



International Foundation for Better Governance

A special report by the International Foundation For Better Governance.

Hundreds of billions of dollars are missing - yet a struggle to bring the alleged culprits to justice

International creditors demand search of hidden assets

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07.04.2021

For more than a decade a handful of men and women have avoided justice despite them hiding in plain sight. They lead an opulent lifestyle as they greet the rich and famous with one hand and with the other thumb their noses to authority. These wanted people – some convicted to serve prison sentences - owned banks where billions of dollars went missing.

To try to understand how they avoid justice we have gone through hundreds of court and press documents and spoken to politicians, lawyers, and journalists throughout Europe. We wanted to know why the West is reluctant to return these few to countries they committed crimes. We asked British and European banks who had lost money to see what steps they had taken to trace the losses. And we have spoken to authorities in London, Paris, Monaco, Luxembourg, Liechtenstein, Moscow and Astana battling through UK/French, Swiss courts for fairness.

A few people agreed to speak under anonymity. We tried to talk to the four men accused of stealing money but with no response. However, they claim to be political victims of regimes back home – and too afraid to hand themselves in.



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International observers believe the timing and extent of the Global Financial Crisis in 2008 surprised many countries, however, Russia was not one of them. They report the country was “generally prepared” for the meltdown that cost the world an estimated \$13 trillion. [1]

But what Russia was not prepared for was the vast sums of money missing from its banks.



As worldwide debts were called in some of the country’s biggest finance houses could not pay. Once the Central Bank started to investigate the losses, they uncovered a tangled web of deceit. Some banks were founded and owned by individuals and they had given large unsecured loans to shell companies that had been set up in offshore tax havens. One man and his sister had used 286 companies to syphon money out of Russia. [2]

Hundreds of billions of dollars had gone from the banks’ books – and much of it is still unaccounted for. And not only was the money missing but the people who stole it.

A few bankers were caught and put on trial and jailed, but others had fled in the dark and scattered through Europe with their spoils.

Four men in particular – known as “important birds” – had flown the nest and found sanctuary in the welcoming arms of the West – primarily France and Britain. The wanted men are Sergei Pugachev, Georgy Bedzhamov and Anatoly Motylyov- all Russians- and Mukhtar Ablyazov from Kazakhstan.

A former Russian banker living in London said these four have used their wealth to fight off legal actions while claiming to be victims of political regimes in their homeland. He added: “But to the people in Russia and Kazakhstan the men are nothing more than thieves who robbed ordinary folk of their life savings.”



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Britain's Home Secretary and Justice Minister asked for help

British MP Andrew Bridgen has demanded the UK does all it can to make sure the men are returned to face justice. He has written to the Home Secretary Priti Patel and Justice Secretary Robert Buckland asking what action is being taken about Pugachev, Bedzhamov and the others.



“The UK cannot be a haven for criminals, no matter how much money they spend and regardless of where they may have stolen it from...”

...Allowing such individuals to remain in our country undermines international confidence in our justice system. It also makes a mockery of our investors' visa and passport system. These men are wanted criminals not only in Russia and Kazakhstan but England. Two have been sentenced by the High Court to prison for contempt. Another has been convicted of conspiracy to murder. Is their money more important than seeing justice done?”

The MP added: “They should all be returned to Russia and Kazakhstan to face their accusers. Instead, they continue to live lives of outrageous opulence using money stolen from their own people. The Government is always receiving select committee reports on Russians and their influence in the UK. And our intelligence services have expressed deep concern about Russia's activities. However, little seems to be done. Two of these wanted men are reported to be living in London. Surely, if we put our minds to it, it can't be that difficult to find a Russian oligarch in Mayfair or Belgravia. I will be asking the Home Secretary and Justice Minister what steps are being taken to ensure Pugachev, Bedzhamov, Ablyazov and Motylyov are returned.”

Sergei Pugachev

Pugachev was the co-founder of Mezhprombank in 1992, one of Russia's largest private banks and was known as "Putin's Banker"; two remarkably close friends who knew from the early days that huge riches could be made from Russia's post Berlin Wall collapse. He told Le Figaro - the French national daily newspaper - "we saw each other every day until late in the night". However, that relationship soured simultaneously with the bank's collapse. Pugachev fled and began to tell the West that Moscow turned against him for political reasons, and he found thankful listeners. But others dismiss him as a wanted man who has managed to inveigle the West into believing his tales.



"An incorrigible liar"

A lawyer in London who worked for Pugachev and preferred to be anonymous said: "Pugachev is a very charming and charismatic man who will tell the Western world he is a victim of Russia. In fact, he is an incorrigible liar and is fundamentally dishonest. He never spends his own money and everything he does always ends badly for him."

And another London lawyer told our inquiry: "I don't think I have ever seen a more plausible witness in a court room. "The man has an innate ability to appear to be telling the truth when nothing could be further from it.

