

The logo for Ventham Consulting features the word "Ventham" in a dark blue serif font. Below it, the word "Consulting" is written in the same font, but the initial letter "C" is significantly larger and colored in a golden-yellow hue, overlapping the "V" of "Ventham".

Ventham
Consulting

Background

The UK's National Crime Agency (NCA) prepared a case investigating the alleged links between the late **Rakhat ALIYEV** and a number of properties in London, funded by what was believed to be funds obtained from criminal activity. As a result of their investigation, at an *ex parte* hearing on 22/05/2019, the Hon. Mr Justice SUPPERSTONE granted the NCA three Unexplained Wealth Orders (UWOs) and their related Interim Freezing Orders (IFOs) relating to:

32 Denewood Road, London N6 4AH – UWO reference CO/1540/2019, directed against **Mr Andrew J. BAKER**, and IFO reference CO/1541/2019, directed against Mr Andrew J. BAKER, and the **Villa Magna Foundation**;

33 The Bishops Avenue, London N2 0BN – UWO reference CO/1542/2019, directed against the **Manrick Private Foundation**, and IFO reference CO/1543/2019, directed against the Manrick Private Foundation, and **Alderton Investments Limited**; and

Apartments 9 and 14, 21 Manresa Road, London SW3 6LZ – UWO reference CO/1544/2019, directed against **Mr Andrew J. BAKER**, and IFO reference CO/1545/2019, directed against Mr Andrew J. BAKER, and the **Tropicana Assets Foundation**.

The Respondents to these UWOs and IFOs subsequently applied, on 04/09/2019, to the High Court for discharge of these Orders and a hearing was held before the Hon. Mrs Justice LANG on 10/03/2020 and 11/03/2020. On 08/04/2020 Mrs Justice LANG delivered her Finding. She held that the NCA had failed to prove that the funds used to purchase the properties originated from criminal activity, that they were directly linked to Rakhat ALIYEV, or that the Respondents were involved in serious crime. She further stated her view that the NCA's case was flawed by inadequate investigation, and that the NCA had failed to carry out a fair-minded evaluation of material provided by the Respondents.

The NCA lodged an appeal against this Finding, which was heard by the Right Hon Mrs Justice CARR at the Court of Appeal (Civil Division). She dismissed the application to appeal on 17/06/2020.

Purpose of Report

Ventham Consulting was independently retained to research and prepare a number of reports concerning individuals and companies connected to the properties that were subject of the UWOs.

This report reviews all of the material that was made public in the course of the hearings, and obtained through open-source research around it, and associated material. As a result, it is believed that there was a sound case to answer in relation to the UWOs, but that it failed because of:

- inadequate investigation (as highlighted by Mrs Justice LANG);
- a failure adequately to research explanations given by the Respondents;
- a failure to challenge assertions made by the Respondents' Counsel; and
- a failure to utilise open-source research – much of which had been provided to the NCA, prior to the hearing, by interested parties.

It is clear from the research that the three properties which, for ease of reference, are described as the "**UWO Properties**" are linked to other properties that have, for several years, been suspected of having been purchased by **Rakhat ALIYEV**. These properties, all adjoining, are:

215-229 Baker Street, London NW1 (known as “Abbey House”);

231-237 Baker Street, London NW1 (known as “Abbey House Annexe”);

6-8 Melcombe Street, London NW1; and land adjoining and connected with these properties.

For ease of reference these properties are described as the “**Baker Street Properties.**”

This report highlights evidence that appears to point to other offences, including money laundering, failure to conduct adequate anti money laundering (AML) checks, and Companies Act offences.

Summary of specific findings

- No primary evidence was adduced to show **Rakhat ALIYEV** and **Dariga NAZARBAYEVA** had been legally divorced, calling into question the assertion that funds had been lawfully transferred to the latter.
- No evidence was adduced to prove that either **Dariga NAZARBAYEVA** or **Nurali ALIYEV** were the ultimate beneficial owners of **Twingold Holding Ltd** at the time of the purchase of **32 Denewood Road**, calling into question the true title for the property and the source of the funds to purchase it.
- **Andrew BAKER**, president of both **Tropicana Assets Foundation** and **Villa Magna Foundation**, has been involved in at least three legal actions in the USA, one brought by the **Department of Homeland Security**, in which fraud and money laundering have been alleged. This was not brought before the Hearing.
- Significant differences have been found between documentary evidence and the account given by **Dariga NAZARBAYEVA**’s lawyers concerning her transfer of shares in **JSC Kant**.
- There is evidence that the ultimate beneficial owner of the vendor of **32 Denewood Road (Huckabay Holdings Ltd)** is likely to have been **Vladimir PALIKHATA**, who may have continued to have an interest in the property several months after the transfer of title to Twingold Holding Ltd. No evidence has been made public to indicate what anti money laundering (AML) processes were conducted by the purchasers of the property, to ensure they were not breaching AML regulations in dealing with Mr PALIKHATA.
- The Respondents suggested that the funds to purchase 32 Denewood Road were part of a much larger sum that had been transferred from Dariga NAZARBAYEVA’s account with **Nurbank** to **Greatex Trade & Invest Corp**. However, no evidence was adduced to show the source and purpose of other transactions at the time, which may have shown that the entire amount was used for another purpose, and calling into question the source of the funds to purchase the property.
- The account given by Nurali ALIYEV’s lawyers, concerning the monies apparently used as a deposit to purchase **33 The Bishops Avenue**, does not appear to be consistent with the chronology of transactions, and appears to have conflated two separate transactions of approximately £4.5 million, the source of one being wholly unaccounted for.

