Norilsk Cited in Pollution Inquiry
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By Nadia Popova / Staff Writer

An official who granted Norilsk Nickel a permit to emit polluting gases is being investigated over possible abuse of office and causing the state 1 billion rubles ($46 million) in damages, the Investigative Committee of the Prosecutor’s General’s Office said Monday.

News of the investigation comes just days after United Company RusAl, which holds a stake of 25 percent plus two shares in Norilsk, strongly criticized the miner over its environmental record and said it would fund a feasibility study to clean up Norilsk Nickel’s smelters.

A deputy department head of the Natural Resources and Environment Ministry’s technical watchdog "illegally granted Norilsk Nickel permits on the pollution of the atmosphere," Investigative Committee spokesman Vladimir Markin said by telephone. He added that a criminal investigation had been opened against the official, whose name he did not disclose.

"The official granted the permits to Norilsk Nickel in January, while he was acting head of department during his boss' vacation," Markin said. "He actually had no authority to grant those permits. As a result the miner paid only about 200,000 rubles for excessive pollution, while it had to pay about five times more."

"We only got the information from our colleagues in the Krasnoyarsk region today," Markin said, adding, "We are now investigating the motives of the official."

Norilsk spokeswoman Maria Uvarova expressed surprise at the investigation Monday. "Norilsk Nickel works in accordance with the law and gets all its permits legally," she said by telephone.

No one at the Natural Resources and Environment Ministry’s watchdog, the Federal Service for Environmental, Technological and Atomic Inspection, answered calls on Monday.

In its criticism of Norilsk, RusAl said in an Aug. 12 open letter that "neither we nor the state environmental authorities see any result" in the company’s efforts to improve its environmental performance.

RusAl said the information in its letter had been obtained from the government, Greenpeace and the Blacksmith Institute, a U.S.-based nongovernmental organization that put the city of Norilsk on a list of the world’s 10 most polluted places.

Norilsk's newly appointed CEO, Vladimir Strzhalkovsky, rejected the criticism Friday, accusing RusAl of "knowingly or unknowingly using information that does not correspond to reality in an attempt to portray the situation as catastrophic."

Billionaire Oleg Deripaska, the majority owner of RusAl, has been at loggerheads with Norilsk chairman Vladimir Potanin, whose Interores holds a 29 percent stake in Norilsk, over the miner’s merger plans and performance.

"There have been precedents in Russia when competitors or business partners tried to pressure each other through regulatory bodies, including environmental ones," Sosnovsky said.

Norilsk’s shares on MICEX fell 1.5 percent Monday to 4,909.30 rubles, as nickel prices on the London Metal Exchange fell 2.4 percent to $18,250 per ton, Bloomberg reported.

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