"A London High Court judge said Pugachev was "quite willing to lie" - an insight shared by his former partner and mother of three of his children Alexandra Tolstoy.

Pugachev jailed for contempt

It all started to "end badly" for Pugachev in 2010 when Mezhprombank defaulted on a €200 million Eurobond. ^[4] The Bank of Russia later revoked Mezhprombank's licence in October 2010 after discovering most of its loans were unsecured. Pugachev fled Russia on January 28th, 2011 as criminal proceedings were started into the bank's collapse.



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On the last day of April in 2015 the Moscow Commercial Court (MCC) ruled in favour of the Deposit Insurance Agency (DIA) acting as the state's liquidator for insolvent banks. The MCC said Pugachev, and other bank executives were liable for the bank's debts of 75. 6 billion roubles. To recover the money the DIA filed lawsuits around the world – including Britain, the Cayman Islands and France.

In the High Court in London on July 11th, 2014 Mr Justice Henderson recognised the Russian liquidation of the bank. [5] He issued a without-notice worldwide asset freezing injunction against Pugachev for \$2 billion. On March 2nd, 2015 Mr Justice Peter Smith ordered Pugachev to surrender his passport. [6 – note 14]. However, Pugachev ignored the decision and fled to France leaving behind his partner Alexandra Tolstoy and his three young children.

Pugachev was found to be in contempt of court by Mrs Justice Rose. [7] She also held him in contempt for continuing to deal with frozen assets, refusing to hand over mobile phones and email passwords, not revealing what happened to large sums of money and “giving false evidence with no belief it was true”. Pugachev was jailed for two years but the sentence has not been served and he still is in contempt.

Pugachev – “a person quite willing to lie”

On January 26th, 2016, the High Court issued a default judgement that recognised and enforced in Britain the MCC decision ordering Pugachev to pay £731 million. The court said Pugachev was “is not a person who would lightly relinquish control of anything. He is a person quite willing to lie and put forward false statements deliberately if it would suit his purpose.” However, a DIA application to a court in Nice, France, in January 2019 to claim Pugachev's French properties was denied. But the decision was overturned in June 2020 by the Appellate Court of Aix-en-Provence. Further litigation on this is still going through the French courts.

It is alleged Pugachev embezzled Mezhprombank funds to finance his worldwide assets.

His portfolio of property listed in the High Court, London, includes: [8]

A house in Glebe Place, Chelsea – sold on court orders in 2020 for £6. 5 million. His country home called Great Venn in Hertfordshire – sold on court orders in 2017 for £1. 6 million. In France he bought a ski chalet in Valberg and a villa in Saint-Jean-Cap-Ferrat – both in the Alpes Maritimes region. He had a £22 million beachfront house on the Caribbean Island of St Barthelemy and three yachts worth a collective £65 million. Plus, two private jets and a helicopter.

Most of these holdings were in five trusts set up in New Zealand with assets of £100 million. [9] The named beneficiaries included his three children with his partner Alexandra Tolstoy, two sons from a previous marriage, and Pugachev himself.



Countess Alexandra Tolstoy

The children had permission to defend the trusts with their mother acting as a “litigation friend” – someone in court who can represent underage children. The DIA sought to show the trusts were shams and that all the property was held for Pugachev. And in October 2017, the High Court in London ruled that was the case.

[9B]

The court said: “The whole scheme was set up to facilitate a pretence about ownership (or rather its absence) should the need arise.”

Pugachev also had property in Red Square, Russia’s largest shipyard in St Petersburg, and the world’s second largest coking coal mine in Tuva, Siberia. He also owned Hédiard and the French national newspaper France Soir.

Pugachev “saves” iconic French firm Hédiard

How he came to own Hédiard is a matter of much speculation. Early in 2007 the quintessential French fine food company was on the verge of collapse and asked the French Government for help. The then Prime Minister François Fillon was desperately looking for an investor to bail-out the rapidly declining business. [10] In the summer of 2007 M. Fillon was introduced through mutual friends to

Pugachev and he expressed an interest in saving the gourmet food company – but it came at a



1854
HEDIARD
PARIS

price. It is said that apart from the £950 million he was prepared to put into the business, Pugachev wanted French citizenship to go with his financial deal.



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Newly elected French President Nicholas Sarkozy was said to be against the arrangement as he wanted a French investor to help Hédiard – a business founded in Paris in 1854 and a flagship worldwide brand name.

At a private after-dinner meeting in Moscow between Vladimir Putin and M. Sarkozy on October 9th it is said the Russian President asked for Pugachev to be allowed to rescue Hédiard. M. Sarkozy slept on the proposal and a deal with Pugachev's Laxadvor company was announced the following day. Months later Prime Minister Fillon granted Pugachev French citizenship – despite him not living in the country for the requisite five years or barely able to speak the language. As for Hédiard – after six loss making years it filed for bankruptcy in 2013.

