

How do real estate scammers rob Belarusians?

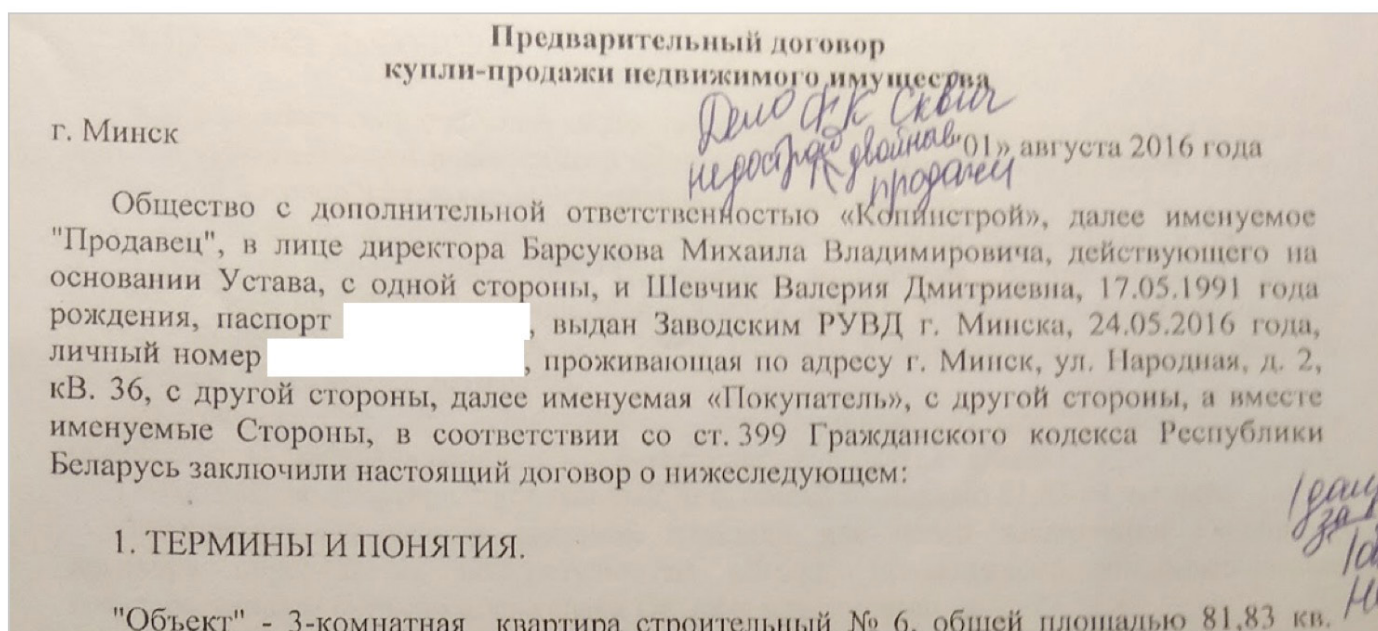
And why is it more convenient for criminals to do time than to return what they have stolen?

To be left without savings and housing overnight. Thousands of Belarusians found themselves in such a situation: deceived during equity construction. In 2013, it seemed to be over. The government passed laws aimed at eliminating massive housing construction fraud once and for all.

But in this investigation, we discovered new schemes by which unscrupulous apartment sellers continue to deceive people, despite the seemingly unbreakable new laws. Among the indirect beneficiaries of the fraudulent schemes were respectable businessmen and people from Alexander Lukashenko's inner circle.

In 2016, Valeria Shevchik decided to buy an apartment in house number 9 in Smorgovsky tract street. Construction was nearing completion, and the developer Belstroyontazh no longer had apartments available. An acquaintance of Valeria's advised to contact the contractor ALC Kopinstroy that carried out works at that facility. The contractor received apartments in this house as payment for construction work - this is a common practice.

In Kopinstroy's office, Valeria signed an agreement with Andrey Krauchanka (Andrey Kravchenko), who called himself the owner of the company, and with director Mikhail Barsukov (Mikhail Barsukou). The document was entitled Preliminary Contract for the Purchase and Sale of Real Estate.



Such a document is not subject to mandatory registration with the Minsk City Executive Committee. But this did not bother Valeria, a qualified lawyer, since the object in which she wanted to buy an apartment was recognized as long-term construction and was under the control of the Minsk City Executive Committee. This circumstance was a guarantee for the woman.

“The house, which is under the control of the Minsk City Executive Committee, is in long-term construction, it was in all the news. Only a very short-sighted person will dare commit some kind of a crime there,” thought Valeria signing the contract.

The woman transferred over US\$ 40.000 to the Kopinstroy account. And six months later, in February 2017, she found out: besides her, several more buyers had transferred money to Barsukou and Krauchanka for the very same apartment.

“A group of equity holders was created in Viber. And people just messaged who owned which apartment. We were just checking the lists. And I see that there is a different surname against my apartment number,” says Valeria.

The equity holders began to turn to law enforcement agencies, but they refused to initiate a criminal case. The investigation only began in January 2018. The investigation lasted almost 1.5 years.

To withdraw the stolen money from the Kopinstroy account, the head of the company held so-called founders meetings, being their sole participant, and issued loans to himself or to Barsukou. Subsequently, the fraudsters would withdraw this money in cash from the bank.

We found Kopinstroy’s former director and Andrey Krauchanka’s equally former friend, Mikhail Barsukou, who had also appeared in the criminal case, but did not go to jail. Here is how Mikhail explains where the equity holders’ money, which he had withdrawn in cash from the bank, went to:

“Usually like: well, the salary should be given to the employees. Come in, take it out, the accounting department will prepare the documents. Well, I would come by, take it out, and give everything to him. And then he commanded further. Workers would come, those who really needed money, and he would then distribute. What’s next then? All financial activities - he conducted everything himself, didn’t specifically report to anyone. How, where to, what... I wasn’t in charge of transferring wages. My business was to take it out and give it.»

For fraud, Andrey Krauchanka was sentenced to 10 years in prison. However, in reality, the citizens’ interests were not protected even after the sentence - the stolen money was not returned to them. The fraudster has been behind bars for about two years, and the victims have been left with nothing for the fifth year running.

Andrey Krauchanka has property for sale. During his activity, the businessman was either the owner or the director of various construction companies: Kopinstroy, Maksgrantstroy, and BinarInvest.

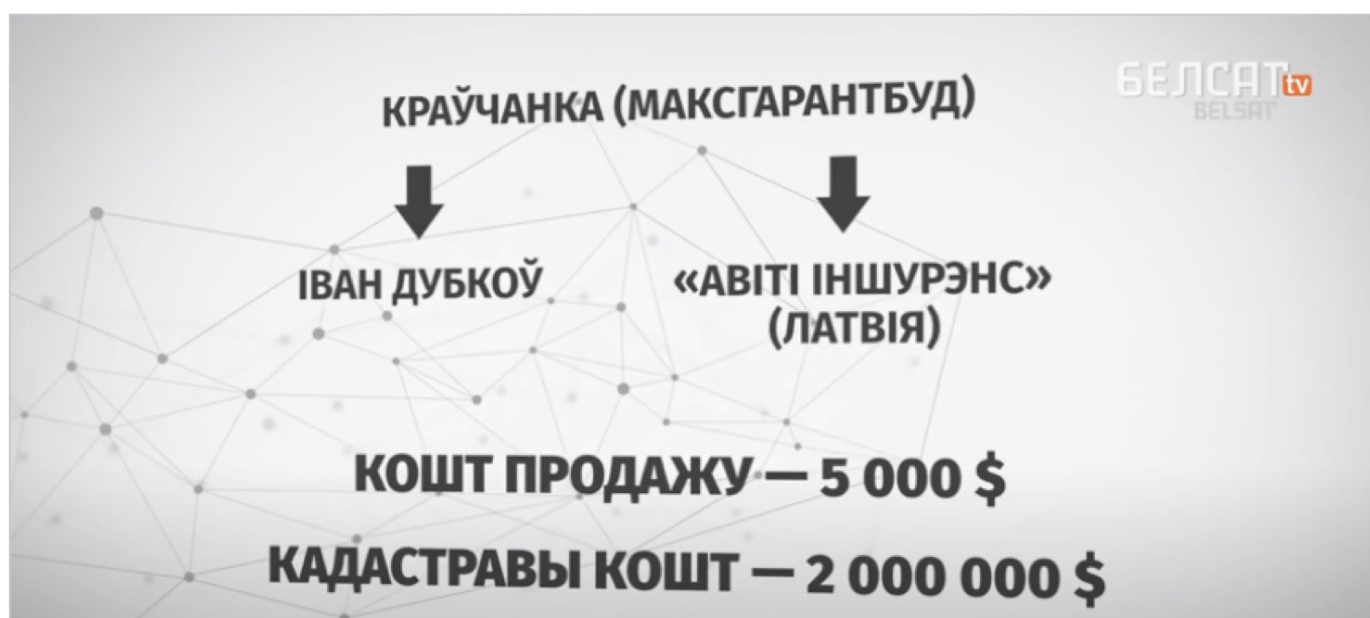


BinarInvest, for example, was building another object - an office building in the village of Azeryschcha (Ozerishche) near Minsk. In 2014, the cadastral value of the unfinished property was estimated at approximately US\$ 2.2 million.

