS GROUP",

- Limited Liability Company "CenterTelecomStroy",

- Limited Liability Company “SKS PROM”,

- Limited Liability Company "IkstelCom",

- JSC firm "SMUR", postal address: 394019, Voronezh, Eremeeva st., 22;

- Limited Liability Company "KROSS",

- Limited Liability Company "ComStroy"

and to conclude the agreements with any of these companies for the construction of communication lines in the Voronezh Region for the implementation of the federal project "Information Infrastructure" of the national program "Digital Economy of the Russian Federation" in the Voronezh Region in the amount of 112,660,062 rubles (https://zakupki.rostelecom.ru/2158619/?sphrase_id=356267).

In the newspaper "Kommersant" No. 31 dated 20.02.2020, page 4, the following is published:

“Immediately in six regions, law enforcement agencies conducted searches within the framework of a criminal case on cartel collusion during the auction conducted by “Rostelecom” within the framework of the digital economy of the Russian Federation national project. According to the investigation, nine companies coordinated their actions when submitting applications for the construction and connection of a fiber-optic communication line in the Voronezh region and, thanks to the patronage of two top managers of “Rostelecom”, were able to conclude contracts for 788.6 million rubles.

According to the investigation, in April 2019, they entered into an agreement limiting competition in the bidding process for the construction of communication lines in the Voronezh Region within the framework of the federal project "Information Infrastructure" (part of the national project "Digital Economy of the Russian Federation"). “Acting by prior agreement, using confidential information about bidders, they coordinated the bids of nine companies, some of which simulated a drop in the price offer, and another part refused to participate at an early stage in order to subsequently conclude a subcontract at a favorable price,” explained one from the interlocutors of “Kommersant”. The investigation estimates the income that the suspects were able to extract at 788.62 million rubles.

According to the public procurement portal, the auction, which could form the basis of the criminal case, was announced on April 9 last year in the form of an open request for quotations. We are talking about the conclusion of an agreement for the construction of a fiber-optic communication line, installation of equipment and commissioning for Internet connection of socially significant objects in more than 750 settlements of the Voronezh region (mainly villages and townships). The maximum price of the contract was 901.8 million rubles, applications were received from 13 companies from Voronezh, Moscow, Belgorod, Kaluga, Volgograd, Krasnodar and Samara. Based on the results of rebidding, eight legal entities that offered the best price reduction coefficient were recognized as winners. According to the terms of the auction, the total amount of the contract was divided between them in equal parts - 112.66 million rubles. "

https://www.kommersant.ru/doc/4260902

https://regnum.ru/news/economy/2864111.html

“The police suspect the detainees of organizing a collusion of nine companies from the Voronezh, Kursk, Belgorod, Kaluga and Volgograd regions, as well as Moscow. Tenders for the construction of communication lines with their participation were held in April 2019. According to the Ministry of Internal Affairs, some of the companies refused to participate in favor of the subsequent conclusion of a subcontract agreement at a favorable price, and another part simulated a drop in the price offer. As a result, the suspects were able to extract a particularly large income - 788.6 million rubles.

https://www.kommersant.ru/doc/4260504

“According to Kommersant-Chernozemye, the investigation has requested a similar preventive measure for six more suspects, at the moment the court is considering the relevant requests. In total, there are nine defendants in the case: seven entrepreneurs and two employees of “Rostelecom”. In addition to Maksim Eremeev, the organization of a cartel conspiracy with the extraction of an especially large income (clause "c", part 2 of article 178 of the Criminal Code of the Russian Federation, up to six years in prison) is also imputed to the deputy director of the department for organizing the construction of centralized projects of the macroregional branch "Center" Andrey Belov. According to the police investigation, in April 2019, the participants in the conspiracy coordinated their actions during the bidding for the construction of a fiberoptic communication line in the villages and towns of the Voronezh region worth RUB 901.3 million (implemented as part of the federal project "Information Infrastructure", part of the national project "Digital Economy of the Russian Federation"). According to the Ministry of Internal Affairs, some of the participants simulated a drop in the price offer, and some refused applications in favor of a profitable subcontracting. As a result of restricting competition, they managed to generate income in the amount of 788.6 million rubles. "

https://www.kommersant.ru/doc/4266909/

PJSC “Rostelecom” held the auction on 09/04/2019, which can be seen on the website https://zakupki.rostelecom.ru/2158619/?sphrase_id=356267/

Summing up protocols are available on the State Procurement website https://www.roseltorg.ru/past/procedure/31907748082/

The name of the lot of these tenders is “Construction of communication lines for the implementation of the federal project “Information infrastructure” of the national program “Digital economy of the Russian Federation” in the Voronezh region for the needs of PJSC “Rostelecom”.