Arrest warrant confusion allows Pugachev to remain free

It is said the British Government has failed to have Pugachev extradited to the UK to serve his time in prison because of “confusion” implementing a European Arrest Warrant (EAW). The Supreme Court in London had previously ruled a EAW cannot be used to bring a fugitive back to Britain if they have been sentenced for contempt in a civil case. [\[11\]](#)

The EAW is only applicable to criminal offences not civil. If Pugachev was returned to Britain he would be sent to jail to purge his contempt and Russia might find it legally easier to extradite a man held in custody.

When asked what the current situation was with Pugachev and an application to have him returned to Britain a Home Office spokesperson said: “We do not comment on individual cases.”

Frustrated creditors of the Russian bank pursuing Pugachev have criticised the muddle. One said: “It is remarkable that tactical moves across jurisdictions, even in illegal flight, should still be able to frustrate European national authorities in their co-operation against theft on a grand scale.”

Pugachev has also financially cut-off his estranged partner Alexandra and their children. It is said they have a “volatile” relationship. The British aristocrat – who goes under the title of Countess – is related to the Russian novelist Leo Tolstoy who wrote War and Peace. Her father is Count Nikolai Tolstoy.

Pugachev - “a tyrannical and paranoid bully”.

Alexandra, the mother of Pugachev’s three children, claims she was evicted from the family’s £12 million home in Battersea, South London with only 12 days’ notice. The couple met in Moscow when she was asked to give Pugachev English lessons.



In an interview with the Daily Mail [12] Alexandra said: “When I met Sergei it was electric. It was amazing. I fell so in love with him. I’ve never felt such a connection to someone ever.”

The couple lived the high life in Moscow, Paris, and London. She said: “It was incredible, he would give me his credit card and I would go shopping, I had a private jet. I just had to pack my suitcase and I could go.”

The family lived in London, a 200-acre country estate in Hertfordshire, and a £40 million beach villa in St Barthelemy in the Caribbean.

The Countess was asked to comment on her ex-partner’s predicament. She said: “Sergei doesn’t pay any maintenance for my children which is a nightmare. To escalate any tension with him is rather pointless.”

However, after London’s High Court ruled that £90 million in offshore trusts set up by Pugachev for his three children could be seized she told the Mail on Sunday: “I cried for two days when I heard. I lost our house in St Barts. My children are losing their home.”

“He was a tyrant who abandoned us”

She describes her ex-partner as “a tyrannical and paranoid bully”. And she claims he kept her a prisoner in her own home – something he denies. Alexandra said: “I never had access to any money. There is nothing in my name. I’ve now got to earn a living to keep my children and the best prospect is in Russia. I don’t want to go, but I can earn a living there.

However, I am scared Sergei could have the children kidnapped.

He’s a control-freak and a liar and those two problems undermined our relationship. He was a tyrant who abandoned us, and I was scared all the time. When I look back, I just remember him bullying me

and I don't want to live in fear like that. I don't want my daughter to grow up thinking that is normal. He claimed all I ever wanted was his money. But he only had to make me and our children secure. That's all I wanted. People warned me, but I was truly in love."

"Who flees leaving their children and mother"

Alexandra believes Pugachev should have stayed in Britain and fought his corner against the Russian accusations - but instead, he "just panicked and fled". She said: "Who flees, leaving their children and their mother and not warning them?"

During her time in the South of France at Pugachev's The Belle Epoch chateau she claims she was "a prisoner". She said: "Sergei used to tell me I was mad. He would change the locks on the house. He would cut me off financially. He never gave me a credit card or a bank account. I just had a tiny allowance. He makes you completely dependent on him financially, then cuts it off. He turns around and accuses you of being only interested in the money. He did it to everyone, from people who worked for him to his eldest son from his first marriage. He promised my parents he'd marry me, but he didn't."

Pugachev and Panama papers

Pugachev was named in the Panama Papers – some 11.5 million encrypted financial documents taken from the law firm Mossack Fonseca.^[12B] The documents were released five years ago. The paperwork exposed a network of more than 214,000 tax havens involving people from every country in the world. As a result of evidence found in the mountain of information the Swiss authorities launched an investigation into Pugachev. He is accused of laundering some \$700 million via Geneva's Banque Soci t G n rale.

Always the victim never the villain

Pugachev, like many fugitive Russian bankers with an "interesting" past, portrays himself a victim of political persecution. And, like a Russian chess Grand Master, it is his opening defence to any accusations of wrong doing. He is able to put forward his "political persecution" arguments in the book "Putin's People" written by Financial Times reporter Catherine Belton. Despite a court judgement that Pugachev was a liar, had fled England a wanted man – abandoning his partner and children – the book painted him in a favourable light. ^[12C]



Catherine Belton

Georgy Bedzhamov

It was a stark message plastered across a mobile billboard slowly driven past Harrods – the high-end store beloved by the rich and powerful: “London is no longer a safe haven for individuals seeking to hide stolen assets.”



were Georgy Bedzhamov and Larisa Markus.

