

## Twitter Thread by Sergey Aleksashenko



Sergey Aleksashenko

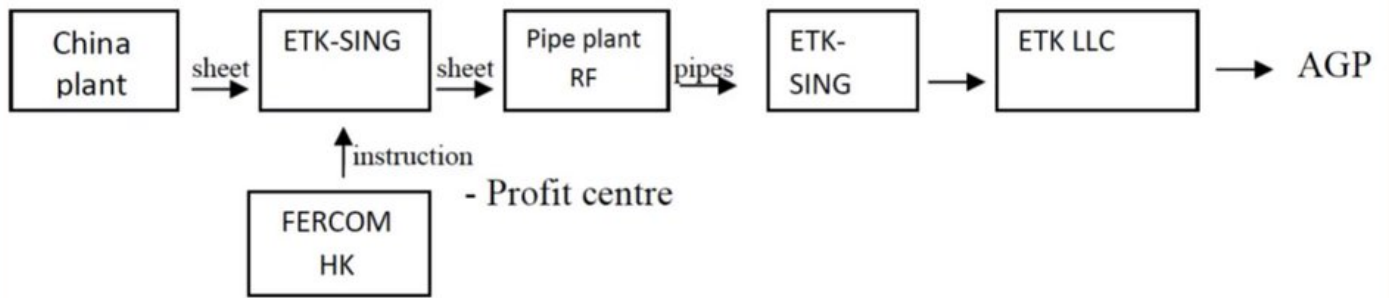
@Saleksashenko



■ @FT ■ [REDACTED], [REDACTED], [REDACTED]  
[REDACTED] « [REDACTED] » ■ [REDACTED]  
[REDACTED], [REDACTED]  
[REDACTED]. [REDACTED],  
[REDACTED] 50% ([REDACTED])  
[REDACTED]



## 2) Chinese sheet → Russian pipe.



What does this indicate?

It is a series of transactions whereby the Singapore unit of ETK (“ETK-Sing”) buys steel from a Chinese plant, sells it to a Russian plant that makes it into pipes, buys those pipes back and sells them to ETK’s Russian parent company (ETK LLC), which supplies them to the Asia Gas Pipeline project.

What’s important here is that a company called “Fercom” (just a place holder name, as in “steel company”) is marked as the “profit centre”.

By the next day Ms Kim has also received a PowerPoint presentation (**Document 3**) to her Mercury email address. There are more diagrams showing the same structure that explain two more crucial aspects of the scheme. First (again in our translation), this PowerPoint says:

1. FERCOM SINGAPORE gives an order to ETK Sing agent company to purchase sheet from a plant in Russia (China) for \$100.
2. FERCOM SINGAPORE gives an order to ETK Sing agent company to sell sheet to Khartsyzsk pipe plant Ukraine or to the Pipe Plant in the Russian Federation with a **maximum margin for \$200**. The import of

It’s not using actual numbers, just arbitrary figures by way of an example. The point is, the scheme appears designed to generate profits with a huge mark-up between the price at which the Singapore company buys steel and the price at which it sells it on to pipeline plants.

Sure enough, contracts that ETK and Mercury people exchange in emails show just such a mark-up in action. Here’s part of a Chinese one (**Document 4**), showing the ETK company in Singapore buying steel made by Jiangsu Shagang in China:

### 合 同 CONTRACT

合同号:	CONTRACT NO CH-03-CSE-01	2012-07-10
Contract No:	CONTRACT NO CH-03-CSE-01	DATE: July 10,2012
买方:		
The Buyer:	ETK TRADING PRIVATE LIMITED 9, Temasek Boulevard № 19-02A, Suntec Tower 2, Singapore 038989.	