

# Massive Corruption Stalls Production of Russian Nuclear Attack Submarines

By [Arthur Dominic Villasanta](#) | Mar 26, 2017 07:40 PM EDT



K-560 Severodvinsk. (Photo: Russian Navy)

Rampant corruption in its submarine building industry has forced Russia to limit production of its new Yasen-class nuclear-powered multipurpose attack submarine (SSN) and complement it with a cheaper and smaller SSN called the Husky-class.

This untrammelled corruption involving contractors building the Yasen-class has caused the cost of each of the two submarines built to date to skyrocket. Only one Yasen-class SSN, the K-560 Severodvinsk, is in active service with the Russian Navy out of a planned fleet of 12 of these subs.

A second Yasen-class SSN, the K-561 Kazan, is building and is scheduled for commissioning into the navy by 2018.

The cost of building the Severodvinsk is estimated to range from \$1.6 billion to \$2 billion, making this sub the most expensive submarine in the world, and a massive drain on cash-starved Russia.

The Severodvinsk costs as much as two Borei-class nuclear-powered ballistic missile submarines (SSBN), the first of which (K-535 Yuriy Dolgorukiy) entered service with the navy in 2013.

The Kazan is even more expensive. It's expected to cost anywhere from \$3.5 billion to \$4 billion in 2011 dollars.

In 2011, Anatoliy Serdyukov, the Minister of Defense at the time, criticized the non-stop cost of the Yasen-class and Borei-class submarines. He described the stupendous increase in cost between the Severodvinsk and Kazan as "incomprehensible."

Officials from the United Shipbuilding Corporation (USC), which builds the Yasen-class, laid the blame for the incomprehensible rise in costs on contractors. USC officials said its work accounts for only 30 percent of the submarine's completion cost. The remaining 70 percent is linked to suppliers and contractors paying kick-backs to Russian government officials.

Russian media said that because of the massive cost of the Severodvinsk and Kazan, the Husky class SSNs will be smaller and will feature reduced armament. Russia will start building the Husky-class in 2020 after four more Yasen-class subs are built. This will bring to six the total number of Yasen-class SSNs built out of 12 originally planned.