And to ram it home, there was a “wanted” picture of a brother and sister said to have stolen more than a billion pounds from the Russian bank Vnesheprombank. There was even a “substantial” reward for information that led to the arrest of the man and the recovery of the money. The campaign was launched by debt recovery experts A1 acting for an international committee of creditors. The targets



Jailed for embezzling \$2 billion

Markus is now serving eight and a half years – reduced from nine on appeal - after admitting one of Russia’s largest ever bank frauds. [13] She stole more than \$2 billion from Vnesheprombank. The bank’s closure was one of more than 300 shut down since Russia’s Central Bank tackled endemic fraud among its financial powerhouses.



Prince Albert of Monaco

Meanwhile, her brother had fled to Monaco seeking refuge and was desperately trying to avoid being returned to Moscow to face the financial music. Despite a Russian application for extradition, the principality’s Prince Albert II “saved him”.

The Prince had the “final word” on whether Bedzhamov should be sent back or not. He decided not to send the Russian back to Moscow to answer the allegations. The Prince and Bedzhamov, 59, were close friends through Olympic bobsleigh competitions.



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Bedzhamov is hiding in plain sight in London

Once the threat of extradition to Russia had gone Bedzhamov left Monaco and is now somewhere in London – hence the A1 “find him” campaign. As MP Andrew Bridgen explained: “Surely, if we put our minds to it, it can’t be that difficult to find a Russian oligarch in Mayfair or Belgravia.”

Bedzhamov’s sister Larisa was the Vnesheprombank president. Although she admitted embezzlement it is said he was the mastermind behind the crime. Investigators found that twenty-three per cent of loans on the bank’s books were found to be fraudulent. Vnesheprombank had given loans to 286 shell companies scattered throughout the world’s offshore tax havens. [14] Little has been recovered.

However, last month a court in Moscow seized Bedzhamov’s home in Belgrave Square, London. He bought two prestigious properties in Mayfair in 2015 – a year before the bank went bust. It is reported that Bedzhamov created a fictitious charge over the property in the name of Clement Glory Ltd – a British Virgin Islands company.

He claims his property portfolio is pledged to creditors – but the creditors’ lawyers say that is bogus and a ruse to protect his assets. Creditors represented by A1 are suing Bedzhamov in the High Court, London, for the recovery of £1.3 billion. [15]

The Court of Moscow ruled on the London homes: «The titleholder and owner is prohibited to dispose of the specified property, in particular enter into contracts of sale, donation, lease, pledge and other transactions, the subject of which is the alienation or encumbrance of this property. The resolution to initiate a motion before the court for permission to seize property was drawn up in compliance with the requirements of the criminal procedure law, substantiated by factual data confirming the need to authorize seizure of property belonging to the accused Georgy Bedzhamov, which is confirmed in the copies of the criminal case files submitted to the court”.

A source among the creditors suing Bedzhamov said:

“It is not clear why the Russian prosecution waited so long to freeze the assets of Bedzhamov.

But it is a good sign they are taking the criminal case against this person seriously, using all the legal tools at their disposal to pursue him both in Russia and internationally.

Stolen money used to buy luxury yacht

In 2016 an investigation by a Liechtenstein banker into Bedzhamov and his sister uncovered a treasure trove of alleged fraudulent transfers. The file was prepared by Michael Schöb, the Deputy Head of the Financial Intelligence Unit of Liechtenstein. [16]



He found ten accounts for different companies were opened with the Valartis Bank – now called Bendura. Eight were in the name of Markus and two for Bedzhamov. Between 2010 and 2015 the couple transferred more than £100 million to bank accounts in Switzerland and Liechtenstein. More than £65 million in Swiss francs were transferred to accounts associated with Bedzhamov and Markus.

Some went to the Panamanian Orange Tree Investment (POTI) account at Valartis. Another £29 million in Swiss francs were transferred to the POTI account with the Swissbank Vontobel. That money was used to buy luxury yachts and real estate, says the report. [17]



Ester III [18]

POTI received € 31. 9 million from Eurotex, € 18. 8 million from Silverrow, € 12. 8 million from IMET Group and € 10. 6 million from Venus Corporation. The report suggested the British holdings Silverrow and Eurotex to be «offshore companies that were controlled from Moscow ». Both firms shared the same email address.

Silverrow was listed at Companies House in London. Its registered address is in the tax haven offshore Marshall Islands in the Pacific and the company was liquidated on September 6, 2016.

In 2013 POTI received £94, 000 from the International Bobsleigh Federation for “prize money” and £720, 000 from the Russian Bobsleigh Federation for “sports kit”. And POTI paid £18. 3 million to the German shipyard Lürssen; Lürssen Yachts is the world’s finest builder of luxury superyachts.



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Schöb notes the money was for the construction of Bedzhamov's super yacht Ester III. The vessel was sold in 2016 after a successful court action by BNP Paribas against Bedzhamov in Gibraltar. Bedzhamov also transferred nearly £1 million to Basel Properties – a company owned by his wife Alina Zolotova.

Frank Haun, the Deputy Prosecutor General of the Principality of Liechtenstein said: «An investigation is underway on suspicion of money laundering in connection with the facts. »MrHaun added he could not give more details, including the names of the suspects, names of companies and banks. He said: “The investigation is ongoing and being conducted by an investigating judge. ”

Meanwhile, Bedzhamov is trying to apply for British citizenship through a “Golden Visa”.

Britain's Golden Visa system is flawed

The Golden Visa system was introduced in 2008 to help simplify obtaining residency and citizenship in the UK. A Labour government under Prime Minister Gordon Brown hoped to attract “the brightest and best workers or business people” to boost the country's economy.

Simply, foreign nationals had to invest millions of pounds in bonds, share capital or companies. A £2 million investment meant you could apply to settle within five years. A £5 million sum dropped it to three years. And £10 million to two years. Between 2008 and 2015 more than 3, 000 people took up the offer – 23% of them (705 people) were Russians.

However, investigations later discovered the “Golden Visa” scheme was flawed. The Home Office would grant the visa before the money had been invested through a UK bank. The Government department assumed the banks would carry out anti-money-laundering due diligence. In turn, the banks assumed the Home Office had checked out the applicant's bona fides before granting the visa. So, no one was investigating where the money came from or how it had been raised.

It is estimated that during that period Russians invested more than £750 million in Britain. Not all are linked to criminality and corruption. However, those who managed to slip through the net represent a threat on two levels: money laundering and political influence.

A Home Office spokesperson said: “The UK is a world leader in the fight against financial crime and corruption, and we welcome legitimate and genuine investors who wish to come here. The



Government has thorough checks in place ensure applicants adhere to the immigration rules and we closely continue to monitor all immigration routes to ensure they operate appropriately. We do not comment on individual cases [Bedzhamov]”.

Labour peer Lord Judd has warned about Bedzhamov – and other foreign “fugitives from justice” – buying citizenship with their wealth and influence. He said Britain’s reputation as a “bastion of fairness” was coming under threat. Lord Judd has asked the House of Lords about Bedzhamov’s application. [\[19\]](#)

He wanted to know:

“What assessment has been made of the fraud and corruption charges against Georgy Bedzhamov in the context of his application for British citizenship”.

He said: “The point is that yes I am concerned about Russians buying their way into Britain. That seems to me to be very unfortunate at the very time we are being so hostile and difficult about so many people with so many issues. As someone who is deeply committed to justice and an enlightened and fair immigration policy, I believe that becoming a British citizen is not something you buy. It is something you need to be worthy of. There needs to be more transparency.”

He added: “I am concerned about the whole operation of immigration and asylum in this country. It must be open and transparent, fair and honest and it must be free of any overwhelming financial bias. I do think that it calls into question the whole objectivity, fairness, and transparency of what we are doing with other people. We are in a bad phase in our history. But now we really are becoming, to put it honestly, a very insular, defensive and money-orientated society of the wrong kind.”



Tatjana Ždanoka

Bedzhamov's alleged frauds and the fact the High Court had issued a worldwide freezing order on his assets.

And the MEP Tatjana Ždanoka wrote to the Home Secretary Priti Patel about her concerns over Bedzhamov applying for UK citizenship. [20]

Billions of pounds laundered through London

Meanwhile, a report by Westminster's Intelligence and Security Committee (ISC) said London was "awash with illegal money from Russians". [21] It said successive British governments had "welcomed the oligarchs and their money with open arms".

It added: "It provided them [Russians] with a means of recycling illicit finance through the London 'laundromat' and connections at the highest levels with access to UK companies and political figures. The arrival of Russian money has resulted in a growth industry of 'enablers': lawyers, accountants and estate agents have all played a role, wittingly or unwittingly, and formed a 'buffer' of Westerners who are de facto agents of the Russian state."



Graeme Biggar

One of Britain's leading officers checking financial crime said half of the money laundered in the UK comes from Russia. Graeme Biggar, director general of the National Economic Crime Centre (NECC) said the level was "disturbing".

[22]

He said it was "too easy" to set up companies in the UK and Russian "laundromats" were using the corporate structure to launder billions of pounds.

The NECC was set up in 2018 and works with the National Crime Agency, Financial Conduct Authority, and the City of London Police. An ENCC report to MPs said: "the arrival of Russian money has resulted in a growth industry of enablers – [British] lawyers, accountants and estate agents have all played a role. Not through the UK or UK financial institutions...but corporate structures that have been set up through UK systems."

And a National Crime Agency spokesperson said: "We continue to bring all the capabilities of UK law enforcement to bear against serious criminals and corrupt elites. There is no place for these people, or their money, in our country. In the last financial year, we have frozen or seized almost £160m of criminal assets and continued to pursue Unexplained Wealth Orders through the courts."



