
KAZAKHSTAN: TAX CHIEF NAMED DEPUTY HEAD OF SECURITY SERVICES

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An eyebrow-raising appointment to the higher echelons of Kazakhstan's security services suggests greater emphasis is about to be placed on combating corruption.

The presidential administration announced in a tweet on November 21 that Daulet Yergozhin was being moved from his long-term position as chief of the tax committee to become the new deputy head of National Security Committee, or KNB, the successor agency to the KGB.

Yergozhin, 37, was in the news most recently in October over some intra-departmental sniping coming from the direction of the General Prosecutors Office, which accused certain government bodies of being overly aggressive in their checks on business owners.

There is no system of risk management, no clear analysis about which business needs to be inspected and when, Marat Akhmetzhanov, the Deputy Prosecutor General, told media in early October. What is more, state bodies have, in their checklists, included large amounts of outdated requirements. Some of them are absurd and beyond logic.

Akhmetzhanov did not appear to single out any particular body for criticism, but given Yergozhin's swift reaction, it was clear that his was one of the departments in question.

Yergozhin said that he would look into the activities of his committee's economic investigations department to see what work needed to be done.

On the whole, we share the concerns of the main supervisory body – the General Prosecutors Office – about the need for running fewer checks on private businesses so as to interfere less with their affairs. We are open to this criticism, he said.

Yergozhin insisted, however, that his committees inspections do yield results.

The US Embassy evinced some of Yergozhin's attack-dog instincts in a dispatch obtained by the Wikileaks website in 2008, when he was first appointed to lead the tax committee.

Yergozhin had strong views on taxation issues and was not afraid to express them publicly or privately. He was a proponent of several recent taxation initiatives which were aimed at enabling the government to capture a greater proportion of the profits from the national resources sector. One of these initiatives – a mineral extraction tax – was incorporated into the draft of a new tax code currently under consideration in parliament, stated the cable, signed off on by the then-US ambassador Richard E. Hoagland.

Yergozhin has experience of Western life and education, and speaks fluent English, having graduated with an MBA from Suffolk University in Massachusetts in 2003. The US Embassy suggested this made him a figure to watch in the future.

We expect the bold and ambitious Yergozhin, a representative of the new generation of young, western-educated Kazakhstani bureaucrats, to be more aggressive, while at the same time more transparent and professional, than his predecessor, the cable noted.

Less kind remarks have been made about Yergozhin by the opposition-minded and now-defunct newspaper Respublika, which described the outgoing tax chief as a long-term creature of Karim Masimov, the current head of the KNB. The article, which is unavailable online since Respublika was recently liquidated under duress, makes a series of other unrepeatable and fairly libelous claims impugning Yergozhins integrity.

Respublika has something of a score to settle with Yergozhin, seeing as it was the tax authorities that in 2011 sought hundreds of thousands of dollars from the newspaper and affiliated publications in what was seen at the time as a politicized case. Give the minute scale on which Respublika operated, there was certainly something outsized about the size of the tax bills. Some months after opening their tax probe, the authorities withdrew their demands and recalculated the amount owed, prompting Respublika to run an article with the tentatively crowing headline Yergozhin Surrendered. Or Not?

Allegations aside, Yergozhins deep background in the financial side of things and his alleged close

links to Masimov suggest the KNB is being fine-tuned to further develop the agency's economic oversight component as part of a broader agenda to avert a slide into long-term stagnation.

The man Yergozhin is replacing, 61-year old Kabdulkarim Abdikazimov, is an old-school security services man. His biography shows that he graduated from KGB college and progressed through various regional security service jobs before finally reaching his last destination. Since being appointed deputy head of the KNB in 2010, Abdikazimov's focus has primarily been on preventing terrorism, which has, if anything, worsened under his watch.

Despite the recent, sudden flare-up of violence in cities like Aktobe and Almaty, the KNB may have decided that priorities need realigning all the same.

Kaynak/Source: