

CHAPTER THREE: THE EXILE MEETS THE EXPATS



fter Ivanov, the first people we went after were our competitors, the *Moscow Tribune* and the *Moscow Times*. From ten paces they looked identical, with the same A3 tabloid paper and blue banner, but there were huge differences. The former simply sucked, while the latter was fast becoming a tyrannical corporate mini-Godzilla, stomping on the expatriate community's communication lines with its high production values and aggressively banal news coverage.

Undermining the extravagantly staffed, liberally funded *Times* was going to be a long-term project; putting the *Tribune* in place would be easier. This was a two-bit copycat publication run by a British mama's boy named Anthony Louis, son of Victor Louis, the well-known English correspondent and reputed Soviet double agent. Years ago, Louis Sr. had brought the text of Khrushchev's secret speech and films of Sakharov in exile to the West. Now Daddykins was dead and twentysomething offspring Anthony wanted to follow in his journalistic footsteps, using the platform of an English-language paper in Moscow.

Louis's paper had actually been the first such paper in post-communist Russia, but it quickly lost almost the entirety of its market share to the *Moscow Times* through mismanagement, editorial ineptitude, and the conspicuous lack of an overall publishing concept. Historical forces had also played a role in squeezing it out. The *Trib* was a hokey British cold-warrior leftover of the mind-set which had created faux-friendly projects like Apollo-Soyuz and the Goodwill games; it had been the big paper in town when "Joint Venture" and "Cooperative" were the hot new words on the street, and people like Grigory Yavlinsky put forth pie-in-the-sky fantasies of revamping the Soviet economy in 500 days, and were taken seriously when they did. The *Times*, on the other hand, was a product of the

next, more lasting era, in which armies of American consultants virtually took over Russian government, and smooth-talking Western corporations moved in to replace that hokey Cold War atmosphere with the efficient, calculating feel of "professional" Russia. Everything about the *Times* was corporate: the American style and spelling (despite Dutch ownership), the gleaming new computers, the high-rent start-up office in the Radisson hotel, the confident, libertarian editorial slant. . . . If the *Trib* was ratty tweed, the *Times* was creased collar and power tie, which by 1992 was the chosen uniform of much of the can-do expatriate community.

The *Trib* couldn't compete. Within a few years after its inception, its entire marketing strategy was geared toward

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clumsily copying the *Times*, which had brought on a core staff of experienced hacks in its start-up stage to compete with the *Trib's* low-cost editorial staff of wire services and Upper Voltan grad students. The *Trib* was shameless. Every time the *Moscow Times* did a redesign, the *Trib* did one, seemingly copying every last detail (*Times* decisions to go weekly or insert a color banner, for instance, were quickly countered by the *Trib*). This was the kind of business you only see Westerners daring to run out in the open when they're far away from home; it was a newspaper in the same vein as "Leevi's" jeans, "Naike" sneakers and Starter jackets with "Atlanta 49ers" emblems.

By the time I arrived at the *eXile*, the *Trib* had already started to copy us. They'd put out a nightlife guide which was a naked copy of our own "Bardak" pullout section, a thing which had already gained some renown around town for rating clubs according to your chances of getting laid at them, using copulating stick figures as graphics. The *Trib* answered with a guide that used eXilian words like "whores" and "E-ed out"—all in the wrong places, of course, but there all the same.

This was a low-tech version of something we were going to come across over and over again—Westerners operating under a thin cover of "Western" respectability, eking out tiny profit margins by running asthmatic little rackets with public or private money, and hoping no one would notice amid the general chaos of modern Russia. After all, the logic went, there were plenty of Western corporations and governments doing big-time good in the new Russia—what's wrong with a little racket or two on the side, as long as they're kept relatively quiet?

We were small-time, too, but we were going to take a different tack, choosing to dispense with the pretense and be openly nasty in our attempt to get a little piece of the pie. Living as we were in a country where government officials unapologetically stole in the billions, we figured our readers would at least appreciate our honesty. The *Trib* was a good place to start. Mark and I took a quick glance at their new guide and decided to turn around and shove their editors' subtle parasitism up their asses.

Posing as independent marketing consultant "Sam Weiss"—the first in what would be a long line of mischievous, fictitious *eXile* Jews—we called around Moscow's leading Western p.r. firms and said that we were working for Anthony Louis and wanted help in refashioning the *Trib* concept. In a peculiarly contemptuous twist, we pitched the idea of a "scratch 'n sniff" *Tribune* to every company we called.

The results were brutal. Every company in town declined our business, regardless of how large a fee we offered. A company called Friedman and Rose gave a typical response, explaining in a written response that "the challenges facing the *Moscow Tribune* are more substantial than any promotional 'gimmick' can instantly resolve. . . . The problem does not lie exclusively with its marketing. The publication has a 'me, too' look which does nothing to set it apart from its competition. The *Moscow Times* and (to a lesser extent) the new lifestyle tabloid, the *eXile*, have re-positioned the *Tribune* into a tenuous middle ground position—rather than as a true alternative to either."

That company even included in its rejection letter a free copy of an inspirational self-help book (*Disruptions: Overturning Conventions and Shaking Up the Marketplace*), whose jacket cover we published along with all the letters and phone conversations accumulated in the course of the prank, which documented the *Tribune's* pathetic standing around town. Advertisers reportedly called the *Trib* in a rage, demanding to know if it was true, as we'd claimed, that their papers languished in stacks for weeks. The *Trib* had no defense. There were holes in its deniability at every major distribution point in the city.

In any case, nine months later, the *Trib* was down from five issues a week to two, and was being run on the editorial side by a guy who had gone from entry-level copy editor to editor-in-chief in the space of six weeks. Anemic ad revenues and rising rent in the diplomatic office space his late father's spook friends had found him forced him to squeeze the staff that he'd kept on two whole floors into half of one floor. And after a year of hounding his paper, we were expanding, from 16 pages biweekly to 24 pages biweekly and finally to 16 pages weekly, largely by swiping away his advertisers.

The *Times* was a tougher call. This was a paper backed up by a big corporation called Independent Media, which was headed by my former boss, the diminutive Dutch ex-Maoist Derk Sauer. Sauer had started with just the *Times*, but now also had Russian versions of *Cosmopolitan*, *Playboy*, *Good Housekeeping*, *Marie Claire*, *Harper's Bazaar*, and *Men's Health*, in addition to business publications like *Kapital* and *Skate Press*, which were staples of the Western financial community. There was no way we were going to put these people out of business, but we could at least embarrass the newspaper.

Although the *Times* had been very indulgent with me throughout my stay there, rehiring me no less than three times during my many years of frenzied flight between

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jobs, countries, and nervous disorders, the company leadership had been unaccountably nasty and condescending when I told them of my original plans to edit *Living Here*. The most obnoxious of the lot was editor Geoff Winestock, a dour, reactionary Australian with a weaselly, suspicious face and a notorious lack of interpersonal skills. Geoff had been wearing the same tight maroon turtleneck for about four years, and it appeared to have cut off the blood supply to his head; he always looked half-asphyxiated and pissed off. I'd known Geoff for years and never liked him. The year before, he'd tried to talk me out of leaving the *Times* to move east, arguing with a straight face that playing pro basketball in Mongolia was a disastrous career move compared to staying with his

reporter he'd be fired if he wrote for me. After that, Winestock swiped away another contributor of ours, a Russian journalist who was writing under a pseudonym, by threatening to tell the writer's publisher about his extracurricular activities unless he switched from the *eXile* to the *Times*. It was a crude power play, the first of its kind I'd ever encountered, and it set the tone for future *eXile-Times* relations.

But personal considerations were really secondary when it came to my attitude toward the *Times*. As a literary organism alone it made for a very conspicuous villain. Though former *Times* editor Marc Champion had chided me, when I returned for Moscow, for joining up with a "shit paper" like *Living Here*, the truth was that the paper

Svalka Right outside metro Profsoyuznaya. The place looks dead on weekdays but Fridays and Saturdays here are undoubtedly one of the best in the city. Good bands, reasonable prices, nice looking girls, extraordinary interior and dances till you drop will drive crazy anyone.

The Trib's Time Out section. Above: The Trib seeking to "drive crazy anyone" with its eXilian club guide. Right: Sam Weiss's letter.

paper to rewrite wire copy. He'd sweetened that pep talk by informing me that if I went through with my basketball plans, I'd never be welcome back at my dull job at the *Times*. Tactics like this had caused turnover to skyrocket at the *Times* since Winestock took over from his more straightforward and professional predecessor, Marc Champion.

In any case, when I returned to Moscow to edit *Living Here*, Winestock promptly banned me from the *Times* offices—where I still had friends—then refused to let one of his employees publish his book serially in my paper after he himself had rejected it, telling the

The Moscow Tribune

Sam Weiss, Independent Media Consultant
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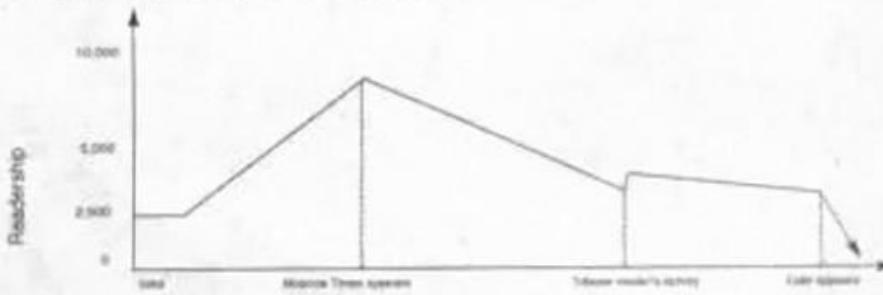
The Moscow Tribune is Moscow's oldest foreign-owned English-language newspaper. We began publishing in 1989, more than two years before our competition, *The Moscow Times*. We believed that the then-Soviet Union was poised to become one of the world's leading emerging markets, which in turn would require news and information in English, of which there was little at the time. We expected an influx of foreign businessmen and consultants to take advantage of this situation, all potential readers. We believe our predictions have borne true.

Since 1992, competition has eaten away at our readership, and, subsequently, at our client base. This has had several negative effects, including of which has been our difficulty in attracting "blue chip" journalists and editors. While we are very proud of our staff and the product we produce, we believe that there has been major damage to our IMAGE. The IMAGE of the Moscow Tribune is that of the "third" newspaper, after the *Moscow Times* and "The Exile" newspapers. This is frustrating, considering that *The Exile* only started a couple of months ago, while we, the "third" newspaper, has been in Moscow for SEVEN YEARS! Specifically,

1. Newsstands across Moscow regularly reveal that readers are picking up the *Times* and the *Exile*, while ignoring the Tribune
2. This has led to clients complaining that people aren't reading our newspaper

Last summer, the Moscow Tribune conducted an extensive reader survey, which lasted almost two months, and culminated in a free trip giveaway. This period was perhaps the best period for our readership in terms of picking up the newspaper period, which we believe is partly attributable to the contest. For that reason, we would like to emphasize, as a short-term solution to our problem, GIMMICKS which will ATTRACT READERS. We unfortunately didn't learn too much about our readers, except that they seem to like GIMMICKS. Otherwise, we estimate that over 80 percent of what remains of our readership are expatriates with high salaries.

Consider the graph below. Our readership has been falling for roughly the past six years, and is in danger of EXTINCTION, besides perhaps a few of our friends and families. This dangerous situation has led Anthony Louis, editor and owner of the Moscow Tribune, to hire me, Sam Weiss, as his PR consultant in order to remake our image, and to come up with weekly gimmicks which will attract readers to pick up our newspapers. I am presently collecting proposals from several of Moscow's leading PR and advertising firms. We need our first proposals no later than Friday, April 18, for my presentation to Mr. Louis on Monday, April 21.



The Moscow Tribune

Sam Weiss, Independent Marketing Consultant
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Dear Rory,

April 15, 1997

he'd helped build was, in my view, a much bigger disappointment. His *Moscow Times* hadn't even been modeled after major Western dailies, which at least tended to boast, at the community level, a staff of investigative writers who acted as watchdogs over their own readers.

Its coverage of Russian politics and issues was first-rate by straight journalism standards, but the part that concerned its own readership read more like a suburban community newspaper, sponsored by the local Jaycees and Elks Club—the kind that sells hardware-store ads around grainy photos of local Little League games.

Which might have been appropriate for some Third World backwater expat paper. The *Moscow Times*'s readers, though, were a huge army of about 50,000 representatives of the richest and most powerful companies and governments in the world, relocated temporarily in post-communist Moscow to act as architects for possibly the hugest social transformation the century had ever seen. The very banality and dullness of the *Times* was a huge boon to these people, providing soothing cover and a benevolent public face for the high-stakes business deals and cutthroat subterranean politics that, right or wrong, they were here to carry out.

The *Times* was proud of its "professionalism." Even I had been, when I worked for them. I remember working there and saying all the time that, for an expatriate rag, the *Times* "was a really good paper." But now its condescending attitude just pissed me off.

A few weeks after Champion laid his "shit paper" speech on me, a brief appeared on the *Moscow Times* sports pages entitled "Wilt the Stilt to play for CSKA?" It reported that Wilt Chamberlain had fallen in love with a Russian girl, converted to Russian orthodoxy, and decided, at age 58, to move back to Moscow to make a comeback with the Red Army basketball team. The source on the piece was a report in the "Santa Monica Daily Bugle," which quoted Chamberlain agent "Jerry Steinblath" as having confirmed the story.

The story, of course, was a plant. "Steinblath" was one of our guys, sitting in his fictitious Maccabee locker room

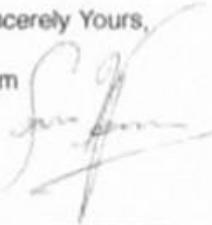
Following up our telephone conversation today, I am sending to you the brief that Mr. Louis, the editor/owner of the *Moscow Tribune*, approved for me today. I hope it is satisfactory for your needs. I look forward to receiving your proposal by the end of the day on this Friday. As I explained, we need, in the proposal:

- * General ideas on gimmicks which you think would help move the newspaper off the stands (giveaways, scratch 'n sniff, etc)
- * General ideas on image makeovers which would distinguish us from the *Times* or *Exile*, or else help us to steal away their audience
- * A brief history of your firm and your firm's client base
- * Pricing

Thank you for your time and work.