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Three remain active with an estimated total value of £43. 2m. We also led major investigations into illicit finance and financially motivated cybercrime.”

“Strapped for cash” claims Bedzhamov

Claiming he was strapped for cash, Bedzhamov recently successfully challenged a £80, 000-a-month spending cap imposed by the courts. [23] His legal team argued at the Court of Appeal he needed more money to pay for his homes in London and Monaco and for security teams.

Lord Justice Males ruled to increase the limit to about £161, 000 – to include rent, medical expenses, his children’s education, and private security. However, one member of the three-judge panel, Sir Geoffrey Vos, disagreed. He noted Bedzhamov had told the earlier hearing “the police expressed concerns about his security in April 2019 following the well-publicised incident concerning Sergei Skripal and his daughter”

Mukhtar Ablyazov

Mukhtar Ablyazov is another banker who stole a breath-taking \$6 billion from his BTA bank in Kazakhstan to fund an opulent lifestyle for himself and his family. But what makes him different from the other state thieves is that Ablyazov came by his riches through murder.



He took control of BTA after his boss and bitter rival was shot dead while out hunting wolves. The two men were driving a 4x4 vehicle along a bumpy road in the Zhambyl oblast in southern Kazakhstan in December 2004. Yerzhan Tatishev, the head of the BTA Bank, was behind the wheel alongside Ablyazov and Muratkhan Tokmadi – a local gang leader – who was sitting in the back.



Yerzhan Tatishev

Tokmadi asked if a rifle could be handed to him. But as Mr Tatishev was passing over the loaded gun it was said the 4x4 went over a bump and the rifle went off. Mr Tatishev was hit in the head and died instantly. The more than plausible story was believed by the police and the shooting was recorded as an accident.

However, in 2005 Tokmadi – the leader of an organized crime gang called “Deputies Corps” - was given two years’ prison for «negligent homicide. «[24] With Mr Tatishev gone the bank’s front door was opened for Ablyazov and he took no time in walking in and getting his feet under the table.

Ablyazov becomes one of the world’s richest men in a heartbeat

With a single gunshot Ablyazov had become one of the world’s richest men. Kazakhstan was riding high on its newly found oil fields and the tycoon and the former Kazakh energy minister was close to the people who ran the country.



Roman Borisovich

a mailbox address and, in any currency, with not a penny or dime or rouble or sou of collateral. The Kazakh authorities estimate as many as one thousand phoney firms were based in tax havens and had Ablyazov listed as the main beneficiary. Roman Borisovich from the anti-kleptocracy NGO, ClampK said:

However, in 2009 huge losses were uncovered at BTA and Ablyazov was accused of embezzlement on an industrial scale. He had been moving vast sums through an impenetrable labyrinthine network of worldwide bogus companies and offshore accounts. In the four years between 2005 and 2009 at least \$8 billion worth of loans were approved by BTA. The money went to companies with just

“Clearly, he didn’t set them all up. This was his accountants and lawyers, and they would know where the key elements are...”

Sometimes these companies are created because you want them to be a chain of ownership, so five companies could be set up just for the purpose of one owning another. That’s how things work... so there’s virtually no way of linking an individual to a company. ”

More than \$12 billion was missing. The money was the lifesavings and pension funds of Kazakh people, but Western financial institutions also lost assets. The subsequent closure of BTA cost the

Royal Bank of Scotland (RBS), HSBC, Barclays, Morgan Stanley and Credit Suisse more than £5 billion in lost investments and pension funds. Barclays and RBS were both asked to comment on their efforts to recover the money but declined.

Hitman changes his story and accuses Ablyazov

While Ablyazov's lawyers were fighting cases in the London High Court the local gangster Tokmadi, who'd been in the 4x4, suddenly had a different tale to tell.



Muratkhan Tokmadi

He told prosecutors in 2017 that the killing was not a "hunting accident" but a

premeditated murder ordered by Ablyazov. Ablyazov, 57, was later charged by a Kazakhstan court with «intentional infliction of death in a conspiracy of persons». He refused to return to Kazakhstan and was

tried in his absence. The court was told how Ablyazov offered \$4 million to kill Mr Tatishev so he could take over the bank.

In a statement to lawyers, Tokmadi confessed:

“Ablyazov proposed the neutralisation of Yerzham Tatishev. It was to happen on the hunt and be made to look like an accident...”

Tokmadi said Ablyazov told him he was having “serious problems” with his rival. He said he had been “taken advantage of by a man who couldn’t keep his word”, and he was being “double-crossed”. Tokmadi told the hearing: “This was a deliberate shot at the request of Ablyazov. He promised me \$4 million if all goes well – there were no guarantees. In the autumn of 2003, they brought me a sports bag, there was \$ 2 million inside. ”

The court found Ablyazov guilty and sentenced him to life in prison. The term adds to those already imposed; a Kazakhstan court jailed him for 20 years for fraud and embezzlement and a London High Court judge gave him 22-months for contempt.



