

Panov appeals to FBI director Freeh

On July 6, 1994, Anatoli Panov sent the letter excerpted below to Louis Freeh, director of the U.S. Federal Bureau of Investigation, in care of the United States Embassy in Moscow. Freeh had just opened an FBI liaison office in Moscow (see EIR, July 22, 1994).

Dear Mr. Freeh:

The U.S. government's determination to assist Russia in the struggle against organized crime gives me hope that you will give your attention to this appeal. In any case, I have nothing else I can count on. The law enforcement agencies here in Russia are in effect refusing to defend my rights as the lawful head of the largest privatized machine tool plant in Russia, the Ordzhonikidze Moscow Machine-tool Factory. . . .

On the contrary, law enforcement agencies have behaved so as in effect to abet reprisals against me by a mafia group that includes former leader of the Russia Federation Committee on Machine-Building A. Ogurtsov, V. Lobushev, and V. Golovyov; this group has been attempting illegally to gain control of the company since 1990. In 1990, I was convicted of embezzlement, on charges fabricated by the Prosecutor's Office of Moscow, and removed

as general director. Only two years later was this unlawful conviction overturned by the judicial college of the Supreme Court of Russia. . . .

In August 1993, when privatization of the company had just begun under my leadership, there was an assassination attempt against me, which I survived by a miracle. I received life-threatening fractures of the skull, ribs, and legs. Despite direct government instructions to investigate this crime, the Ministry of Internal Affairs of Russia did not investigate. . . . This is typical in Russia today. Unlike others, I was lucky: I am alive.

At the present time, when the company's transformation into a private one has been completed, the mafia has escalated its pressure again. Once again, on an invented pretext, a criminal case against me has been opened and the Prosecutor's Office is again preparing to oust me from my post without any grounds. I do not exclude, that at this moment which is so critical for this factory, mafia elements may again attempt to eliminate me physically.

I should add that one of the first plans our company has, now that privatization has been completed, is to carry out a Russian-American joint project. I ask you, before it is too late, to insist to the competent Russian agencies that they conduct—jointly with the FBI—a thorough investigation of the situation around the application of illegal measures against me.

Respectfully,
Anatoli Panov

General Director, Ordzhonikidze Moscow Machine-Tool Factory

branch's current policy on the machine-tool industry, and machine-building as a whole, is leading to a catastrophic collapse.

EIR: Under these conditions, what are your real possibilities as director?

Panov: In industry today, virtually everything depends on production infrastructure. But the director still bears full responsibility before the shareholders for the company's performance (making a profit, paying taxes, timely issue of wages, dealing with social problems). The director has to answer to the workers, as well, on all problems. People are most concerned about where I will get the money to increase their wages, when we have such inflation and a reduction of orders and utilized capacity.

What is to be done? I think we must halt inflation, review energy prices, establish tough control over the commercial banks, reduce interest rates, and introduce a precise system of regulating wages at enterprises in the state sphere and service sector, in order to prevent wage discrimination

against the productive sector, which is the basic source of tax revenues. As a taxpayer, the producer today is practically strangled by the budget control and Executive branch structures. Taxes due to the state budget equal as much as 50% of ZiO's profits in a year, for example. To function normally, an industrial enterprise should not be taxed more than 25% of its profits; the extra 25% goes to maintain a state bureaucratic apparatus which has grown huge, especially in the President's apparatus and the Executive branch as a whole, which today in Russia alone is double the size of what the entire U.S.S.R. had before.

I believe that the government will have to acknowledge that the "market reform" it carried out, understood as virtual total freedom of not only economic, but also criminal activity, has caused catastrophic consequences for the country and the absolute majority of its citizens. Shutdown and bankruptcy are now forecast for companies which did not die on their own, but were strangled. I state this with full responsibility, as a person elected to his post in 1989 by the absolute majority of the factory's employees. I am no "red