"It was a surprise for us that this object, it turns out, had been financed by third parties, Maksgrantstroy was announced as the developer, but never lodged any complaints, its founder does not consider himself a victim at the hands of Krauchanka. Here begins the process of lifting the arrest, I am trying to understand: how so? Within the framework of the court there was information that BinarInvest had financed the construction of this facility, there was some kind of agreement, there were employees," says Valeria Sheuchyk.

Сведения о собственнике имущества (учредителях, участниках)***		
Физические лица****		
Фамилия, собственное имя, отчество (если таковое имеется) (страна гражданства)	Акимов Артем (Государство Израиль)	
Дата включения в ЕГР	26.09.2018	
Размер доли (в процентном соотношении или в виде дроби) и вклада (с указанием вида вклада) в уставном фонде, вид валюты	100%, 13228 (денежный), Белорусский рубль (BYN)	
История участников		
с 05.05.2005	по 28.12.2006	Жеребятьева Елена Михайловна (Республика Беларусь)
с 05.05.2005	по 28.12.2006	Бабич Наталья Александровна (Республика Беларусь)
с 05.05.2005	по 28.12.2006	Зубченко Юлия Михайловна (Республика Беларусь)
с 05.05.2005	по 25.04.2013	Бабич Максим Александрович (Республика Беларусь)
с 28.12.2006	по 25.04.2013	Король Наталья Олеговна (Республика Беларусь)
с 25.04.2013	по 19.06.2017	Бабич Александр Николаевич (Республика Беларусь)
с 25.04.2013	по 19.06.2017	Бабич Раиса Федоровна (Республика Беларусь)
с 19.06.2017	по 08.08.2017	Кравченко Андрей Иванович (Республика Беларусь)
с 08.08.2017	по 26.09.2018	Дубков Иван Валентинович (Республика Беларусь)
с 19.06.2017	по 08.08.2017	Общество с ограниченной ответственностью "БинарИнвест", 192284664 (Республика Беларусь)
с 08.08.2017	по 26.09.2018	Общество с ограниченной ответственностью "Авити Иншуренс", 40103405118 (Латвийская Республика)

Maksgrantstroy used to belong to Andrey Krauchanka. In 2017, he registered an office center under construction in Aziaryshcha for it. When the police began to receive complaints against him, he sold Maksgrantstroy with all the property to a certain Ivan Dubkov and Aviti Insurance LLC with Latvian owners.



The transaction price is a symbolic 5 thousand dollars. But there was an object with a cadastral value of more than US\$ 2 million registered with the company itself . Ivan Dubkou denies any involvement in the deal.

«I don't remember that. I had no relationship with him. He tried to sell an apartment through me, not just one, but two apartments, at some point,» says Ivan Dubkou.

But Andrey Krauchanka's former partner Mikhail Barsukou remembers this deal:

«As far as I know, he bought Maksgarantstroy and then sold it again. That's what he told me. He again sold Maksgarantstroy to investors. This means that the investors' representatives or the investors became the founders. So I don't know how to recognize this deal here. There could be different agreements here. He also could have received cash. He could have officially sold it for US\$5.000 and received a sum of money equivalent to the cadastral value in the form of a kickback.»

If Andrey Krauchanka were to sell the building itself, it would have had to be assessed by the appropriate agencies, and it would have been impossible to appraise it at US\$5.000 . To get around this procedure, he sold the legal entity, but not the building. This allowed him to formally get rid of both the building and the payment of taxes. A month later, Ivan Dubkou and the Latvians sold their shares to the real beneficiaries - the company FardCity and Viachaslau Brailian (Vyacheslav Brailyan) for more than US\$1.2 million.

«The sale of a stake in the company that has expensive assets was carried out at some nominal value. Not real, but nominal. It's likely that such a step was made with the aim of avoiding taxes and, accordingly, in the future, on the initiative of the tax authorities, such an agreement may be invalidated. Also, the victims themselves, who also have a direct interest, can apply to the court to declare such an agreement invalid,» says lawyer Daniil Smolsky.

FardCity is completing the construction of the business centre by using the contractor BinarInvest, which used to belong to Andrey Krauchanka. But when Andrei Krauchanka was arrested, his common-law wife Sviatlana Yarmakova (Svetlana Yarmakova) took over BinarInvest. When the investigators seized BinarInvest's bank accounts, the company RostokStroyInvest was created, and then all the employees of the arrested company were transferred there.

The victims got the impression that the investigation was simply not interested in following through the scheme to the end. Mikhail Barsukou, Kopinstroy's former director, tells how Andrey Krauchanka behaved during interrogations:

«He was laughing, smiling. The investigator said that during the investigative actions there was an interrogation. He said: "I'll do five years, get out, leave for another country, start a business there.»