Sincerely Yours,

Sam



next to Sam Weiss. We'd foisted the whole story on both the Red Army and the Russian sports daily *Sport-Express* as part of an April Fool's Day prank, never guessing that the *Times* would reprint the thing. And not only reprint it, but not identify its true source (*Sport-Express*), fuck up Steinblath's name (they wrote "Steinblatz"), and blow Chamberlain's age. All in the space of three tiny paragraphs. So much for professionalism.

This was just the beginning of our attacks on the *Times*, but it was a good start. In our gloating post-factum account of their fuckup, we named all the culprits by name, in particular sloe-eyed *Times* sports staffer Gennady Fyodorov, who'd copied the story almost verbatim out of *Sport-Express*. This was, incidentally, how a lot of *Moscow Times* articles got written: a staffer would spot a story in a Russian paper, make a phone call or two, then rewrite the thing in English, knowing that most of his readers wouldn't guess the source. Expat journalism 101. Fyodorov's only mistake was that he hadn't made the one phone call.

For obvious reasons, the sportswriter didn't appreciate being used to expose the *Moscow Times* journalistic method. In fact, he was so peeved that he made it a point to search me out and harangue me on neutral territory, in the dark, alcohol-stained halls of the Russian daily *Komsomolskaya Pravda*.

I got a thrill just looking at his wounded, harried face wobbling toward me in the hall. He was practically wearing the chewing-out he must have gotten from the loathsome Winestock.

"I read what you wrote," he said, waiting for me to finish the sentence.

I said nothing, surprised suddenly to find myself radiating the aura of being busy and having better things to do.

"You were so out of line," he said. "I mean, not like anyone cares, because no one reads your paper. But, I mean, you know how the newspaper gets written. You can't check every little thing."

"No, I don't know that," I said. "In journalism school I learned that everything has to be verified."

I'd never been to journalism school.

"But," he said, "you know, you've done it yourself, take something out of a newspaper."

"Never once," I lied. "My conscience wouldn't have allowed me to disgrace the *Moscow Times* like that."

I threw my hands in the air and stared at him. Finally Fyodorov left in a huff, disappearing down the hall. My friends at *Komsomolska*, who, like most of the paper's writers, only moved from their state-subsidized chairs a few times a day, pointed angrily at him.

"Fucking jerk," said one. "He's always hanging around here."

But the *Times* and the *Tribune* were little fish. The real big targets were the cream of Moscow's expatriate society—the leaders of the aid community.

Aid was a difficult subject to cover. It was complicated and frequently very boring. But if you had the patience to learn the details of the politics involved, you couldn't help but be shocked. The expatriate community's dirtiest little secret was its official reason for being there.

On May 22, the United States Agency for International Development (USAID), the government agency responsible for distributing foreign aid, announced that it was canceling the remaining \$14 million left on its contract with Harvard Institute for International Development—the body mainly responsible for implementing Western-funded capitalist reforms in Russia.

The reason was that HIID's Moscow chief, Jonathan Hay, and the HIID Russian program chief in Boston, professor Andrei Schleifer, had been caught violating Institute policy regarding investments in their host countries. Hay had

Courage Crunch

Solzhenitsyn's Book is No Bestseller
—Moscow Times headline, June 4

Solzhenitsyn's Book Sells Out
—Moscow Times Headline, June 5

Fasten your seatbelts and brace yourself for the following incredible piece of *Moscow Times* commentary, published on June 4:

"For all his greatness, Solzhenitsyn offers no solutions and lacks the moral courage to name names or take a political position on concrete issues."

Are you laughing yet? No? Go back and read it again. That's Geoff Winestock, the wiry little Australian interim editor of the *Moscow Times*, saying that Alexander Solzhenitsyn lacks moral courage.

Geoff Winestock earns in the high five-figures. He has a pleasant wood-paneled office which he reached mainly by skillfully demonstrating the absence of a personality over the course of about eight years of cautious business reporting. Developing a hangnail or being served a slightly overcooked hamburger would normally be enough to constitute a bad day for Winestock. In his editorial messages, he is consistently pro-status quo and pro-authority, and seldom takes a stand on anything at all.

Alexander Solzhenitsyn spent eight years in a concentration camp for having made a derogatory remark about Stalin. Shortly afterwards, he was diagnosed with terminal cancer, which he miraculously survived. He then spent much of his adult life in open opposition to one of the most brutal governments in history, a government that, until he was exiled, had absolute control over virtually every aspect of his life and the lives of his family members. Somewhere in there, Solzhenitsyn's passionate, splenetic prose also won him a Nobel Prize for Literature.

Geoff Winestock telling a gulag survivor—and one whose voice first broke the mystique of Soviet communism—that he lacks moral courage? Are you all kidding me, or what?

God knows why, but the debunking of Solzhenitsyn has become one of the favorite pastimes of the Western press—and the *Moscow Times* in particular. Brownwyn McLaren's gloating June 4

"Not a Bestseller" article even went out of the way to point out that biographies of phocine pop queen Alla Pugacheva, seedy thug Alexander Korzhakov and even Queen Elizabeth II outsell books by Solzhenitsyn.

Well...no shit. And Sue Grafton would have outsold Tolstoy. Leave it to the *Moscow Times* to judge a writer by how much money he makes. After all, even if Solzhenitsyn hadn't become the windbag that he now is, he'd have had a tough time selling even a masterpiece to a country raised on violence, bad disco music and Brazilian soap operas.

But that's beside the point. The real question is, why is it necessary to debunk Solzhenitsyn? Where's the page 1 urgency? Why not just leave the guy alone? You almost get the sense that no matter how much lip service they pay now, people like Winestock have resented Solzhenitsyn's anti-establishment moralizing all along. Like they thought maybe he should have been quieter about being a martyr. These kinds of people tend to favor reform from the top down; they don't like Solzhenitsyn's way of doing things.

For what it's worth, Solzhenitsyn still is relevant, despite what Winestock thinks:

"But after his expulsion and decades of exile in France and the United States, Solzhenitsyn apparently lost touch with Russia. He sacrificed much moral authority by dismissing the changes begun by Mikhail Gorbachev and Boris Yeltsin. When he eventually returned to Russia in 1994, the crucial moment had passed and the new Russia had other heroes and concerns."

"Solzhenitsyn has tried to maintain his position as a voice in the wilderness, but since his return he has failed to adopt any clear public stance on any issue."

Um...actually, Geoff, it was Solzhenitsyn who first called the modern Russian state an oligarchy. He did it in June, 1994, when he first returned to Russia. That was about three years before you dared to use the word yourself. But then again, maybe he just didn't have the moral courage to wait the way you did...

In the spring of 1998, *Moscow Times* interim editor Geoff Winestock set new standards for expatriate hubris when he wrote in an editorial that writer/gulag survivor Alexander Solzhenitsyn "lacked moral courage."

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invested money in Russian stocks through his girlfriend, Beth Hebert, while Schleifer had invested through his wife, Nancy Zimmerman.

This was the first big public blemish USAID had really suffered in Russia, and for a few weeks it was diligently reported all over the Western press as a shocking isolated incident of corruption. A few papers even ventured to do longer features tamely questioning the efficacy of USAID policies toward Russia in general. But almost nobody bothered to report the monstrous and extremely obvious failure of the Western aid effort to live up to the inspirational white knight role it was supposed to be playing—a story that was obvious long before the HIID scandal broke.

The HIID scandal broke at a fortuitous time for us. At exactly the moment USAID was making its announcement canceling the contract, we were sending an exposé on USAID to press. The article was based on a report by George Washington University professor Janine Wedel, and argued that United States aid money had really been used not for reform, but as financing for the political career of Western-friendly Deputy Prime Minister Anatoly Chubais, who sat on the board of most of the organizations which received U.S. aid. As head of the state property commit-

tee in 1994–95, Chubais had also overseen the U.S.-led privatization effort, itself practically a second '90s revolution.

I hadn't done too much original reporting for that piece, but the more I learned about how the community worked, the more I saw the general lack of public contempt for the aid effort as a scoop in itself. So when we ran a cover with a big headline that read "BogUSAID: How



Winestock Through the Ages

Extensive research by the *eXile* has uncovered evidence of a storied journalistic tradition in the Winestock family. At first we thought the whole business of saying Solzhenitsyn lacks moral courage (see below) was a real novelty, but it turns out we were wrong. Winestocks throughout the ages have been pushing the edge of that envelope for centuries now:

1. "The teachings of Jesus Christ...lack the resonance to take hold among citizens of the Roman Empire. Christ's message of love and tolerance is way off the mark."

What the people want these days are rituals and new forms of animal sacrifice."

* Winestockius, 1st century Roman Historian of Greek origin

2. "Napoleon hath no arms... (He) shall not cross the Rhone or see Italy. His military tacticks lacks boldness and innovation. No patrie shall be named after him."

* Jefte Winestock, 18th century British military historian

3. "The so-called Whitechapel murderer will not strike again...If he is not captured he will simply cease his efforts once he realizes the public is

not interested in his crimes. Put another way, these incidents lack...the power to terrify."

* Scotland Yard constable Jeff Winestock, after the second of five Jack the Ripper murders

4. "The Kaiser will never be the Germanic Provinces unite. He the inclination to do so lacks."

* Jefter Winestock, 19th century Prussian General

5. "Hitler...lacks the will to solve the Jewish question."

* Richard (Zip) Winestock, Times of London guest columnist, 1937

In Search of the Perfectly Inane Editorial

We here at the *exile* have often been accused of being overly critical, while leaving the great question of how to be constructive untouched. "It's easy to tear things down, but harder to build them up," they say.

This issue, we've turned our attention to our friends over at Ultita Prady, who seem to be finally tackling the great issue of how to create the perfect editorial. On December 5th, we received a slew of phone calls after the Winestock-penned classic "Gorbachev Should Not Sell Pizza," which most of our readers thought was a practical joke we'd played on the *Moscow Times*. "How did you guys slip that fake editorial into their newspaper?" cried more than one bemused reader.

The embarrassing fact is that we didn't. They—or rather, interim editor Winestock—composed that editorial all by his whacky, interim self. We were nearly struck with jealousy that he had penned such lightly humorous aside as, "the great man's image will tarnish fast once he starts extorting people to visit the salad bar at their local Pizza Hut," and in the next paragraph, adding fuel to the fire of comedy, "but Gorbachev risks [...] his halo as the man who ended the Cold War when people start seeing him as a pizza salesman," and of course who can forget the rousing finale of cymbal-crashing humor when Winestock concluded with the surprise punchline, "... the [Gorbachev] foundation's reputation will suffer once its guiding light starts doing Pizza Hut ads..." This is a knee-slapping, sides-a-hurtin' example of how Winestock is expanding his reach into high comedy.

Oddly, the comedy came to a screeching halt, although the will to experiment took a mind-bending turn. On Wednesday, December 10th, the interim editor published his first-ever "must" editorial, as opposed to the innumerable "should" editorials that have marked his brief tenure. Headlined "Law MUST Root Out Bad Police," Winestock shocked his readers by actually taking a clear stand. Not that he'd find too many sane human beings who would disagree with his argument that bad policemen should be fired, but we figured that this was a first step, a big toe dipped in the lake of commitment, and there's nothing more we'd like to do than to run up behind him at full speed, lower our helmet, and stick him in the lower back, sending him deep and far into the lamprey-infested waters of Lake Take-A-Stand.

So we at the *exile*, sensing change in the *Times'* editorial-writing department, decided to lend a helping hand. Posing as Bernie Schwartz from the *Moscow Times* marketing department, we called various expat organizations—particularly local journalists—to find out just what it is the reader wants and expects from a Winestockian editorial. Each of the callers was given a short spiel on how the *Moscow Times* is working on a new experimental program to fine tune its editorials to the readers' expectations. Callers were given the alleged topic for the next day's MT editorial, then asked to recommend, based on a series of choices, which type of editorial should be

written on that subject.

Our first call was to the *Business Week* news desk:

Exile: Hello, my name is Bernie Schwartz, and I'm calling from the marketing department of the *Moscow Times*.

Business Week: Hello.

Exile: What's your name?

Business Week: John Crawford. I'm the deputy bureau chief.

Exile: Nice to meet you, Mr. Crawford. We're doing a new reader's response survey to help us with our editorials, in which we ask readers of our newspaper some questions about what they expect in an editorial. Maybe you've heard of this kind of thing? They do it a lot in the States.

Crawford: Uh-huh.

Exile: Why don't I just get right down to it? Tomorrow's editorial is supposed to be about the Rosneft loans-for-shares thing, about how they floated the idea, then withdrew it, and now they're floating it again.

Crawford: Uh-huh.

Exile: My first question is, should this editorial be humorous, serious, or a "points-to-a-larger-problem" type of editorial?

Crawford: Uh, let me see. (Pauses) Points-to-a-larger problem editorial.

Exile: Okay. Next question. Should we make this a "there-they-go-again" editorial, a "the-idea's-not-bad-if-it's-fairly-held" editorial, or should we use the phrase, "we should not rush to condemn it"?

Crawford: H'm, that's a tough one. What were the three options?

Exile: (repeats)

Crawford: I would say "we should not rush to condemn it."

Exile: Okay, and the last question. Should we end off strongly in favor of the Rosneft loans-for-shares, strongly against, or remain ambiguous?

Crawford: Ambiguous. That way you cover your options.

Wow! He didn't even blink! Like minds think alike. Moving on, we called the New York Times to see if that ultimate paper of record might do its part to help pull Winestock onto the conveyor belt of "objectivity." To our surprise, we were lucky to hook up with one very helpful Marina Lohkman, an American researcher.

Lohkman: I'd be more than glad to do this survey. It's part of my job, you know, to read your editorials.

Exile: Oh that's great. We're happy that you read our newspaper. Things have been getting tough lately, and that's why we're doing these reader-response surveys for our editorials.

Lohkman: Oh, what a great idea!

Exile: We're doing an editorial on the Rosneft loans-for-shares thing.

Lohkman: Uh-huh, yeah.

Exile: Do you think our editorial should be serious, humorous, or "points-to-a-larger-problem"?

Lohkman: Oh definitely "points-to-a-larger-problem." I really like those types of editorials. Usually economic issues point to a larger problem, you know? Especially here, where it's like, make-up-the-rules-as-you-go-along, you know? In this instance you always need to point-to-a-larger-problem.

Exile: I see. The next question concerns the body of the editorial. Do you think that this editorial should a) have a "there they go again" angle, b) idea not bad if it's fairly held, or c), we should not rush to condemn it?

Lohkman: (pauses) Okay, well. H'm. Okay. I'm not too familiar with this particular issue. I can only tell you what I'd expect. I always expect in this circumstance a "here we go again" type of editorial.

Exile: Okay, good. Now the last question. Should we be strongly for, strongly against, or ambiguous?

Lohkman: H'm, against or for? You want me to say?

Exile: Well, yeah. That's what this survey's about. We're finding out how people respond, then we'll fashion tomorrow's editorial based on polled reader responses.

Lohkman: Interesting. It notes a lack of independence... but you guys are entitled to that if that's what you want. You guys will probably come out against the loans-for-shares thing. I mean, you guys are real rabble-rousers in your editorials. I really like them—like what you wrote about the Moscow Duma and how they should have an opposition? I totally agree. In fact, I don't know the last editorial you wrote that I disagreed with.

Exile: (baffled) You think we're "rabble-rousers"?

[Editor's note: If the New York Times's idea of "rabble-rousing" is that a municipal legislature should not be a rubber-stamp body for an authoritarian mayor, then we'd be curious to see what they think is tame.]

Lohkman: I don't mean that's bad! But like, for example, you really came out against Chubais. That was good.

Exile: We did! Oh. Anyway, we're also planning on doing a web site soon.

Lohkman: Oh great! I'm so excited!

Exile: We're going to do a sort of reader interactive editorial page, where we'll put up the next day's editorial topic, then have readers vote on how we should write it.

Lohkman: That's so exciting! I think reader-interaction is great to get people involved.

Exile: No, I mean we're going to take the average reader response then base our editorials on that.

Lohkman: Well, so long as people know that your editorials will be based on reader response, I guess that's really great.

Exile: Actually, no. We're not going to tell our readers anything. We're just going to leave it the way it is, as a regular editorial. The only difference will be that our position will be generated by the average reader's desires.

Lohkman: (pauses) If you do, it's weenie.

Exile: Why is it "weenie"?

Lohkman: It's weenie because you're repre-

senting the readers' opinions as that of the newspaper.

Exile: Well, it's all part of the restructuring at the *Moscow Times*. We're also thinking of getting rid of the MT Out section. They're saying that it can't compete with the *exile*.

Lohkman: No, I like the MT Out. I mean the *exile*'s guide is geared towards people who want to drink or go out to clubs or something, but the MT Out is more... intellectual.

It's downright impossible to argue with that!

Next on our list were our old friends at Burson-Marsteller, the renowned PR firm which once gained fame in our newspaper for jumping on our proposal to try to cover up St. Petersburg's image as a city whose brutal treatment of foreigners and undesirables was earning it the ol' "violation of human rights" tag, which might cut into profits in their Eurobond issue. For the folks at BM, this wasn't a problem; after all, they're the same guys who were hired by Exxon after the Valdez spill, Union Carbide after its Bhopal disaster killed tens of thousands, the Argentinean military junta, the Indonesian despot, and just about every other ne'er-do-well in the global village who needed someone to lie for them after they'd hit the proverbial baseball through the neighbor's window. Like the Wolf in La Femme Nikitia, who cleans up assassination jobs by dissolving the bodies in tubs of acid, Burson Marsteller can clean up a bad mess like no one!

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Marsteller: Strongly for, definitely!

Exile: Okay, good. By the way, I'll need to get your name again.

Marsteller: Jim Vail. I'm a senior account executive.

Exile: Wait, haven't I seen your name somewhere?

Marsteller: Yeah! I used to write for you guys! I wrote for the *Moscow Times* last year!

*The Moscow Times's reputation for moral flexibility was so firmly entrenched in the expat community that people actually believed us when we spread the word that the paper would, from now on, be fashioning the opinions in its editorials based upon the results of reader surveys. In this joke, we conned employees for Business Week, the New York Times, and Burson-Marsteller into giving the *Times* a little friendly advice.*

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The Times had a charming habit of keeping things nice and simple in the midst of complex phenomena like the 1998 financial crisis.

Times

WWW.MOSCOWTIMES.RU

All's Well

Kremlin reassures foreign investors about reforms.
Business, Page 10.



The scheme worked like this. In the fall of 1995, in what would subsequently become a pattern in the increasingly ghettoized world of Russian politics, the Russian federal government found itself short of cash. The Yeltsin regime needed money to pay foreign debts and, so it said, pensions and state salaries. So it devised a scheme to raise short-term money—the loans-for-shares auctions. The scheme was devised by the State Property Committee (GKI), a body within the government which for years had been in close cooperation with the U.S. government-funded Russian Privatization Center (and had, incidentally, worked with the RPC to hold the voucher privatization program). Their idea was to auction off shares in private enterprises to private banks (who would then hold them in trust) in exchange for cash loans to the government. Eventually, if the private investor wanted to keep the property, he would have to win a reauction of the same shares.

USAID Helped Anatoly Chubais Screw Russia," it was news before people even started to read the text. No one in the city had ever publicly questioned the essential righteousness of the aid mission, much less dared to imply that its heroes had "screwed" anybody, even their own wives.

Which didn't make sense, since there was plenty of evidence out there to show that the key protégés of U.S. policy within the Russian government had marauded the budget and state property for personal gain with all the subtlety of an attack on Masada. The key event there was the "loans-for-shares" auctions, in which shares of state enterprises were auctioned off to private investors in exchange for cash loans.

In retrospect, it might not be an exaggeration to call these auctions, which were masterminded by Chubais in the fall of 1995, the biggest

thefts in the history of the human race. In the fall of 1995, in what would subsequently become a pattern in the increasingly ghettoized world of Russian politics, the Russian federal government found itself short of cash. The Yeltsin regime needed money to pay foreign debts and, so it said, pensions and state salaries. So it devised a scheme to raise short-term money—the loans-for-shares auctions. The scheme was devised by the State Property Committee (GKI), a body within the government which for years had been in close cooperation with the U.S. government-funded Russian Privatization Center (and had, incidentally, worked with the RPC to hold the voucher privatization program). Their idea was to auction off shares in private enterprises to private banks (who would then hold them in trust) in exchange for cash loans to the government. Eventually, if the private investor wanted to keep the property, he would have to win a reauction of the same shares.

10 ♦ Friday, March 13, 1998

EDITORIAL

Downgrade By Moody's Badly Timed

Credit rating agencies like Moody's Investor Services are supposed to warn investors about risks ahead. But in its recent decision to downgrade its appraisal of Russia, Moody's is lagging well behind the times.

Russia's finances have indeed endured a crisis in the wake of the collapse of Asian financial markets. Spooked by the realization that emerging markets are risky, international investors lost faith in the Russian treasury bill and stock markets.

This in turn put pressure on the Russian currency as rubles were repatriated into dollars. The Central Bank was forced to spend billions of dollars of reserves to prevent a sharp devaluation in the currency.

All this placed a huge strain on the Russian government, which suddenly found it could not borrow to cover its budget deficit.

There was probably no better example of the Times's habit for boosterism than its March 1998 editorial blasting a Moody's downgrade of Russia's credit worthiness. Six months after the Times in this article insisted that there were no "risks ahead," Russia defaulted on its domestic debt and suffered a near-total collapse of its banking system.

The Moscow Times

IN BRIEF

Wilt the Stilt for CSKA?

■ MOSCOW (MT) — According to American newspaper the Santa Monica Daily Bugle, one of the greatest players in the NBA's history, Wilt Chamberlain wants to resume his basketball career in ... Russia.

Jerry Stainblath, Chamberlain's agent, told the newspaper that he wants to come to Moscow to marry his fiancee Larisa Kazakina and to convert to the Russian Orthodox Church.

Stainblath said the first option for his client would be joining Russian champion CSKA Moscow. Chamberlain, 58, retired in 1973.

Chamberlain May Play in Russia, Rumors Say

by James Miletic
STAFF WRITER

Is 58 too old to play professional basketball? Not for a man in love, say friends of NBA great Wilt Chamberlain.

"Wilt's coming back. He looks great. He can't wait to get out there on the court," said Lloyd "World B." Free, one of Chamberlain's closest friends. "And he can't wait to move to Moscow."

According to Free and other NBA insiders, Chamberlain has asked his agent to arrange talks with professional basketball teams in Moscow, Russia, the home of Chamberlain's new beau, Larissa Kazakina.

Chamberlain, sources say, has dispensed with his legendary womanizing habits and is "hanging it up" to grow old with Kazakina.

"He's in love. I can't believe it," said Elgin Baylor, reached in Los Angeles yesterday. "I've never seen him like this before."

This phony "Santa Monica Daily Bugle" article was enough to convince the Russian sports daily Sport-Express that Wilt Chamberlain had decided to make a comeback in Moscow.

It sounded simple, but there were a lot of catches. For instance: somehow, 38 percent of the state mineral magnate Norilsk Nickel fell into the hands of giant Russian bank Oneximbank for just \$171 million, or \$100,000 over the starting auction price. The company, which controls 35 percent of the world's nickel reserves, is worth a lot more—in fact, it is said to clear more than a billion dollars a year in exports. All in all, although huge chunks of about a dozen of the biggest state enterprises were auctioned off, the state only earned about a billion dollars total in cash from the whole process. It was as though the upper crust of the Fortune 500 had been bid out for the price of a couple of NFL expansion teams.

The amazing thing about the auctions, though, was the way they were held. Oneximbank, for instance, had been assigned by the GKI to regulate itself, the auction for Norilsk. The bank was therefore given

ПИСЬМО ОТ АГЕНТА ЧЕМБЕРЛЕНА - НЕ ШУТКА

По словам генерального менеджера ЦСКА Юрия Юркова, в адрес армейского клуба на днях пришло письмо из американской юридической конторы с предложением провести переговоры со знаменитым центральным Уилтом Чемберленом, который, как уже сообщал «СЭ», выразил желание выступать за один из московских клубов. Однако до обсуждения конкретных деталей возможного контракта дело пока не дошло.

Chamberlain himself has not been available for comment, but his agent, Jerry Steinblatt, has confirmed that "discussions are underway" with Russian teams, most notably the league-leading "Red Army" club.

Baylor and Free also confirmed reports that Chamberlain is partly motivated by a new religious spirit. Both men say that the "Stilt," who once averaged 50 points a game, is mulling a conversion to the Russian Orthodox Church.

"Larissa has him believing in God," said Baylor. "I went to his house, and he spent an hour showing me all his icons."

Steinblatt would not confirm the reports of Chamberlain's religious conversion, but said that his client is "still viable" and would be a major contributor to any team below the NBA level.

"Wilt can still play," he said. "I would have preferred Italy, because of the weather. But he's the boss."

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license to exclude a much higher bid for Norilsk by rival Bank Rossissky Kredit on the grounds that it had "insufficient financial guarantees." Another giant Russian bank, Bank Menatep, was given license to regulate a tender for 78 percent of the oil firm Yukos, and won the auction after excluding a rival on the grounds that its representatives had been 24 minutes late for the auction.

Worse still, the State Accounting Chamber, a body roughly analogous to our own General Accounting Office, later found that Oneximbank, Menatep, and other loans-for-shares winners had used government funds to purchase the auctioned shares. How? Well, as "authorized banks," Oneximbank, Menatep et al. were holding government funds designated for other purposes, i.e., payment of state salaries. The problem was that Russia did not yet have a sufficiently developed treasury system to allow the government to do all of its own banking, so it held similarly

CORRECTIONS

A chart on Page 2 of Wednesday's paper labeled "Crime Statistics" should have noted that the statistics were for the city of Moscow only.

A story on Page 14 of Wednesday's paper headlined "Wilt the Stilt for CSKA?" saying that former NBA star Wilt Chamberlin might play basketball in Russia was a hoax and should not have appeared.

An article on Page 9 of Tuesday's paper headlined "Cash-Strapped Lenfilm Goes to the Car Wash" should have described St. Petersburg Governor Vladimir Yakovlev as a political independent.

ЧЕМБЕРЛЕН ХОЧЕТ ИГРАТЬ ЗА МОСКОВСКИЙ КЛУБ!

Как сообщила газета Santa Monica Daily Bugle, один из лучших игроков за всю историю НБА Уилт Чемберлен намерен вернуться в баскетбол и хотел бы выступать... в России! Американская газета уверяла (ссылаясь на другого известного в прошлом баскетболиста Уолда Фри), что Чемберлен уже дал указание своему агенту Джерри Штайнблатту подыскать для него подходящий клуб в Москве. Штайблэт подтвердил, что начал переговоры, рассматривая ЦСКА как наиболее благоприятный вариант благоустройства своего 58-летнего клиента. «Уверяю вас, он еще может играть, хотя и не на уровне НБА», — сказал агент Чемберлена.

Желание Чемберлена поехать в Россию объясняется тем, что в стране проживает его невеста Лариса Казакина, утверждает газета. «Я никогда раньше его таким не видел», — сказал

"Chamberlain Wants to Play For Moscow Team!" screamed the headline of the Sport-Express article eventually picked up by the Moscow Times. The Russian paper later wisely went on the offensive and announced (see left) that "the letter from Wilt Chamberlain's agent is not a joke" and that no retraction was necessary.

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bogus auctions for the right to manage government money. The winners of those auctions then went on to use government money to bid on state companies. Menatep, for instance, won the Yukos bid at a time when state Academy of Science workers—whose salary funds were held by Menatep—stopped receiving their pay.

The loans-for-shares auctions were conducted according to the same principle of clan tribute and cronyism that had reigned in Russia during the Soviet years. The only difference was that the scheme punished the average Russian economically in a way that was much worse than the Soviet system had. If Soviet economics placed ordinary people in a state of near-indenture in relation to their bosses, the economics of privatized Russia reduced them to more or less outright slavery. By 1997, it was no longer unusual for employees of companies like Norilsk to go 6 months to a year, if not longer, without receiving their meager salaries. Russian newspapers even reported scenes of people collapsing from hunger in the streets in the towns surrounding the industrial centers. Meanwhile, the banks like Oneximbank which controlled these companies were leveraging them to the hilt to make bids on other properties—and this was after using public money to buy their stakes in the first place!

There was another insidious angle to the auctions. As 1995 came to a close, and key parliamentary elections as well as the next year's presidential election approached, both the Yeltsin regime and the West noted with alarm that the Communist Party was leading in the polls, and antigovernment sentiment was rising. Catastrophe seemed imminent and something needed to be done. That's where the auctions came in. Though it has never been openly admitted or conclusively proved, loans-for-shares was almost certainly also designed to create a super-rich propertied class that would support the regime against any political movement to renationalize the economy. It was hardly a coincidence that the biggest loans-for-shares winners were Yeltsin's most important allies in his reelection campaign the following year. As very recent owners of Russia's key national television stations and newspapers, almost the entire national media, actually, their support virtually guaranteed a public relations sweep that the doddering incumbent rode to victory.

The scope of loans-for-shares was breathtaking. It wasn't just that millions of Russians were having their livelihoods taken away. With the help of the Russian Privatization Center and the State Property Committee—both places that were packed with people who were on a first-name

basis with the leading American aid consultants—Russians had actually paid tax money to instantly enrich a small group of bankers, who in turn performed the service of making their labor unpaid. It was a scam that most criminals wouldn't have considered trying, simply because it was too improbable. Even the Gambino family never sank that low.

All of which was reprehensible and sick, but what was most offensive were all the Americans in town who were apologizing for the corrupt officials in the Russian government who'd pulled heists like this off. If they'd come to town in Viking costumes, or with swastika armbands, it probably wouldn't have bothered either Mark or me so much. But to come in and preside over the rape of so many people with a big smile on your face and an attitude of benevolence and righteousness . . . it was almost too offensive to comprehend. A lot of these people sincerely believed that their North American birth and their superior dentistry made them the arbiters of public morality by default. Growing up, I'd been taught that that sort of attitude had died out of American life with King George.

It hadn't. Russia, for instance, was full of consultants on the public dole who worked for a company called Burson-Marsteller. This is a Canadian firm that grew to be the largest public relations company in the world through its skillful prosecution of public smoke-screen campaigns on behalf of the very biggest swine on the planet. Their client list reads like something out of Madame Tussaud's chamber of horrors: the Indonesian government (hired during its brutal suppression of the independence movement in East Timor), the Three Mile Island nuclear plant, Union Carbide (responsible for the deaths of thousands following the chemical plant explosion in Bhopal, India), Exxon (following the *Exxon Valdez* oil spill), A. H. Robbins (after the Dalkon Shield I.U.D. disaster), and the Mexican government, which paid B-M \$8 million during the Chiapas rebellion to shield American and Canadian voters from the fact that the Zapatistas were revolting against the planned passage of NAFTA.

Amazingly, Burson-Marsteller was one of the companies hired by the United States government to propagandize good capitalist values to Russia. Among its many tasks was providing p.r. for the disastrous Russian voucher privatization program, which gave Russians shares in public companies (and preceded the loans-for-shares scheme). B-M had a massive public contract, and when they weren't actively doing evil, they were just sitting on their hands collecting checks while their clients went around pillaging the country.

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A former coworker of mine, Matt Bivens (who was now the editor of the *St. Petersburg Times*, the *Moscow Times*'s sister publication up north), had taken a job with B-M in Kazakhstan a few years before. Before he took the job, he'd been just another kid like me, freelancing for the *Los Angeles Times* up in St. Petersburg. But when he got married and started a family, he decided to try to make some real money.

So he made one phone call to the USAID office in Washington, and on the basis of that one call landed a B-M contract job package—complete with housing, a maid, a per diem, and a restaurant allowance—worth about ninety grand in total. Not bad for a 26-year-old. Then he went to the Kazakh capital of Almaty and presided over asinine projects like the publication of "Privatization calendars" and the production of privatization soap operas, racking up massive bills that were, perversely, rewarded by more funding.

Bivens, who later outed the whole scheme in *Harper's* magazine, also reported that B-M had a thing called a "cost-plus" policy running with AID. This was a classic example of a phenomenon we would run into over and over the more we reported on the expatriate community: publicly funded businesses and organizations that were guaranteed profits, independent of any competition or accountability for performance, while supposedly furthering the capitalist virtues of competition and fair play. B-M's "cost-plus" arrangement, according to Bivens, meant that "USAID reimbursed all our costs, and added 7 percent on top of that—our profit margin. In other words, the more we spent, the more we made."

I knew some of B-M's Moscow consultants, or knew of them, anyway. Many of them weren't much older than me. I'd see them at the Starlite Diner sometimes on weekends, dressed in college sweatshirts and faded jeans. Looking at their bright, happy faces, you'd never guess that these were the people who'd had the balls to tell millions of Russians that their jobs and benefits needed to be sacrificed for the sake of "competitiveness." On the contrary, they looked like they'd never left the keg party.

There was no point in fighting fair against people like this. Humorless lefties like Ralph Nader had been doing that for decades, much more effectively and with much greater attention than we ever could, to very little result. Besides, from where we sat, people like Nader were missing the point. The important thing was to loathe corporate henchmen not for what they did, but for who they were. As one of Gogol's heroes said, "Coat a frog all over with

sugar and I still won't eat it." People like Nader were going after the frog—corporate abuses. But the real thrill in attacking people like these would be to take the sugar coating away—embarrass them socially, pick on their looks and their mannerisms and speech, expose them as *people*. We had to at least make it tough for them to maintain their public superiority complex while they went about their business of fucking up huge historical missions like the reform of post-Soviet Russia.

We went after B-M in our USAID article. They turned out to be pathetically easy to dupe. All we had to do was make up some phony stationery and claim to be representatives of the St. Petersburg mayoral office, who were interested in engaging their services. Posing as "Alexander Rublev," we sent a letter saying we needed help in quelling bad p.r. over the city's notorious police brutality problem.

Some background on this joke: It was a well-known fact that one of the reasons St. Petersburg had been turned down as a site for the 2004 Olympic games was its policing problem. Prior to the Goodwill Games in 1994, then-mayor Anatoly Sobchak had been so determined to keep riffraff out of the eye of the international press that he used Russia's reactionary visa registration laws as an excuse to deport practically every dark-skinned pedestrian (mainly Azeris, Armenians, Chechens, and other Caucasus peoples, whom Russians call *chernozhopye*, or "blackasses") his police could find to the city limits.

A friend of a friend of mine, a hairy Italian-American, had even been detained once in a local Petersburg police station and had to watch in horror as a succession of Caucasian drifters ahead of him in line were led into another room and beaten savagely for no reason. He escaped only after digging through his bag and producing an expired California driver's license, which so impressed the precinct chief that he not only decided to let the kid go, but broke out in a smile and sang "Hotel California" from beginning to end—while in the next room the blows still rained percussively on the Chechen-of-the-moment.

None of this mattered to B-M. When bubbly American B-M rep Jennifer Galenkamp got ahold of our letter, which expressed the hope that the city's reputation could be cleared up in time for an upcoming Eurobond issue (which was actually due to take place), she jumped all over it with giggly cheerleaderish zeal.

We clicked on the tape recorder function on our office phone as she announced to "Rublev's" assistant, in reality our virginal Russian secretary Tanya Krasnikova, that:

"We contacted the London office . . . because this is a

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European issue you would need work done there, and we can do that. Our London office is eager to support us, so I think that everything will be, you know, okay."

She also sent us a letter expressing her willingness to work with us, which we also published.

We heard some feedback from B-M through mutual acquaintances. Basically the consensus over there was that we were in the wrong, because we had misrepresented ourselves. "They can't do that, call up and say they're who they're not," one staffer reportedly said. "That's not fair."

We had a big laugh at the idea of B-M complaining about misrepresentation. This was the same company that had been commissioned by the U.S. government to make a privatization commercial for Russian TV which was supposed to say, "Your voucher, your choice." But when it came out, the slogan read "Your Voucher—Your Choice, Russia!" The latter half (*Vash vubor, Rossiya*), in Russian, was actually the name of Anatoly Chubais's political party, Russia's Choice (*Vubor Rossii*). It was a blatant manipulation of public money for political purposes, but these were the kind of people who were all over the place in the aid community.

As far as I was concerned, we didn't have to trick Burson-Marsteller into doing anything to make our point. Their very presence in the entire aid effort should have been shocking enough to anyone who'd had to live through the Cold War period on either side.

Just think about it: For more than forty years, Americans were told that we were fighting the Cold War—at enormous expense—to defend the cause of personal liberty, fair play, and openness. Then we win the fucking thing, and we hire a bunch of half-bright bloodsuckers like these idiots at B-M to come over and finish the deal. It was sickening.

Not long after we ran the USAID piece, I called up a Russian reporter named Leonid Krutakov, hoping to get some more information about the ins and outs of privatization. He gave me some, but also gave me an education into the life of a top-flight Russian investigative reporter—a story very interesting in itself.

We met in the first week in July, just after Krutakov had volunteered for the honor of being Russia's latest "Most Likely To Be Assassinated" public figure by publishing an article called "*Kreditui Ili . . .*" in *Izvestia*. The article revealed that Chubais had received a no-interest \$3 million loan from Stolichny Bank chief Alexander Smolensky, and strongly implied that the loan was in return for the successful rigging of a tender for a state agricultural bank.

If that wasn't a dangerous enough thing to publish—especially considering that he'd conspired with his editor to slip it into the pages of a newspaper controlled by a powerful Chubais ally—Krutakov brought some extra anguish upon himself by pulling off a shocking *eXile*-style adolescent stunt in addition to his reporting. When he learned that the official reason for the \$3 million loan was to help Chubais "spread good democratic values," Krutakov put on his one shabby tie and decided to try something out. He walked into a small Moscow branch of Stolichny Bank, took a seat at a customer service desk, and with a completely straight face asked if he could have a \$3 million loan to spread good democratic values.

"Without interest," he added sternly.

They tossed him out, but not before they took a few hours nervously humoring him while security ran a check on his ID. In Russia, you can never be sure that even a guy as shabby-looking as Krutakov isn't secretly running the country, or worse.

In the days following the publication of the piece, Krutakov was hauled in by several different branches of the Russian secret services and grilled at length. All of them wanted to know who'd put him up to writing the article—the piece had taken them by surprise, since it was published in a Chubais-friendly newspaper. Russian government officials, of course, don't like surprises. They still remember the old days, when the sudden demotion of a middle-level party functionary in some small factory town today might turn out to mean the disappearance of an entire department in Moscow—maybe even theirs—tomorrow.

So Krutakov was raked over the coals until they realized with surprise that he was merely an individual malcontent acting alone, at which point they heaved a sigh of relief and let him go. In the old days they would have shot him as an afterthought, but that isn't done in Russia anymore. Which is one sign of progress, I suppose—although it might also mean that the individual simply isn't dangerous anymore to anyone in power in Russia. I tend to think the latter is true.

In any case, Krutakov, when he came to see me, was bright and smiling, having just been fired. It was the third time that year he had been fired from a newspaper. The other two firings were for similar offenses, although the official reason for his first dismissal, from the giant daily *Komsomolskaya Pravda*, was that he had been paid by his sources. *Zakazniye materialy*, or "commissioned articles," are standard practice among Russian investigative jour-

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nalists. The way it usually works is that some spookish middleman from a bank, or a ministry, or in parliament, or wherever, comes to the reporter, hands him a packet of documents full of compromising information (called *kompromat* in Russian) about a certain competitor, then pays him to publish it.

Since Russian journalists *a)* make almost nothing in the way of regular salaries, and *b)* have virtually no other way of penetrating the weird, secretive, deadly labyrinth of Russian commerce and politics, they often take the money and run with it. Virtually every Russian reporter is on somebody's payroll, and most have just one patron. With one patron, you can stay at one newspaper, which normally is controlled, influenced, or owned by a friend of your patron.

If you're like Krutakov, though, and you hedge your bets and write scandalous garbage about everybody, including people who only yesterday you took money from, you find yourself without a job pretty fast. Krutakov by the time we met was the absolute champion of this method of career advancement. In fact, he went on later that year to set a new standard by being fired by a new newspaper before it had even published its first issue. He'd written an exposé about the new paper's owner, banker Boris Berezovsky, and published it in a rival paper just after being hired.

I asked him what he knew about privatization, whether any Westerners had been involved in any particularly egregious shenanigans the world should know about.

"What do you mean?" he asked, startled. Until that point he had been quietly registering, without much interest, the giant rubber alligator head, garish multicolor carpets, and rank month-old yogurt containers which littered the *eXile* office.

"You know," I said, "were there any Westerners up to no good during that time?"

"What do you mean?" he repeated. "They all were. Which person in particular are you interested in?"

"I don't know," I said, shrugging lamely. "Maybe you should tell me?"

Krutakov gaped at me, then sputtered out a few things here and there about loans-for-shares and the GKI and insider dealing, never really getting into specifics. Then he looked up suddenly and said, "Well, actually there is one figure I've always been interested in. Jonathan Hay—I've always been interested in him. I even did a thing on him a few years back."

I sat up, interested. This was the same Jonathan Hay who had just been fired from the Harvard Institute and caused that little scandal in the press.

I expected to hear more about HIID and Hay's private investments, but Krutakov laid a different and more amazing story on me. Two years before, he'd run a story in *Komsomolskaya Pravda* entitled "Did the CIA Privatize our Military Factory?" The thrust of this piece—based, incidentally, on unnamed sources—was that Hay had invested, through a Vietnamese middleman, some \$700,000 into a Moscow factory called NII Grafit, which developed Russian stealth technology.

"Nobody ever picked up the story," he said. "But you know, I saw Hay the day that story ran. We were in the Radisson Hotel, at a press conference. He was smoking. I'd been watching him a while, and I'd never seen him smoke before."

If any of this was true, it would raise the privatization mess from mere criminal stupidity to the level of sinister, premeditated criminal stupidity. At the same time, the idea of a tweedy Harvard grad, too dumb to avoid being caught investing spare change in his girlfriend's mutual fund, acting as bagman for daring cloak-and-dagger deals in secret factories—it was almost too goofy to imagine.

It was after this meeting that I learned one of the first rules about brilliant espionage exposés: they don't happen. When I tried to track that story down, I ended up interviewing a graying, slit-eyed "retired scientist" who was a shareholder at NII Grafit and confirmed that, yes, Jonathan Hay was an investor in the factory. As this weird old man with conspicuously careful dress led me slowly up the stairs to his office—an immaculate, mostly abandoned gray office building near the Butyrka prison—his eyebrows kept leaping upward on his head after every word he spoke, as if to express some deeper meaning to every action, even the opening of his door. In the interview, when I tried to pin him down on where I could get documentary verification on the Hay thing, he plunged into a cat-and-mouse game that lasted for almost an hour. "You can't prove this thing," he said.

"Then why did you agree to meet with me?" I asked.

"I am interested," he said, "in seeing this news get out."

"Well, then," I said, "I need to get some documentary information."

"Not possible," he said. "Although, on the other hand . . ." again the eyebrows—"something might be arranged."

"Okay," I said, contemptuously by then. "When?"

"You understand," he said, "that if you publish this story, you'll be out of Russia in 24 hours."

"Okay," I said. "So when can we make this arrangement?"

"You will be contacted."

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Our letter to Burson-Marsteller in which we represented ourselves as officials in the St. Petersburg mayor's office who were seeking to engage their services.



perfectly symbolized the dim-witted cynicism and corruption of the expatriate community.

Not long after I interviewed Krutakov, I scheduled an interview with Yevgeny Nikulishev, an inspector for the Accounting Chamber. Analogous to the American General Accounting Office, the Chamber was a government body that had been responsible for uncovering most of the dirt on the loans-for-shares auctions, and the people who ran it were loathed by nearly everyone in the country who had any power. Fortunately for those people, the Chamber had no prosecutorial authority,

The guy certainly sounded like an ex-spy, but that didn't mean much. For all I knew, he might have been a simple metallurgist who wrote bad spy novels in his spare time and answered personal ads. You meet a lot of people like that in Russia—nondescript middle-aged men who act like heavies, but might just as easily be grubby onanistic nerds. Six months later, I found out, from the State Accounting Chamber, that the NII Grafit story was true. But at the time, the story sounded so far-fetched that I dropped it, settling for a different story on Hay—one that

and its inspectors could do nothing more than advise the parliament and the prosecutor's office when they uncovered improprieties.

Soon after its creation in 1995, the Chamber's inspectors began to notice that no one in government ever listened to any of their recommendations. When installments of their meager budgets stopped arriving on time, coming in sporadic bursts, the inspectors temporarily found themselves without money to keep up their offices. For a while many of them worked out of their homes.

By the time I walked into Nikulishev's office, their financial status had improved somewhat, but bitterness over their continued impotence to get anyone in their own government to listen to them had left a undeniable scent of urgent, semireligious inquisitorial fervor hanging in the Chamber hallways. These were guys who were expending an enormous amount of energy, grief, and stress not to make money but to make a point—something that almost no one in the entire country could say at the time.

Nikulishev was practically twitching with anticipation when I walked into the office. He even dispensed with the xenophobic gruffness one generally observes in an ex-communist government official when he receives a pampered Western guest. When I walked into his office, he put chocolates and cookies on the table and served me tea himself, waving off his secretary.

The Chamber is frequently described, particularly by IMF/World Bank people and Western reporters, as a hotbed of raging red communists. Jonathan Hay himself said as much, calling them "communists" and "a totally unreliable source" when I finally spoke to him in the winter of 1998, long after he was out of the aid community and editing a business newsletter. While there's clearly a heavy concentration of Zyuganov voters in the Chamber—and among these probably a good two or three key members who still keep Lenin or even Stalin busts in their studies at home—the truth is that the inspectors' political leanings cover a pretty diverse range.

The Chamber's most visible public figure is an inspector by the name of Yuri Boldarev, who was better known to Russians as one of the founders of the liberal political party Yabloko, headed by Grigory Yavlinsky. Yavlinsky and his party are probably the closest thing to a Western bleeding-heart liberal political party that exists in Russia, a coalition of touchy-feely PC/Green types and economic libertarians. Yabloko means "apple" in Russian: the name is also an anagram of letters representing the names of the party leaders. "Ya" is Yavlinsky; the "B" was for Boldarev.

The gloating article we eventually published exposing cheerleader Burson-Marsteller moron Jennifer Galenkamp.



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Burson-Marsteller

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Date: May 22, 1997
To: Aleksandr Vladimirovich Rublev
Company: Finance Committee, City of St. Petersburg
From: Jennifer Galenkamp
Re: Today's Meeting
CC:
Total number of pages including this page: 1

Dear Mr. Rublev:

I hope all is well - we were expecting you at 3 p.m. this afternoon to discuss possible public relations support for the St. Petersburg Eurobond issue, per my conversation earlier this week with your secretary. I'm sorry you weren't able to make it.

As I hope your secretary passed on to you, we are delighted that you have contacted us with regard to this project, and very interested in working with you and the city to help achieve the desired results. Burson-Marsteller has extensive experience around the world working with and communicating to the financial community.

I am eager to discuss the parameters of the project with you, the city's needs, expectations, goals and desires, as well as the specifics of the bond issue. I have already prepared, in coordination with my colleagues in London, some estimated figures for what this project might cost, and am ready to discuss those as well. Obviously, without knowing all the facts, it is impossible to give you exact figures, but I imagine that I will be able to do so shortly after our first conversation.

Please do phone me to let me know when we might reschedule a meeting; I do look forward to meeting you.

press increasingly shut the Chamber out of its coverage.

In any case, the point is that no communist organization would have allowed Boldarev to be its public mouthpiece. The idea is as ridiculous as the John Birch society hiring Jesse Jackson as its press secretary. Yet this is the way reform proponents countered Chamber investigations.

Nikulishev, a soft-spoken academic type in glasses and a checked green sportcoat, was clearly in the middle of the Chamber's libertarian-communist spectrum. He was an ex-party member, but when he sat down to talk he confessed that his true model for economic development was Sweden, or "one of those countries." He seemed to be a good accountant, whose goal in life was to find a job quietly snorkeling through streams of numbers, make a few corrections here and there, and then go home to a dull family and a Saab. It was a perverse twist of fate that a mild personality like this had to be exposed on a daily basis to vast, ingenious criminal conspiracies like loans-for-shares.

The Hay story Nikulishev told me revolved around a thing called the Investor Protection Fund. This was a public-relief program created by the government to compensate defrauded Russian investors, who made news when they emerged as the world's biggest suckers after the collapse of the MMM investment company—a pyramid scheme that had robbed millions of Russians, many of them pensioners and veterans, of hundreds of millions of dollars. That company's founder, Sergei Mavrodi, escaped punishment by using his financial gains to get

himself elected to parliament, where he experienced immunity to criminal prosecution, before the police could assemble a case on him. To countermand that impressive demonstration of justice, the government in 1996 created the Investor Protection Fund, which was supposed to take 2 percent of all privatization revenue—a huge amount of money, considering the massive properties the state planned

Burson-Marsteller employee Jennifer Galenkamp's letter to the *exile*, complaining that our fictitious Alexander Rublev had missed a meeting

Boldarev split with Yavlinsky a while back over disagreements over party strategy (and, reportedly, frustration with Yavlinsky's famously large ego), then went to work for the Chamber. Since then, his frequent articles in the liberal weekly *Novaya Gazeta* newspaper about his investigations have been practically the Chamber's only public voice, as the controlled-from-above Russian

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to auction off—and distribute the money to victims of MMM-like schemes.

All of which sounded fine, until you got to the nuts and bolts of the operation. The schematic diagram for the money flow that Nikulishев showed me was very complicated. The actual money that was to be paid to defrauded investors moved first from the auction winner's accounts



Just as the *eXile* started up, every Russian newspaper had been taken over by one oligarchical interest or other.

Russia's Press Licks the Hand that Feeds It

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to the Russian Privatization Fund, the holding tank for all revenue raised through privatization, then went into the account of the actual Investor Protection Fund. From there, it was to be sent out to a private investment contractor, who would hold and invest the funds—thereby adding to pot—while the Fund processed fraud claims. That private contractor would itself have contractors—for instance, the private depository that would hold the physical shares of the companies the investment contractor invested the Fund money in.

The private investment contractor for the Fund turned out to be the Pallada mutual fund, the one run by Beth Hebert, Jonathan Hay's live-in girlfriend. The depository

was the First Depository, run by Julia Zagachin, a former coworker of Hay's.

But back to that in a moment. There was other money involved with the Fund.

A fund is a physical entity: it's housed in an office, and has employees. Under the system worked out by Federal Securities Commission chief Dmitri Vasiliyev, the salaries for the Fund employees were to be paid with money loaned by the World Bank as part of a broad \$31 million investor protection program (which also funded, incidentally, Burson-Marsteller p.r. campaigns on the safety and efficacy of private investment). The World Bank money traveled first to Vasiliyev's Securities Commission, then from there moved to the Harvard Institute of International Development (yes, the same one) before moving to the Institute for a Law-Based Economy (ILBE), a body Hay created and ran. ILBE was the body that was ultimately responsible for paying the salaries for the employees of the Investor Protection Fund.

If this sounds complicated, it's because it is. To make things simpler, you can concentrate on two things: one, that the money that was going for Fund employees was loaned to Russia by the World Bank, meaning that Westerners were going to make a profit on that end of the operation. Secondly, both the Pallada Mutual Fund and the First Depository, by managing the massive Fund holdings, stood to make a huge profit there as well.

Already you have two sets of Westerners making money off of what is essentially a charity program for the very poorest, weakest people in Russia. So far, so good. But by summer 1997, a year into the Fund's existence, we've already hit upon the key catch to the whole story: not one of these poor, weak people had yet received a single kopek.

That's right; according to Nikulishhev's documents, which the Fund and Vasiliyev ultimately admitted to have been correct, more than \$3.5 million dollars accumulated in the Fund's first year of existence, yet not one defrauded investor had filed a successful claim.

Meanwhile, Nikulishev had discovered in his investigation that Hay's girlfriend had won her contract without a tender, a seemingly outrageous conflict of interest, considering Hay's key position in the scheme and his close advisory relationship with Securities chief Vasiliyev.

I called Pallada for comment before I ran this story. Press spokesman Vadim Soskov (Hebert wouldn't speak to me) balked when I told him that I was about to run a story that Pallada had won its contract without a tender.

"Of course there was a tender," he said.

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"Okay," I said. "Who were your competitors?"

"Well," he said. "I don't remember. But we definitely had some."

Had such a tender been held, of course, the preparations for it would have consumed the entire company's attention for weeks, even months; everybody's job in such a situation would be on the line; stress would reach such a high level that something as small as the absence of Styrofoam coffee cups in the office kitchen would move even the most imperturbable employees to near tears and fits of hair-pulling; wild-eyed interoffice romances would spring up because of it and then break down disastrously, resulting in strained or even destroyed marriages.... The entire collective would have been consumed with just one thought: *How can we destroy company X?*

A year after the fact, Soskov was trying to tell me he didn't remember company X. Pallada later admitted that there had been no tender.

In any case, all of this so far sounded like a straightforward case of corruption—very interesting mainly because it involved Hay, the Big Swinging Dick of the aid community, but still just another story nonetheless.

But Nikulishev had more than just a simple corruption story. Far beyond a precise grip on the ugly paper trail, and the revelation of the impressively sickening scheme by which affluent Westerners cashed in on public sympathy for poor suckers and then suckered them some more, Nikulishev had rare documentary evidence of the bumbling, heartless, unbelievably cynical psychology behind the entire aid effort. He had proof not only of how little good these people did, but how little they *cared*.

After the State Accounting Chamber finished the Pallada/Fund investigation, it sent a letter with its conclusions to President Yeltsin. Yeltsin, in what was either a spontaneous burst of conscience or (more likely) a result of being temporarily dissatisfied with Chubais and his allies, quickly sent off a short and ominous letter to Prime Minister Viktor Chernomyrdin which demanded that Chernomyrdin immediately bring Chubais ally Vasiliyev, the Securities chief, in for a reaming.

"I request," the letter read, "that you review the activities of the Federal Social-State Fund for the Defense of Investors' and Shareholders' Rights and take active measures to correct the problems uncovered by the Accounting Chamber of the Russian Federation. B. Yeltsin."

Chernomyrdin must have done his job, because a little more than a week later, Vasiliyev sent a groveling 10-page *mea culpa* to Chernomyrdin in which he agreed to all the

suggestions asked for by the Accounting Chamber, while trying vainly to defend the Fund's record.

There is a lot that is strange and illogical in this document, but the most striking is Vasiliyev's means for excusing the Fund's failure to pay out any of the 22.5 billion rubles it had acquired over the course of its 18 months of existence.

While it was true that the Fund had not actually compensated any defrauded investors, Vasiliyev wrote, it had performed a valuable service by "receiving 27,192 letters, answering 17,143 telephone calls, receiving 25,440 visitors, and granting free legal advice to 2,568 persons."

You have to admire Vasiliyev. It takes balls to tell thousands of destitute people that they should say thank you for keeping a phone line open to tell them to fuck off with.