- **Dolores Trade & Invest Ltd** (one of the companies involved in the purchase of **33 The Bishops Avenue**) was subsequently dissolved and, in the course of efforts to have it restored to the register of companies, what appear to be false statements were made to Companies House. It appears to have held a critical role, and was the only UK-registered company in the complex structure.
- The bank through which Dariga NAZARBAYEVA transferred at least £118.5 million, **Julius Baer Bank** (JBB), and which converted it into US dollars, was found to have committed serious breaches of anti-money laundering measures between 2009 and 2018 (the period in which she used her accounts). The bank used a financial instrument (a “Fiduciary Call Deposit”) that would have concealed the identity of the ultimate beneficial owner of the funds, to transfer the money.
- The lawyer, **Benjamin WARD**, who (when with Herbert Smith LLP) acted for the purchaser of 32 Denewood Road, was subsequently appointed a director of four companies linked to **Dariga NAZARBAYEVA**, one of which was directly involved with the “**Baker Street Properties**” and the other three of which have the appearance of having been created for the purposes of obscuring financial transfers, at the time of the purchase of the leasehold on the “Baker Street Properties”.
- Both **Nicholas DRYDEN** and **Mukhamed-Ali KURMANBAYEV**, when involved in the several companies involved in the purchases of both the “Baker Street Properties” and the “UWO Properties”, appear to have made numerous errors in their signed declarations to Companies House, and may have made false statements in these.
- **Bezhad NAGHIBI**, a man with no apparent qualifications or experience to act as a director of companies, was appointed to several that appear to have been established to provide a parallel means of transferring funds at the time of the purchase of the “UWO Properties” and afterwards. He also appears to have carried out duties on behalf of Dariga NAZARBAYEVA in relation to her estranged son, **Aisultan NAZARBAYEV** (also known as **Aisultan RAKHAT**), who announced he had information about large-scale fraud and money-laundering relating to Kazakhstan and Russia, and who died, apparently of a drug overdose, in London in August 2020.
- A few weeks before the Hearing, **Aisultan NAZARBAYEV / RAKHAT** made public statements alleging Kazakhstan was selling gas to the Russian firm **Gazprom** “for a pittance” and that this was a means of laundering money from Kazakhstan to wealthy Russians and Kazakhs. This may have been interpreted as referring to **TOO “Gas Development”** – the company to which his mother, **Dariga NAZARBAYEVA**, sold her shares in **JSC Kant**.

Assessment

It is clear that the personalities, corporate structures and mechanisms by which first the “**Baker Street Properties**” and then the “**UWO Properties**” were purchased were not only similar but had several overlapping elements. In particular, it is evident that there is a clear hierarchy of roles and responsibilities. At the top are **Dariga NAZARBAYEVA** and **Nurali ALIYEV**. Set to one side, and not so

intimately concerned in the transactions, are other very wealthy Kazakhs and Russians, such as **Rashid SARSENOV** and **Vladimir PALIKHOTA**, who appear to have had their own agendas, for which they were prepared to accept the hundreds of millions of pounds in shares or cash that was offered.

The principal facilitators relied upon by Dariga NAZARBAYEVA and Nurali ALIYEV were at the next level, and principally lawyers and accountants: **Andrew BAKER**, **Nicholas DRYDEN**, **Bernard ENRY**, **Mukhamed Ali KURMANBAYEV**, and **Massimiliano DALL’OSSO**. It is telling that many of these men had undertaken the same work for Rakhat ALIYEV, and simply transferred their work to his ex-wife and (apparently estranged) eldest son. It is notable that these men acted as officers in almost all of the companies, and provide the clearest evidence of links between the “Baker Street Properties” and the “UWO Properties”. As has been noted above, at least two of them appear to have made repeated and significant errors in documents submitted to Companies House – to the extent that they may be likely to be regarded as having made false declarations.

Between the principal facilitators and the very wealthy Kazakhs and Russians are such people as **Dina ABDYKALYKOVA**, **Timur SEGIZBAYEV**, **Askar TARABAYEV**, and **Galimzhan YESSENOV**. These are all Kazakhs, and appear to be either related to the NAZARBAYEV family, or have close friendships with them, and for whom they were prepared to act as trustees of otherwise ensure the smooth transfer of funds.

Acting alongside the primary facilitators are the company formation agents – most notably **Sarah and Edward PETRE-MEARS**, **Clare Alice WILSON**, and **Amanda USHER-WILSON**, **Michelle BEZERRA**, and **Gillian MASTERS**. Without their willingness to form the company structures, and provide the necessary corporate services, the convoluted structures (which appear to have been constructed solely for the purpose of creating confusion and obfuscation) would have been impossible. They were assisted by the likes of **Mohamed ALALI**, **Damian CALDERBANK**, **Stephen KELLY**, **Andrew STUART**, and **John WORTLEY-HUNT**, and it is notable that all of these men gave addresses in Dubai or the UAE. **Greatex Int. Real Estate LLC** and **KZ Capital General Trading LLC** are located in these Emirates, and may be a reason for this coincidence of addresses.

Lastly, there are the men who were appointed as directors of the several companies at critical points, and appear to have undertaken the necessary actions to ensure the transactions went smoothly. Principal among these were **Bezhad NAGHIBI**, and **Benjamin WARD**. They too, like **Nicholas DRYDEN** and **Mukhamed Ali KURMANBAYEV**, appear to have placed themselves (or been placed) in invidious positions with regard to potential offences under the Companies Act. While it appears that they were not trusted to the same extent as the principal facilitators, they nonetheless appear to have played critical roles at specific times. Examination of the chronology shows that their appointments came immediately before or after critical events in the preparation for the purchases of the properties, and reinforces the inference that their roles were connected to these. It seems likely that both NAGHIBI and WARD would have pertinent information as to the functions of the several companies to which they were appointed.

Report (v1.3) produced, 06/04/2021

Ventham Consulting

ENDS