If the building had been sold at least for its cadastral value, the money would have gone to pay off FardCity's debt and to compensate most of the defrauded equity holders. But FardCity obviously doesn't want to spend the US\$ 1 million profit from this deal. Moreover, it is not known how much of this money may belong to Krauchanka.

«I think he really has about a million dollars. I believe that he has a rather big amount of money. I believe that at some point he siphoned it off somewhere. This is my point of view. I believe that it's just sitting somewhere waiting for him to be out. I think he didn't siphon it off alone, of course, he did it through someone... But not through me. If it was me - believe me, I wouldn't be here,» says Mikhail Barsukou.

FardCity had worked with Krauchanka before. He was a contractor for the construction of their multifunctional complex Nord City, for which he received 500m² of office space in it.

Until November 2020, the owner of FardCity was the Latvian company Stella Investment, owned by Sergei Mezentsev and Mikhail Kolenov.

Stella Investment and the very Aviti Insurence, into which Krauchanka re-registered Maxgarantstroy, jointly owned Express Accept. This company also belonged to Sergei Mezentsev, as well as Vadzim Vialichka (Vadim Velichko) and Russian citizen Yevgeny Pristrom.



Since the end of 2020, FardCity is owned by Kolenov, Mezentsev and Vialichka. Sergey Mezentsev, Vialichka's assistant Dzmitry Aerau (Dmitry Aerov) and Vadzim Vialichka himself are united by Ost Investments Ltd. Another co-owner of Ost Investments Ltd, Michael Edge, represents the law firm whose clients, according to the FBI, own offshore companies, and have been embroiled in a series of money laundering deals.

Vadzim Vialichka, a Belarusian businessman who owns the Profitsystem company for the processing of small-scale wood and the production of pellets, is included in the fresh TOP-200 successful and influential - in 172nd place. And Dzmitry Aerau is the number two in Profitsystem.

Evgeny Maryanovich Pristrom is the head of the board of directors of JSC CB Zlatkombank. He owns 10.9% of the shares. On December 6, 2018, the Bank of Russia revoked Zlatkombank's license for the fact that the bank's management systematically underestimated the amount of credit risk it had undertaken. The former director of Kopinstroy tells about Andrey Krauchanka's connections with the latter.

"As I understand it, all decisions regarding FardCity were made by Yevgeny Maryanovich. Because he kept repeating: I'll go to Maryanovich - I'll discuss it. I know that he is an influential person in the city," says Mikhail Barsukou.

Thus, as we can see, the company that became the ultimate beneficiary of the robbery of the citizens deceived during the apartments construction, is associated with all the participants in the fraudulent scheme and with very influential people. But in order to consolidate their profits, they took to higher circles.

FardCity is now in constant litigation against defrauded buyers of office premises. It is noteworthy that during Krauchanka's detention, it was the FardCity management that gave out the offices of Binar-Invest free of charge, and then suddenly decided to take Krauchanka's loans upon itself. But the money is not returned to everyone - only to influential people. For example, Sviatlana Kanashenka (Svetlana Kanashenko), Alexander Lukashenko's personal doctor.

In 2016, the beauty salon, of which Sviatlana is considered to be a co-owner, lent Kravchenko US\$ 150.000. FardCity has repaid the debt. Thus, there are fewer and fewer questions to Krauchanka from influential creditors. We asked FardCity to comment on the situation, but in actual fact they did not provide an answer either by mail or at the office meeting.

It turned out that as a result of Krauchanka's activities, the beneficiaries were influential people who were willing to pay off the fraudster's debts with other influential people. But the defrauded real estate investors, ordinary Belarusians, have been left with nothing.

In developed countries, the problem of defrauded equity holders has long disappeared. In Great Britain, for example, this problem was solved in the 18th century. The state assumes all the risks in such situations. This system is called Torrens title.

“If you are a respectable buyer, the transaction was completed and registered, your rights to acquire property are inviolable, and your property cannot be taken away even by a court decision. These transactions are insured by the state. This means that the state carries out this transaction, it also insures it. If it turns out that some scammers misbehaved with the previous owner of the property, the new owner won’t even know about it, because his rights are inviolable. The state will compensate the victim for the amount, fairly and promptly, in accordance with the instructions. And then it deals with the fraudster on its own,” says Natallia Litouskaia (Natalya Litovskaya), an expert on residential real estate.

Torrens title is in effect in Australia, Canada, Singapore, New Zealand, the Dominican Republic, and even neighboring Estonia. Similar systems operate in other EU countries and the United States.

Yet, Belarusian authorities suggest that the defrauded look for and demand the stolen funds on their own - by filing lawsuits against the new owners. But the latter have top corporate lawyers and connections with the top of the government. The courts and the security forces are on their side. For years, deceived equity holders have been pounding the doorsteps of various departments, and the money stolen from them still works to enrich the fraudsters and the businessmen associated with them.