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Another jailed banker claims he's a victim of political influence

After his BTA frauds were uncovered Ablyazov had fled to Britain and successfully claimed asylum. Despite his protestations of innocence – blaming political persecution – BTA has relentlessly pursued him through the London High Court. A representative of BTA told The Diplomat magazine:

“Ablyazov is neither the first nor the last in using ‘political victim’...

[25] Posing as a political victim, he certainly hopes for protection from the law – primarily in Western jurisdictions. Ablyazov simply has no other choice but to stick to this single line of defence.”

BTA has argued successfully that Ablyazov continued to move money and assets despite being ordered not to. For doing so he was held in contempt of court and jailed on February 12th, 2012, for 22 months. [26] However, he was not around to hear the sentence handed down.

Despite his “wanted” picture being posted at airport and ferry ports he had already fled Britain and disappeared into a rabbit warren of luxury homes throughout Europe. His passage through the UK’s courts has gone on for more than five years. Millions of pounds have been spent on lawyers as he appeals every decision against him. It is one of the most expensive runs of actions ever heard in the High Court.

BTA has so far won judgements on five of its 11 claims against Ablyazov, totalling \$4. 1bn. But, according to reports – not denied by BTA – it has only retrieved a few hundreds of millions of dollars.

The fraudster’s property portfolio in Britain was estimated to be worth more than £60million, with a home in The Bishops Avenue, North London – nicknamed Billionaires’ Row. But his £150 million assets were stripped after a High Court hearing in 2012.

Mr Justice Teare said Ablyazov was accused of “fraud on an epic scale”. He had committed a “deliberate and substantial” contempt by breaching an asset-freezing order imposed to stop money vanishing before litigation concluded.

The conviction was later upheld at the Court of Appeal, where judge Lord Justice Maurice Kay said Ablyazov had shown “rare cynicism and deviousness towards court orders”. With a touch of irony, it was his love of fighting everything in court that led to his French hideaway being discovered.

Ablyazov mistress led DIA to his hideaway

BTA investigators noticed that an “elegant mystery” blonde in a slinky purple dress appeared in court in London. She was part of the Ablyazov legal team fighting an ownership claim on a port near Murmansk, on the Russian White Sea coastline. Court papers revealed the woman to be Yelena Tischenko, a recently divorced mother of four. [27] She was also Ablyazov’s mistress.



Yelena Tischenko

After the day’s hearing private investigators followed her from the Rolls Building and out onto a busy Fetter Lane in the heart of the City of London. She hailed a black cab and headed to Gatwick Airport to catch an EasyJet flight to Nice. On landing, Yelena went to her former marital home where she changed her clothes before driving to a stunning villa on the Cote D’Azur.

She was followed all the way.

Dressed in underpants and laying lillies on a bed

The BTA undercover team saw Yelena enter a property nine miles from Cannes and they hid in the grounds. Through the early morning light they spotted Ablyazov at a bedroom window. He was dressed in just his underpants and was laying lillies on a large white linen sheeted bed. He was waiting for his mistress.

For 14 days the BTA team watched his every move around the house in Mouans-Sartoux, Aix-en-Provence. The region’s Advocate General Solange Legras was later said to be “somewhat surprised” to learn the world’s most wanted financial fugitive was holed-up in her jurisdiction.

It was feared that Ablyazov was heavily protected by his own armed militia and Malinois guard dogs. To avoid a shoot-out French special forces were called in. Supported by helicopters and armoured vehicles, soldiers stormed the main gates and entered the villa. Ablyazov was arrested and held in custody from July 2013 to December 2016.



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Flouted many court orders

BTA Bank spokesman Pavel Prosyankin said at the time:

“This arrest is a result of the bank’s diligent efforts through the British justice system to recover the billions of dollars he stole while chairman of BTA.

We have sought his arrest to prevent him from further dissipating assets which the English High Court ordered to be put in receivership. He has flouted many court orders and fled the UK after we secured another High Court judgment sentencing him to prison in England. He is now in custody and we are optimistic that we will be better positioned to recover more of the assets which the court has authorised us to seize.”

In 2015, a French court in Lyon issued an extradition order following a request from Russia and Ukraine. That was cancelled in December 2016 by France’s highest court – the Conseil d’Etat - on the grounds of a “political motive” behind the applications. In July 2019 London’s High Court issued its latest arrest warrant for Ablyazov.

Last September Ablyazov was made a “political refugee” in France. [28] However, Ablyazov is - for the time being - safe from having to return to the UK to serve his 22 months in prison. Simply, contempt of court is a civil case, and you can only extradite someone for a criminal case.

Extradition rules hamper Russian efforts

James Ramsden, a leading London QC well versed in the English High Court and extradition cases, explained how the current rules restrict enforcement.

He outlined four points:

- Contempt of court for breach of freezing orders and orders to disclose assets are a civil law matter. Thus, not caught by the Extradition Act.
- European signatories to the European Convention on Human Rights will not extradite for a breach of a civil law order, even if the breach results in a sentence of imprisonment.