Vasiliyev went on to list eight critical measures that he planned to introduce in order to satisfy Yeltsin and the Chamber. Measure number 4 read, "Documents are being drawn up for a tender for the transfer of Fund holdings to a Russian Company in possession of the proper license."

This passage was clearly inserted to answer charges that Pallada had received its contract without a tender. Soskov may not have been able to remember whether or not there had been a company X—but Vasiliyev could.

Vasiliyev in his letter also agreed to draw up incorporating documents for the Fund, which hadn't existed previously, to make a list of Fund employees, which hadn't ever existed, to provide a detailed list of Fund expenses, which had not ever been handed over, and to fire all leaders of social organizations who were supposed to be lobbying on behalf of defrauded investors but who had instead been put on the payroll of either ILBE or the Fund and kept quiet while no payments were made.

And yet, after tacitly admitting guilt to all of these wild improprieties, Vasiliyev turned around at the end of the letter and complained to Chernomyrdin that "the conclusions of the Accounting Chamber are absolutely politicized." It was a conclusion that gibed nicely with a long passage at the outset of the letter, in which Vasiliyev himself defended the Fund on political grounds:

"The realization of a complex program for the defense of investor's rights, as well as the formation in April 1996 of the Federal Social-State Fund for the Defense of Investors' and Shareholders' rights, made possible the significant weakening of social-political tension in the population and the wrecking of the plans of the leftist opposition to use the issue of 'defrauded investors' for its own political ends."

Translation: It was okay that the Fund hadn't actually

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compensated anybody, since its very creation had accomplished the sought political objective.

This was what "aid" was all about. It was never about accomplishing anything. The Fund for these defrauded investors had only been created as a political necessity. No one used it to compensate any victims, because that wasn't what it was for. What it was for was to help reelect Boris Yeltsin. And so long as it was there, it also served another purpose—to help a few government stooges and their girlfriends make a little spare change. That was the level of moral commitment of these people.

Curiously, the Hay/Vasiliyev story was not the ultimate proof of the intellectual bankruptcy of "reform." For that, we had to wait for a higher authority to step in—the World Bank. For comment on the Hay/Pallada story, I'd called up Charles Blitzer, who for two years in the mid-1990s had been the Moscow chief of the World Bank. Blitzer was now working as a financial consultant in London and enjoyed a cozy patriarchal relationship with the Moscow press, forever lending his stodgy wisdom in the form of doctrinaire quotes presenting the World Bank/IMF viewpoint on virtually any issue connected with Russian development, whether it was relevant or not.

Most reporters loved him. So did we, but for different reasons. He gave our lives focus. Through his own self-promotional efforts, Blitzer had become more or less the official mouthpiece of the Western reform effort in Moscow. If the expatriate aid community in Moscow had the same sweatshirty, Nazi-oid feel of a major American State University, the vain and doddering Blitzer was its Dean Wormer—a near-perfect caricature of a bullying mediocrity religiously devoted to the cause of a narrow, careerist society with himself at the helm. With Blitzer around, we came into focus as the community's Delta House. By the time we were through with him, you could almost hear him shouting "I hate those guys!" all the way from London, as our own print version of the Deathmobile bombed its way through the reform parade.

Blitzer came to our attention when I called him for comment on the Investor Protection Fund story. We had a long interview that was remarkable for its poisonousness on both sides. I had been prepared to let him get away with just trotting out the World Bank party line and refusing any specific comment on the Fund story, but Blitzer shocked me when he not only defended the entire program right down to the ugliest details, but viciously berated me for even researching the story in the first place.

"This is outrageous," he said. "You shouldn't publish that. It's extremely irresponsible."

"Why?" I asked.

"Because that would play right into the hands of oligarchs like Chernomyrdin and Berezovsky," he said. "All the people opposed to reform."

"What do you mean?" I said. "What about all of these investors that weren't compensated? That isn't shocking to you?"

"But look at your source," he growled. "The Accounting Chamber. A bunch of communists."

Blitzer's comment turned out to be the first of many times that serious advocates of reform would dismiss my reporting by calling either me or my sources communists. I found repeatedly that if you dug deeply enough into the abuses of reform, that if you had your facts straight enough to force an interview subject to confront apparent flaws in reform policy or implementation, the answer you inevitably got was just a bunch of name-calling.

The idea that the *eXile* might have been a vehicle for communist propaganda was ridiculous, of course. Ours was a publication so gross and outspoken and pornographic that it would not only not have been tolerated under communism, but would have earned imprisonment or death for anyone who tried to publish it. If Ames and I had been born in the 1930s as Russians, the NKVD would have worked us to death in coal pits in Vorkuta and used our bones to make veterinary soap rather than let us live ten minutes as free adults. Even under Brezhnev, we would have ended up in psych wards. We knew that.

Blitzer didn't care. As far as he was concerned, anyone who didn't support the World Bank was a communist. When I made it clear to him that I trusted my sources and was going to run the story, he tried to scare me with a different set of bogeymen, the oligarchs.

"You just can't do this," he said angrily. "It's not right. It plays right into the hands of people who don't want our kind of capitalism. You're helping create an oligarchy."

"But these people are allies of Chubais," I said. "And Chubais pretty much created the oligarchs, wouldn't you say? Certainly he's still a strong ally of Potanin."

"Well, yes," he snorted, "I admit that in the past year or so, Chubais has been working on behalf of Oneximbank about ninety percent of the time, and for reform only about ten percent of the time. All the same, you can't print this."

"Well, I'm going to, so if you'd like to comment on the

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actual story, please say so. Otherwise, I'll just leave your point of view out of the piece."

"But you can't run this," he repeated.

"Of course I can," I said. "I can run anything I want to. It's my newspaper."

"I'm telling you, you can't run this!" he shouted. "Aren't you listening to me?"

The amazing thing about all of this wasn't the fact that Blitzer seemed genuinely to believe that there were laws prohibiting the publication of obnoxious news pieces, but that he couldn't even take the time out to say that it was too bad those defrauded investors hadn't gotten their money. The guy's mind was built on the binary system—reform in, reform out. A story implicating Jonathan Hay in wrongdoing was "reform out." It didn't compute, not even on a level of instinctual decency.

Blitzer couldn't even evince disgust on behalf of capitalism. When he insisted that aid programs were run efficiently because they were contracted out in competitive tenders, I reminded him quickly that the crux of the whole story was that Pallada had won its contract without a tender.

"Well," he said, "in some cases, contracts are distributed without a tender, depending on the size of the award."

In any case, we tried after that to keep an eye on Blitzer. Unlike many of the smooth-talking spokesmen for "reform," Blitzer had one obvious weakness which we knew might very easily be taken advantage of: his love, even greater probably than his love for money, of seeing his name quoted in newspapers.

A few months after we ran our first Hay/Pallada story, we spotted Blitzer's name quoted in a *Moscow Times* article about the Asian stock market crisis. This was just after the Asian markets first started to crash, and two days before Russia crashed. Russia was due for a crash, of course; it had been the world's best-performing market for almost two years, despite having one of the most atrociously performing economies in the industrial world. Worse still, a reputable British think tank called Control Risk had just rated it the most corrupt country in the entire world, ending a long Nigerian reign.

Nonetheless, the *Moscow Times* article trotted out the predictable line that the Asian business was a temporary correction, and that there was nothing to worry about. Blitzer was quoted as follows: "In the coming days the nervousness of the markets will begin to calm down."

In fact, in a single "coming day," the Russian market crashed twenty percent. Panic ensued, and the exchange closed for the first time in Russia's history. By the time we

ran our next issue a week and a half later, the market was 40 percent lower than it had been when Blitzer pulled his spin-doctor act in the *Moscow Times*.

After the Russian crash, we decided to call Blitzer back and see if he'd changed his mind. Mark called and left a message on Blitzer's machine identifying himself as "Sam Weiss" of "*Moskovskaya Svoloch*," a financial newsletter.

Now, "*Moskovskaya Svoloch*" translates literally as "Moscow Bastard." This was a control question. We were pretty confident that Blitzer had never even bothered to learn the language of the country whose economy he had once more or less administered for years. If we were wrong, there was no way he'd call us back.

Blitzer called back straight away. "Is this *Moskovskaya Svoloch*?" he asked our Russian secretary. She was new but had been instructed that this kind of thing might happen from time to time. She answered in the affirmative and put him through to Mark.

Once he got Blitzer on the line, Mark adopted his usual cartoon-Brooklyn-Jewish Sam Weiss voice, and immediately threw Blitzer another curveball, asking him a slew of questions about the Mongolian stock market.

Mongolia had been the only country in the world to avoid the effects of the Asian crash; its market had risen 6 percent the same day Russia's fell by twenty. Blitzer's responses showed the former World Bank Moscow chief's financial acumen at its best: he couldn't even predict events that had already happened.

Blitzer: Hi, I'm calling for Sam Weiss. You left a message on my voice mail.

Exile: Yes that's right. I'm working on a piece about the market disturbances for a new financial newsletter, *Moskovskaya Svoloch*, and I was wondering—do you have some time to take a few questions?

Blitzer: No, I don't have much time, but go ahead. [Note: the interview lasted some ten minutes, all on Blitzer's bill.]

Exile: Okay, I'll try to be brief. What sort of lessons do you think we've learned from the market crash here in Russia?

Blitzer: Movements in equity markets are now linked globally.

Exile: Is that why other small markets in the region such as the Mongolian market also collapsed?

Blitzer: Of course, in small or illiquid markets like the Mongol market, the effects will be larger than in more liquid markets.

Exile: Do you think the Mongol market will bounce back?

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The eXile applauds the recent announcement that the leadership of the Pallada mutual fund is negotiating the sale of a significant stake of the company to the giant Boston-based bank, State Street Global Advisor. Should the deal go through, it would be encouraging evidence that Americans have finally learned to hold their own in the rough-and-tumble world of Russian business.

It seems like only yesterday that the Pallada Fund was

through negotiations to financial nirvana.

When Pallada was in trouble not long ago, stuck with lingering accusations of cashing in on the hardship of destitute and mostly elderly defrauded investors who for some mysterious reason had not received any of the compensation the government had promised them, Hebert did the smart thing. She took her company's main weakness—its American management and the national-

their office windows at the Aquarium's outdoor harbor seal tank below. If you can't see the game, you might as well stick your hands out and search out the penalty by touch—or make a phone call to check a few references across town at Harvard, as the case may be.

Pallada's road to salvation was paved with a few obstacles, of course. Due to the miracle of fiberoptic technology, virtually anyone these days can call directory assistance

with absolutely nothing better to do than send fax after fax after fax all night long to strangers overseas.

Fortunately for Pallada, there is no such publication in Moscow. Its secrets will never escape the Russian capital. Particularly not the part about it possibly losing most of its assets under management in an upcoming rebid. We at the eXile are glad that's so. As it stands, Pallada's brilliant maneuver will, once it comes to a successful conclusion,

usher in a new era in Russian-American commerce. After all these years, we won't be at a disadvantage anymore.



Pallada Deal is Well-Timed

heading in a nosedive for the dustbin of history, hounded by sensationalist news exposés and forced by a stern and disapproving Duma committee to rebid for its lucrative contract to manage the assets of the state Investor Protection Fund. Once again, it seemed, Russia's xenophobic inferiority complex before the West would strike down an honest American effort to engage in meaningful trade.

Western business observers who followed Pallada's troubles reacted universally with shock and outrage. Particularly troubling was the fact that the Duma committee and the Russian press had even ignored Pallada's efforts to conform to local cultural norms by winning its contract not through fair competition, but through a direct award without a tender. American business was bending over backwards to do things the Russian way, and still being shut out. Was there any hope at all?

Well, it turns out that there was. What Pallada director Beth Hebert discovered, and what a host of other American firms in town have yet to learn, is that the real money to be made in Russia isn't even Russian. It's American. And all you have to do to get at that American money is set up shop here, then turn around and do business with American companies—who themselves are likely to be weighed down by old concepts like due diligence that will keep them earthbound in Moscow while you soar

ist loathing it aroused in Russians—and turned it to her advantage. If well-connected Americans on the ground in Moscow couldn't communicate successfully with the locals, she probably figured, a gang of stuffy M&A brokers perched in a cozy office next to the Boston Harbor Hotel, just over the outdoor harbor seal tank at the Aquarium...well, they'd do still worse. And she picked up the phone.

That's good business. That's horse sense. That's an example of a company taking the best from both cultures and just running with the ball. That's what America is all about. 3rd and 26 on your own 8 yard line? Take a deep drop. Go for the end zone. There are fans on that side of the stadium, too. And they're not barking.

As any good NFL football coach knows, you might as well hold the defensive tackles on the line when you go for a long bomb from deep in your own end. If you get caught holding on a 3rd and 8 on your own 8, you end up punting from your own 4. No big deal. It's worth the extra second or two of protection for your QB and his million-dollar arm. You've got nothing to lose—and seven points to gain.

Holding off the DTs at the line is an even better idea if the referees are all blind and stumbling along the field with canes. That kind of refereeing is a little bit what doing due diligence in Russia is like for Bostonians whose usual daily routine involves looking out

and learn the telephone number of State Street Bank, meaning that any party so inclined could still revive the troublesome due diligence process. But that state of affairs would only present a problem for a company operating in a city that's also home to a meddlesome English-language nightlife weekly staffed by mindlessly vengeful people

Blitzer: Typically, after a slump, there's a rush to get out. In Mongolia, foreign investors did everything to pull out when the market fell, because of the... illiquidity. But it's all a correction, and these markets will bounce back.

Here Mark threw Blitzer yet another curve. This one was in the dirt, but Blitzer swung anyway:

eXile: Some people are saying that the movement in the Russian market is linked to the weather. Last winter was warm, and the market rose. This winter it's supposed to be a lot cooler, and the market's falling. Is there any connection?

Blitzer: Well, I won't get into hypothesizing about that. Uh, the market is illiquid, the volume's low...but I don't know how the market links to the weather.

eXile: Do you think it's going to be a cold winter here in Russia? President Yeltsin does.