The cost of this lot is 901,280,496 rubles, 13 participants participated in the auction, of which 8 winners were selected, including LLC “SKS-Prom” and JSC firm “SMUR”. The amount of the contract with each winner is 112,660,000 rubles.

The Office of the Federal Antimonopoly Service of Russia of the Voronezh Region and the Department of Internal Affairs of the Voronezh Region opened a criminal case against the participants in the conspiracy during these tenders, as indicated on the website of the OFAS for the Voronezh Region https://voronezh.fas.gov.ru/news/19165/

The website of the state body states that "On March 12, 2020, a case was initiated on the grounds of a cartel agreement between the bidders held by PJSC “Rostelecom”. So, on April 9, 2019, PJSC “Rostelecom” posted a notice of an open request for quotations for the right to conclude an agreement execution of work on the construction of communication lines for the implementation of the federal project "Information Infrastructure" of the national program "Digital Economy of the Russian Federation" in the Voronezh Region, starting price 901,280,496 rubles.

Applications for participation in the request for quotations were received from 13 companies. According to the results of rebidding, the winners were 8 companies that offered the best price reduction coefficient. The total amount of the contract was divided between them in equal parts and amounted to 112,660,000 rubles.

The Voronezh OFAS Russia conducted a study of the materials of the inspection of the FSB Directorate for the Voronezh Region and revealed signs of violation of paragraph 2 of part 1 of Article 11 of the Law on Protection of Competition.

The companies were found to have entered into a cartel agreement during the bidding process, which resulted in atypical, interconnected anti-competitive behavior aimed at maintaining prices and increasing the cost of works.

In addition, the actions of PJSC “Rostelecom” officials show signs of coordination of individual trading participants, creating preferential conditions for trading participants by providing them with confidential information.

The Main Directorate of the Ministry of Internal Affairs of Russia for the Voronezh Region has also opened a criminal case under Article 178 of the Criminal Code of the Russian Federation on restricting competition in the auctions, which were held within the framework of the “Information Infrastructure” national project. The initiation of a criminal case by law enforcement agencies was carried out with the participation of the Voronezh OFAS Russia.

In particular, the Department prepared and issued an expert opinion on the evidence and facts collected in the framework of the criminal case. Based on the results of their analysis, signs of a cartel agreement between the bidders held by PJSC “Rostelecom” were identified.

Now JSC firm "SMUR" and LLC "SKS-PROM", trying to avoid criminal prosecution, dispute the conclusion of the specialist of the Office of the Federal Antimonopoly Service in the Voronezh region Pankratieva

E.V. of September 25, 2019, which served as the basis for initiating a case, on formal grounds (without disputing the very fact of collusion and violation of the law) in the Arbitration Court of the Voronezh Region in case No.A14-6544/2020

https://kad.arbitr.ru/Document/Pdf/73b3e75c-ac1f-49fe-9d92-c5bb5c413ec7/c4c1e712-8b6a-4f2e-a1b1-5a24dbabe305/A14-6544-2020_20201027_Opredelenie.pdf?AddStamp=True

This is not the first time that cooperation with N.D. Torokhov's companies has led to such sad consequences for his competitors and partners. Thus, in the Kyrgyz Republic, the activity of a criminal group was suppressed, which includes the already widely known for its fraudulent actions “Global Kvant Services GmbH”.

You can read more about this on the pages of the Kyrgyz Internet publications:

https://24.kg/english/49854_Former_head_of_Kyrgyztelecom_board_charged/

https://argumenti.kg/novosti/proisshestviya/25159-gsbep-predyavila-obvinenie-eks-glave-kyrgyztelekoma-eeshenalievu.html

These publications indicate that the ex-head of the board of “Kyrgyztelecom”, Emil Eshenaliev, was charged with causing damage to the Kyrgyz Republic on an especially large scale - 650,200 US dollars as a result of the criminal actions of the management of “Kyrgyztelecom” and illegal agreements with “Global Kvant Services GmbH” and “KazTransCom”.