- Because no criminal jurisdiction is in play UK Border Force will not monitor the entry to the UK (or exit) of those sentenced to a term of imprisonment for contempt of court, so enforcement sits squarely at the feet of the counterparty to the litigation in which the contempt of court occurred.
- This is necessarily and inevitably ad hoc and episodic. At present contemnors who can leave the jurisdiction and live abroad can invariably escape the consequences of a committal for contempt of court. This sits at odds with the popularity of this jurisdiction for the settlement of disputes and claims and with the preparedness of the English courts to accept jurisdiction where this is not conferred by agreement.

He said: “In my view, the solution is to permit a Judge to certify a contempt as ‘criminal’ in nature and thus allow (by amendment to the Extradition Act) extradition from (at least) European countries. It would be a case-by-case assessment based on seriousness of the contempt and the public policy in enforcing court orders.”

Ablyazov was later named in the leaked Paradise Papers – a huge tranche of financial documents that exposed the twilight world of offshore finance. [29] The information revealed how politicians, celebrities, multi-nationals, and incredibly rich people used complex finance systems to protect their wealth from heavy taxation.

Anatoly Motylyov

Anatoly Motylyov cuts an unassuming figure – thick non-designer glasses, clipped moustache – the look of an accountant. No yachts or luxury homes. No wild parties of excess. No nothing. He simply concentrated on running his billion-pound banking business – four Russian commercial banks and seven private pension funds. His banks held the lifelong savings of more than one million Russians. However, the “quiet man” of banking had a £1 billion hole in his books.





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He was running one of Russia's largest “vacuum cleaning” financial operations

The man considered to be a low-profile introvert was running one of Russia's largest “vacuum cleaning” financial operations — sucking in deposits by offering double-digit interest rates and using the money to finance his personal business ventures.

When the scam was uncovered the Central Bank withdrew the licence of RossiiskyKredit, the country's 45th largest financial institution by assets. It recorded Russia's fifth biggest loss by a bank – losses of 56 billion roubles. It's estimated he held the savings of more than one million Russians.

And Motylyov? He stopped going to the office and quietly slipped out of Russia to hide in Britain. It is believed he is still in London living a “quiet life”.

Surprisingly, it was not his first brush with a bank going bust. In 2008 his bank Globex was bailed out when the world fiscal crisis hit hard. Motylyov sold Globex to the state Vnesheprombank for a symbolic five thousand roubles. However, a check of the books showed Globex needed 87 billion roubles to shore it up.

Forensic accountants discovered the bank gave loans to fictitious companies that helped Motylyov finance his real estate projects. [30] Only a handful of companies out of the hundreds given loans were properly run commercial businesses. Financial chicanery by Motylyov had earlier come to the attention of Dmitry Tulin – then working for the Central Bank. In 2004 he highlighted problems at Globex. However, his warnings were unheeded.

Tulin wrote in 2009 in the Analytic Banking Journal: «It is impossible to work with such a burden on your soul. Globex was a champion of financial reporting fraud. «

New fraudulent schemes without punishment

By 2009 Motylyov had set up a new credit organization, AMB Bank in Moscow. In 2012, he and other investors bought the Russian Credit Bank from Bidzina Ivanishvili, who was preparing to become president of Georgia. In 2014, Motylyov became the owner of two more credit organizations: Moscow-based retailer M Bank and Tula-based Tula Industrialist Bank. He also started investing in private pension funds. The quiet man of Russian banking had duped officials again and stolen his banks' money.



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Maxim Osadchiy, an analyst at BCF Bank in Moscow, said: «Anatoly Motylyov showed the same trick twice. The government spent 87 billion roubles on Globex' sanitization, and he was not even put in prison. »

The material presented in this investigation covers the criminal activities of only four former bankers from the former Soviet Union-Russia and Kazakhstan, who are still hiding in the West, fearing just retribution in their homeland.

All of them fled to Europe, hiding behind false legends about «persecution
« in their countries and thus received asylum.

In this regard, on behalf of the people who analyzed the numerous facts of illegal activities of these individuals, we would like to ask the governments of Great Britain, France, other European countries, the competent authorities regulating such issues, representatives of the law enforcement system and, of course, numerous non-governmental organizations in the West, when will justice finally prevail? Shall we wait for the moment when all these international scammers will be brought to justice?

In practical terms our organization is interested in the following questions:

- Do you possess any information on any assets reportedly belonging to any of the four persons illegally hidden from the creditors and financial authorities?
- What actions are performed or may be performed to discover their hidden assets or to bring them to justice?
- Are you ready to cooperate somehow in search of hidden assets and in legal prosecution of the four bankers?

We would like to hope that all the questions we have mentioned will soon be fully answered. Thus, Europe will be able to quickly get rid of the presence of such people here, who cast a shadow on the high standards of law and long-standing traditions of justice in Europe.



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