Blitzer: I have no idea what kind of winter Russia will experience. I do know that with the return of El Niño, the weather patterns are changing around the world. The weather is getting warmer, the ocean—it's warmer in the Pacific region, and this is having some impact on Russian weather.

El Niño? What the fuck was Blitzer talking about? We called Timur Ivanidze at

One of the chief beneficiaries of the so-called Investor Protection Scandal was the Pallada mutual fund, which was headed by Beth Hebert, the live-in girlfriend of major American aid figure Jonathan Hay. Hebert and Pallada won a contract to manage the money of the State "Investor Protection" fund—a Hay-run project ostensibly designed to compensate Russians defrauded in phony investment schemes—without a tender. When word leaked out that Hebert was trying to sell her company to State Street Bank in Boston, we felt a responsibility to try to wreck the deal. In the meantime, we used the eXile to try to make Moscow resident Hebert as nervous as possible during sale negotiations.

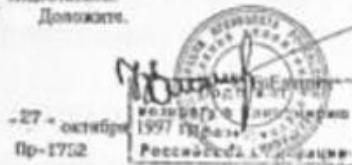
THE EXILE MEETS THE EXPATS



ПРЕЗИДЕНТ
РОССИЙСКОЙ ФЕДЕРАЦИИ

В.С.Черномырдину

Прошу рассмотреть деятельность
Федерального общественно-
государственного фонда по защите
прав вкладчиков и акционеров и
принять действенные меры по
устранению выявленных Счетной
 комиссией Российской Федерации
 недостатков.
 Докладчик.



-27 - октября 1997 г.
Пр-1752

the *Gidrometsentr*, Russia's state meteorological center, to set the record straight:

Exile: Does the El Niño phenomenon have any effect on Moscow?

Ivanidze: No, not at all. It only affects tropical areas of the Pacific Ocean, specifically the Western Pacific.

Exile: Because

the former head of the World Bank in Moscow says El Niño has an effect on worldwide weather patterns, including Russia. His name is Charles Blitzer. Maybe you've heard of him?

Ivanidze: No.

Exile: He's sort of an all-around expert.

Ivanidze: I can only tell you that there is no worldwide effect from El Niño, only in the tropical regions of the Pacific. Russia is not affected by it.

Exile: There's a theory going around that the Russian stock market is linked to the weather. When it's warm in the winter, the market rises, and when it's cold, the market falls. Is there any truth to that?

Ivanidze: (laughs) I can't comment on that. I don't play the market.

Exile: Well, do you think that one can even make predictions about the stock market?

Ivanidze: I think it's all speculation.

After we published the transcripts of these calls, we got a letter from an EBRD executive in London, asking for a copy. We figured it was an interorganizational rivalry at work—Blitzer must have had some enemies back in England, who probably faxed the thing all over the place. For all we know, the piece is now taped over every World Bank copy machine in the world.

The joke certainly got around in Moscow. A few months later, we called the Legal Attaché office at the U.S. embassy as part of our "Vox Populi" man-on-the-street feature, in which we asked really dumb questions of really smart people. We got FBI agent Gary Dickson on the phone and laid the question of the week on him: "Are

there other life forms in space, and if so, will the Asian Stock Market Crisis affect their economies?"

"No," Dickson quipped, "but El Niño might."

Stunts like the Blitzer call and the Burson-Marsteller prank put the community on guard. By late spring, Mark and I were both hearing pretty regularly, from friends and non-friends alike, that people they knew were openly expressing a desire to stay off our bad side. Whether or not the pranks we pulled actually met with anyone's approval, there was increasingly an awareness around town that any time the phone rang, it might be us calling—no matter who it sounded like on the other end of the line.

Obviously, we liked to hear this. It was the first hint we had that the paper might be able to find a way to survive. In the beginning, before we started to make money and before our investigative pieces started to be taken seriously, the ability to make people nervous was the only leverage we had in the community. Taped phone calls and copies of letters in which well-known people in town made fools of themselves were the only proof we could offer to people that we existed anywhere except in our own heads.

Awareness of that fact put us constantly on the lookout for ways to demonstrate our capacity for high-tech nastiness. In our desperation to stay alive, we sometimes picked people to make examples of who didn't even deserve it. They were just there—old decommissioned ammo dumps, just waiting to be exploded by controversial new test weaponry.

That was how the Gorbachev thing happened.

One night during the summer I woke up in a cold sweat. I'd had a terrible dream and for a moment had no idea where I was or what day it was. I had a cup of tea, went back to sleep, then woke up again an hour later with an idea. Why not try to hire Mikhail Gorbachev to be an assistant coach for the New York Jets?

On the surface, the idea made no sense. Mikhail Gorbachev hadn't done anything to anyone lately. He was an addled old man whom nobody took seriously. In fact, in a weird way, I liked him, particularly since I'd had to cover his presidential campaign the year before, when he had more or less gone publicly insane on several occasions. He was like a Soviet version of Don Quixote—potbellied and completely devoid of personal warmth, lacking the charm to attract even a Sancho Panza.

During that campaign, when an illiterate drunk in the Siberian city of Omsk rushed him in a crowd and punched him in the neck, Gorby-Quixote quickly made

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him into a windmill of state conspiracy, claiming that the drunk was actually a crack paratrooper who was trying to kill him with his open hand. I was at the press conference when he laid that theory on the Russian press and had watched in awe as he was nearly laughed out of the building—possibly a first for a Nobel Peace Prize laureate.

Since then I'd had an odd kind of sympathy for him. I was even proud that we shared the same birthday, March 2.

Business is business, however, and when I woke up that summer night I knew immediately that the joke was doable, that it was possible to hire Mikhail Gorbachev to be an assistant to Bill Parcells, and right away that eliminated any moral qualms I might have had about going through with it. In a way, it was out of my hands. We *had* to do it. It was like the atomic bomb: you couldn't uninvent it.

When appraised of the idea, Mark and the rest of the *eXile* were grave and skeptical, but cooperative. Without much in the way of conversation, our designers set to work making phony New York Jets business cards, while Tanya contacted the Gorbachev Fund (the General Secretary's think tank) and made an appointment with a Gorbachev aide to discuss the idea. Meanwhile Kara sat down with me and made up Jets stationery, upon which I wrote a letter to Gorbachev's office from "Samuil Belov," a Jets talent scout.

"Samuil Belov" was a Russified version of Sam Weiss, who had performed so well for us in the *Tribune/Blitzer* business. The mechanism I'd worked out centered around Belov, the American son of Russian and Italian immigrant parents, who had recently retired from pro football due to injury ("my ACL") and had gone to work as an assistant coach to Bill Parcells. Belov's unusual biography was necessary for the purposes of explaining his fluency in Russian, in which he would negotiate with the Gorbachev people.

In Belov's original letter to Gorbachev aide Vladimir Polyakov, he explained that the Jets, which in 1996–97 had been the NFL's worst team, were going through a period of "restructuring," which in Russian is *perestroika*. The team, Belov explained, needed an expert in the reform of "stagnant institutions." For this reason, they'd turned to Gorbachev in the hopes that he would consent to give some inspirational talks to the team.

A good practical joke should always contain a slight element of total absurdity, so that the victim has no excuse for not knowing better when he is finally exposed. Of course, the very idea of a former Slav emperor collecting

a fee to give pep talks to a crowd of mostly black football players was ridiculous enough, but we added another detail for emphasis. Belov went on to propose that, for an additional fee, Gorbachev consent to allow the Jets to name him as an honorary member of the coaching staff—the "*perestroika* coordinator."

Having sent this letter, Tanya then scheduled an appointment for "Belov" to meet with Polyakov personally. But then, as always happens in large projects, we hit a hitch. The business cards were held up at the print shop due to a computer error. No one discusses six-figure deals without a business card. So we had to stall.

In the end, the hitch actually helped. We had Tanya call Polyakov back and explain that the world-traveling Belov had been recalled on urgent business first to Egypt (to recruit a Nile Valley nose tackle), then to Prague, and finally to Kuala Lumpur. With each phone call, Polyakov grew more impatient, but he seemed more and more to buy into the idea that Belov actually existed and meant business.

Finally, when the business cards were ready, we scheduled the meeting. I put on what at the time was my only blazer and tie and headed off to the Gorbachev Fund, hoping that no one would recognize me—I'd been there on several occasions as a reporter. But then, when I got to the door, catastrophe struck. You couldn't get into the building without a passport. I had mine, but didn't, for obvious reasons, want to use it...so after five minutes of frenzied haggling with the guard, I skulked away in defeat.

eXile: So I understand that Maria explained to you on the phone something about what we had in mind.

Polyakov: Something, yes.

eXile: Please let me explain a little bit first about who I am. I'm an American of Russian heritage and a former football player. I played on defense for the Jets for years, but then I injured my knee—an injury called the "ACL." It still hurts.

Polyakov: Uh-huh.

eXile: In any case, I work now in the team administration. And here's the story. The Jets, you understand, are one of the unluckiest teams in the country. They haven't won anything in more than twenty years. This year, the team decided to take extraordinary measures to turn

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things around. We hired a guy named Bill Parcells, a very famous coach. He's sort of like an American Tikhonov, you know?

Polyakov: Okay.

eXile: Anyway, a few weeks back, I was talking to Bill, and he was saying to me that he wished he could communicate to the fans how long it takes to rebuild a business like ours, how drawn out the restructuring process is.

Here, with that "restructuring process" bit, I'd dropped the magic word—*perestroika*.

Polyakov: All right.

eXile: So I said to Bill, as a joke at first, that maybe we should hire Gorbachev—there's no better expert at restructuring!

Polyakov: (sternly) I see.

eXile: Anyway, we thought we could invite Mikhail Sergeyevich to give a series of speeches, and maybe perform some other nominal services for us. We think he could really help our defense. Obviously, this would have a demonstrable public relations benefit, and . . .

Polyakov: When would this be?

eXile: Well, the season starts this fall, so we're looking at mid- to late fall. I understand Mikhail Sergeyevich was once connected in some way to Columbia University, and I thought if he were in New York anyway, it would be an easy way for him to pick up a few extra dollars, and it would be interesting for him.

Polyakov: He's not only going to be in New York. He's got a big trip planned all over the States this fall.

eXile: I see. So you think it would be possible to arrange this?

Polyakov: I think we'd need to discuss it. But he is planning an American trip, anyway.

eXile: Does he know anything about football?

Polyakov: I'd have to ask him.

Polyakov seemed onboard with the idea, but we needed something on paper. So a few days later I had Tanya call him and ask for a fax of his fee expectations. He hesitated, and after a week or so of not hearing from him (despite repeated phone calls), we were about to give up. But then one afternoon, while Mark and I were engaged in the usual office business of sexual harassment and Nerf basketball, the phone on the fax machine rang.

Because radio silence was still in effect—while we waited for practical jokes to play out, we never identified our-

selves when we answered the phone—our secretary Yulia let it ring. Autoreply kicked in and before we knew it a message was spitting out of the machine. Tanya saw the letterhead pop out first and called out to us, and quickly we all crowded around and watched the following letter roll out:

Dear Mr. Belov,

Thank you for your letter dated June 26, in which you made a series of proposals with regard to the president of the Fund. It presents a certain interest and should be discussed with yourself and with the administration of the team in the next few days. The reason for this is that we are currently finishing our preparations for the president's upcoming trip to the United States, a trip that is going to be extremely busy and demanding. The schedule for this trip must be completed and confirmed by the president. In the event that you and the team administration are prepared to meet with a representative of the Fund, he would be prepared to fly out on the authority of the president in the next few days.

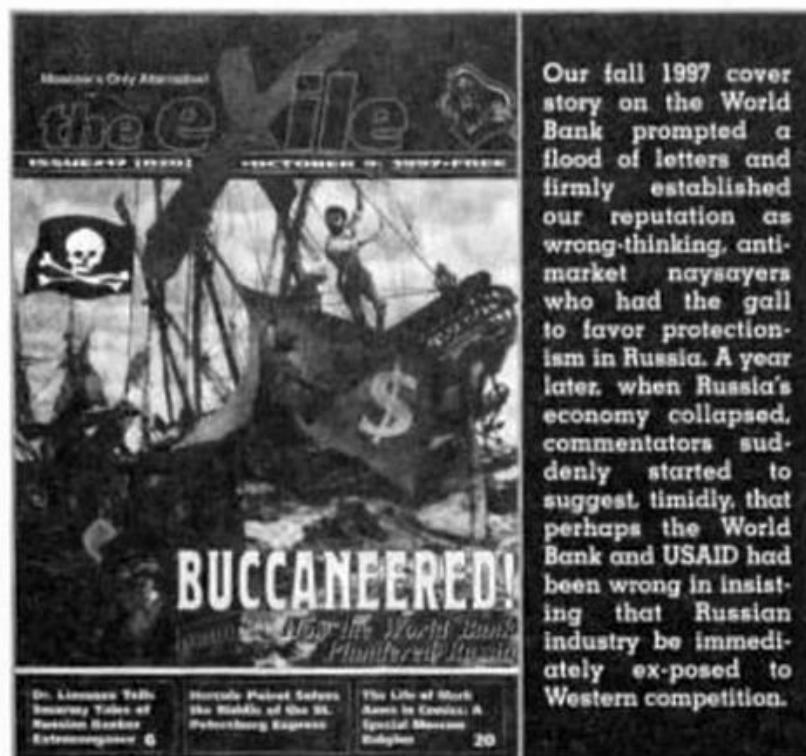
With Respect,
Vladimir Polyakov

After we published a long and detailed account of this joke, even plugging it on the cover under the headline "Mikhail Gorbachev Goes Deep for the *eXile*," we spent a nervous week or two waiting for the worst. This sinking feeling of impending catastrophe was something we'd had to get used to. The fact was, we were risking very serious trouble with stunts like the Gorbachev-Jets thing. Russia wasn't, and isn't, like America, where trouble comes in the mail, in the form of a letter from a lawyer. This is a country where there are thousands of people walking around you every day who'd be willing to break your legs for a hundred bucks and kill you for five.