The specified JSC "Global Kvant Services GmbH" also managed to distinguish itself in the field of corruption in neighboring Uzbekistan. This is indicated on the site https://uzanticorruption.com/, dedicated to the fight against this ugly phenomenon, on the page:

https://uzanticorruption.com/%D0%BF%D0%BE%D1%87%D0%B5%D0%BC-%D0%BD%D1%8B%D0%BD%D1%87%D0%B5-%D0%B8%D0%BD%D1%82%D0%B5%D1%80%D0%BD%D0%B5%D1%82-%D0%B8%D0%BB%D0%B8-%D0%BA%D1%82%D0%BE-%D0%B8-%D0%BA%D0%B0%D0%BA-%D0%B7%D0%B0%D1%80%D0%B0/

This article indicates that “Telegraph 42” and “Global Kvant Services” are intermediary companies, and are created for corruption schemes, the beneficiary of these companies is the head of JSC “Kvant Telecom”, A. N. Torokhov (son of N.D. Torokhov), they have the same phone numbers and the same executives. You can easily verify this by visiting the sites of these companies:

“Telegraph 42 Management GmbH” (Sebastian-Kneipp-Straße 41 60439 Frankfurt am Main, Germany, Phone +49 69 - 667 741 493, +49 69 - 667 741 291, info@telegraph.de, www.telegraph.de

“Global Kvant Services GmbH”, Theodor-Heuss-Allee 112, 60486 Frankfurt am Main, Germany, tel: +49 69 667 741 290, +49 69 667 741 291 info@kvant-telecom.de www.kvant-telecom.de

The same information on frauds in the sale of communication channels to the Republic of Uzbekistan is given in the article "Who Steals the Internet" posted on the channel on January 25, 2019 https://telegra.ph/Pochemu-tak-i-ne-uluchshilsya-Internet-i -kto-na-ehtom-obogashchaetsya-01-24.

JSC "Uzbektelecom" purchases communication channels for access to the Internet from well-known companies “Megafon”, “Vimpelcom”, “Rostelecom”, “Transtelecom”. But a contract for more than 50% of the capacity of the total Internet access channel was concluded with an unknown company, “Telegraph 42”.

“Telegraph 42” is registered in Germany and does not have its own infrastructure, is not a recognized operator anywhere, and appears only as an intermediary. The company uses the infrastructure of JSC “Kvant-Telecom” and JSC “Transtelecom”.

The “Telegraph 42” and “Global Kvant Services GmbH” companies are registered in the same city and their contact numbers are the same. Initially, “Global Kvant Services” entered into a contract with “Uzbektelecom” and provided the service through the “Kazakhtelecom” communication line.

After JSC “Kazakhtelecom” refused to participate in corruption schemes, the “Telegraph 42” company entered the game, which began to provide the service through the communication line of JSC “Kvant-Telecom”. That is, “Telegraph 42” and “Global Kvant Services” are intermediary companies, and are created to participate in corruption schemes.

Since the investigation of the activities of N.D. Torokhov's companies is already taking place in several countries, including Ukraine, the Kyrgyz Republic, Uzbekistan, the countries of the European Union and the United States, the likelihood of complications, financial and reputational losses caused by such a toxic partnership is very high.

I ask you to take these facts and circumstances into account when making decisions on cooperation with these organizations.

Firms owned by N.D. Torokhov are included in the sanctions lists of Ukraine, the relevant authorities of the governments of the European Union and the United States have been notified of this, they are active participants in corruption schemes in the Kyrgyz Republic and the Republic of Uzbekistan, they participate in a cartel conspiracy in Russia, the management of the JSC firm "SMUR" is currently involved in a criminal case in the Russian Federation.

This fact cannot but affect the reliability and contractability of both JSC firm “SMUR” and the activities of KSC “Kvant-Telecom” affiliated with it and foreign one-day companies “Global Kvant Services” http://kvant-telecom.de/, “Kvant-Telecom Kazakhstan”, “Telegraph 42”, “Global Qtcom. Corp.”, http://globalqt.com/ and “Kvant Global GM”, controlled by N.D. Torokhov family.

In this regard, we warn our esteemed colleagues against "cooperation" with these organizations, the only result of which is likely to be numerous reputational, business and financial losses, many years of litigation and criminal cases initiated on the basis of false denunciations.