You can ignore people in America when they threaten to do things like break your legs, but we couldn't ignore them in Moscow, not with so many people, even Westerners, getting leaned on and threatened as a matter of business routine. In the absence of a functioning civil court system, the only question that mattered in business disputes was which side had the more powerful *krysha*, or roof—meaning the person providing paid protection, usually either a criminal gang or its close relative, a police precinct or government office.

We didn't know anything about our publisher's *krysha*,

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and had to assume we would come out in the losing end of any dispute that reached that level. For this reason—and particularly after I had a real scare following the publication of a semislanderous article earlier that spring (see chapter 4)—Mark and I by midsummer were figuring the possibility of death or dismemberment into the equation every time we decided whether or not to run a potentially troublesome story.

There were certain Pandora's boxes neither of us would ever dare open in print. There was the one containing the name of the person everyone in town knew had killed American hotelier Paul Tatum, or one containing a too-explicit connection between sinister banker Boris Berezovsky and certain no-longer-alive television personalities. At times, we didn't even know how much danger we were in. In September, Mark ran into a richly dressed girl at an expat party who turned out to be the daughter of a very powerful and scary (read: we are still afraid to mention his name even here, years later) member of the Russian government. She had read our paper. "I know how you write," she said to Mark. "If you write about me, I'll have you killed. And I can do that, you know," she said seriously.

That incident came after I'd already written a long burlesque piece in which I'd identified myself as another scary government honcho, Anatoly Chubais, contributing a special guest practical joke to the *eXile*. The piece lampooned Chubais's successes in schmoozing funds from USAID, and hinted that he'd arranged the entire HIID scandal as a means of embarrassing and subduing Securities chief Vasiliyev,

who'd come out in opposition of Chubais's vision of a securities market. A week after it came out, I ran into Kristen Staples, a Burson-Marsteller employee who worked for Dmitri Vasiliyev and conferred frequently with Chubais. She told me she'd shown the Vice-Premier the piece, and said he'd read it silently, then burst out laughing. "He said he'd never read anything so funny," she said.

I was raving drunk at the time (we'd run into each other in a pretentious nightclub called Four Rooms late on a Saturday night), and when she told me this story I at first very obviously couldn't contain my excitement. Coming from a criminal genius like Chubais, that reaction was a great compliment, one I could always be proud of—like getting a laugh out of Louis Farrakhan by calling him a nigger.

But in retrospect, I might have been in serious trouble if he'd been in a different mood when he read it. All a guy like Chubais had to do was make one phone call and the newspaper would have vanished from the planet instantly. There were any number of ways he could have done it, but the one that came to mind first was a sudden production-night raid on our offices by a gang of masked tax police. I'd seen it often enough on television: they'd have sent the rottweilers in first, then marched in in their camo and dragged out the bodies. Even if he didn't have a legal reason to do so, we'd have been dead. We had no *krysha*, which meant we were automatically wrong ahead of time in the eyes of the law. In fact, any enemy who wanted to pay off the appropriate office could have shut us down overnight, for a fee.

As goofy and obviously deranged as Mikhail Gorbachev was, there was no doubt that he headed a *krysha* with instant death capability. After all, the guy had once commanded the world's largest and most deadly secret police force. He'd certainly sentenced better people than us to lengthy and exotic basement tortures. So we waited for the worst. Poor innocent Tanya suffered the most. She was worried for weeks that she would be arrested or disappeared.

But in the end we never heard a thing from Polyakov again, and moved on to other things. A few months later, Gorbachev announced that he'd done a television commercial for Pizza Hut.

As hard as we worked to be an antagonist to the expatriate community, the *eXile* wasn't exactly a pro-Russian paper. Our coverage generally sympathized with the ordinary salary-collecting Russian who'd been screwed over by people like Hay and Blitzer and Chubais—the scientist who'd been privatized into a career as a cab driver—but in nine out of ten cases,

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that same person probably would have been horrified by our depiction of his country. Between the "Death Porn" section and our pornographic club guide, the *eXile* reader came away with a vision of Russia as a sort of Rwanda with a high cover charge.

Which it was, of course. What we wrote was hyperbolic, but true. Reading about Russia in the *eXile* was like wearing pink sunglasses in a pink room. We were doing our readers a legitimate public service by informing them in our capsule review of the menacing whore-gangster hangout "Marika" that "if you ask someone to dance, you will die." We had an illustrated scoring system for clubs and bars which rated, on a scale of one to three stars, your chances of getting laid and of walking out alive. If a place had two or three stars in the latter "flathead factor," it generally meant that we knew someone who'd had a gun pulled on him (the club Paris Life) or who had been beaten up in the bathroom (myself, in the Hungry Duck). Of course, as the party/alternative paper, it was in our interests to make the scene seem as a wild as possible, but our vision of "wild" wasn't exactly flattering to your average Ivan—even though it was true.

Another problem was our practical jokes. Russians have great senses of humor, but the kinds of jokes we were pulling were a new phenomenon in the Russian press. Krutakov's prank in *Izvestia* was about the only other instance of a really vicious practical joke, one intended to embarrass someone, making it into print in Moscow. For obvious reasons, that tradition simply didn't exist in Russia. Although, contrary to popular belief, Soviet Russia even in the darkest times had been home to all kinds of unruly, pseudo-criminal behavior and naked adolescent disobedience—our own Edward Limonov wrote about that best in *Podrostok Savenko*—doing this kind of thing for publication had always been totally out of the question.

If a reporter in Soviet times had even jokingly suggested forging the stationery of the St. Petersburg mayor's office for a gag and admitting it in print, his editors might have shot him for their own protection. Things had changed since then. Still, not that much time had passed—and there was still no one out there in a position of editorial responsibility quite ready yet to be as stupid as we'd been all our lives.

We were on virgin territory. Jokes that wouldn't have had a chance of getting off the ground in the States were here mowing over Russians like Nazis in June. When we decided to call around town to arrange a fact-finding tour for deceased president Richard Nixon, not one person called our bluff. Most were having a hard enough time

Our July 1997 cover story described how the World Bank lent money to Russia so that it might hire high-priced Western consultants, while at the same time insisting, as conditions of these loans, that "excess" staff of state enterprises (i.e., farms, hospitals, elementary schools) be fired en masse in order to keep budget expenditures low. In other words, Russia fired its own workers in order to borrow money to pay Western consultants exorbitant salaries.



getting used to the new language of the free market without having to worry about crap like this.

"Well, what exactly does Mr. Nixon want to do?" snapped the gruff Sovietish p.r. director at the Moscow Meat Factory, momentarily forgetting her customer service skills. You could almost see her through the phone, sneering, hugely overweight, surrounded by accounting papers and an abacus.

"You know," we said. "Just walk around, see things, talk to the people."

"Absolutely not," she said. "We can't arrange for someone to just 'walk' through our factory. Our security certainly will not let him through. If there's some kind of specific offer that he has, for example to deliver our meats, then of course he can come."

We were hassling everybody. When dictator Mobutu Sese Seko finally got tossed out of Zaire, we called up practically every hotel in Moscow, in the guise of Mobutu aides, in order to see how many would be willing to take the butcher of Kinshasa as a guest in exile. Not surprisingly, all the obsequious wannabe "Westernized" Russians in the swanky new business hotels jumped at the business ("We have for him nice suite," the clerk at the Radisson said in broken English, "and our hotel is very nice—five stars!"), while only the old-fashioned Soviet-style "House of Fishing and Hunting" told us that they had no room.

In another case, we convinced the administration at the old communist organ *Pravda* that they had been bought out by a blind, Jewish dwarf from Florida named Barry Apfelbaum, who planned on using the paper to promote a

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chain of Sears and Roebuck stores in Moscow. The paper had already been bought as a curio by a pair of rich Greeks, and its staff was willing to believe anything. Representing myself as a *New York Times* reporter calling for comment, I laid the bad news on them.

"He plans on renaming the paper the 'Sears and Roebuck *Pravda*,'" I said.

"What's 'Sears and Roebuck?'" the *Pravda* woman asked.

"A big store that sells playground equipment and blue jeans," I said.

"Oh, God," she said.

As proof of the story, I sent her phony copies of Florida news articles containing Apfelbaum's biography.

"Apfelbaum, who is congenitally blind and a dwarf," read a "St. Petersburg Times" piece we'd made up, "made his name as a fiery courtroom orator who won large settlements for victims of accidents on Disneyland rides. He was later hired by Disney to defend against similar suits."

"American, Greek, it doesn't make a difference," the woman at *Pravda* snapped, when I called her back. "They're all the same."

The interacting we were doing with the domestic population wasn't exactly constructive. While other Western reporters were writing glowing portraits of new Deputy Prime Minister Boris Nemtsov and helping him attract foreign investment, the *eXile* was calling up Nemtsov's press service in the guise of a Japanese businessman named Hashimoto Godzilla and annoyingly demanding tee times and a recommendation for a good sushi restaurant in Moscow. It didn't matter that Nemtsov was a fraud who deserved to be exposed (our cover in that issue showed Nemtsov's face over the headline, "Reformer My Ass!"), or that Nemtsov, in a comical Soviet-style gesture, had actually given out his cellphone number in Tokyo and told Japanese businessmen to call if they needed help with anything. The point was, times were tough, and the last thing pretty much any Russian needed was to be mooned in print by a couple of suburban American yo-yos with too much time on their hands.

The only people we connected with were the ones who didn't understand the paper. Late in the summer, we ran an editorial entitled "Africa: At a Crossroads, Facing Tough Choices." It was a piece we had been proud of because it had elevated us to new levels of frivolity. Among other things, it expressed our support for the fact that Africa is completely surrounded by water, and in a part about war-torn African nations, asserted that "certainly a strong international presence would give these nations a strong international presence."

A few days after that ran, I got a call from Kester Klomegah, a Ghanaian with whom I had worked at the *Moscow Times*. Kester was a gentle, subdued guy and we'd always gotten along very well, even cowriting a few pieces about African issues together. Still, I didn't know him very well, mainly because I was never sure exactly what he was talking about, since he spoke in a strange whisper in both English and Russian. I knew he rented a room from an elderly Russian woman somewhere and had been studying toward some kind of degree for about seven years. But I didn't know much else. And when he called, I didn't know what to think.

We scheduled a meeting. Two days later, he showed up at my office with an African friend, a DJ at a Portuguese radio station. Like most of the Africans who lived in Moscow, Kester's usual costume included a shabby, yellowing, artificial fabric button-down shirt, ill-fitting slacks (frequently of Arab make), and, most characteristically, a subdued, unobtrusive posture.

Most Russians, when they visit the United States for the first time, inevitably make a frightened comment about how big black people are in America. The ones they're used to—mostly all students on public-exchange programs, like Kester—are almost all ill-nourished, poorly dressed, and so accustomed to constant denigration (it's not uncommon for a Russian to call an African a monkey to his face) that, out of habit, they become bent and mute. Russia is a bad place to be black. And it's a terrible place to be black and poor, as most of Moscow's Africans are.

Kester and his friend sat down and folded their hands on a desk.

"It's about your editorial," Kester said.

Fuck!

"Oh, that," I said, through clenched teeth. "Listen, I'm sorry. It was just a joke, you know, a spoof..."

"No, no, I wanted to thank you," he said. "What you wrote really does make sense."

"It does?" I said.

"Yes," he said, scratching his beard. "Because you see, Africa really is at a crossroads, facing tough, tough choices..."

Kester and his pal weren't the only ones who had trouble understanding the paper. Actually, no one in the expat community could figure the paper out, not even the minority that was inclined to like it. There was a core readership out there, mostly young people and student/lefty types, who were

clearly looking to us to be the Righteous New Voice whose views they could support. These people agreed with our politics and cheered our early attacks against Burson-Marsteller, Hay, Blitzer, and other henchmen of The Man, and in our early stages, you could almost hear them hoping that we'd assume the mantle of a responsible "alternative" paper, a sort of edgy *Village Voice* with red ink instead of blue.

But there was a psychotic, highly personal side to the paper that these people soon realized weren't just growing

DEATH PORN LEGEND



pains. Mark and I seemed to be right on all the issues, but . . . we weren't exactly normal people, either.

There was the Death Porn section, for example. The *eXile's* version of a crime diary, the Death Porn section took Russia's most gruesome rapes and killings and used them as fodder for a sort of campy print variety show, complete with a laugh track—Ted Bundy narrated by Rich Little. There was no shortage of material, of course. Russia was a yellow journalist's dream. Not only did it have one of the highest crime rates in the world, it was simply overrun with Dostoyevskian lunatics who were constantly outdoing one another in their efforts to be more disgusting, more bloodthirsty, and more disturbingly, ingeniously evil. Jeffrey Dahmer in Russia would have made the news, but

on any given day, he'd have to share the page with about three other serial killers and a couple of *Chainsaw Massacre*-style sadistic provincial gangs.

In the spring of 1996, I'd interviewed Alexander Bukhanovsky, the criminal psychiatrist whom many Americans know from the HBO movie *Citizen X*, about the Russian serial murderer Andrei Chikatilo. Bukhanovsky was the country's leading expert on sex crime, and after a sinister lunch of vodka and home movies—tapes of murders that Bukhanovsky's patients had filmed—he let me in on a secret. "In Russia, at any given time, there are one hundred serial killers operating," he said. "And those are only the series that are conspicuously series. I'm not talking about people who have killed twice, three times. We've got tons of those."

Russia was a massive industrialized country that had suffered an absolute economic and ideological collapse. Outside of Moscow, there were hundreds, maybe thousands, of communities that no longer had industry, government, or law. There were just masses of people hustling change here and there and waiting it out in grim concrete housing projects. Nothing to live for. Nothing to do. In these circumstances, people went crazy. They were killing and raping and eating one another at an alarming rate. It was mayhem. Absolute nihilism. This was the "state of nature"—maybe even the first signs of the end of civilization.

Whatever the right way was to approach covering that subject, most people felt pretty sure it wasn't "Death Porn." Readers turning to that page were generally met with a very gratuitously disgusting photo of a mangled corpse, underneath which there was usually a nutty game-show-host caption, i.e., "Hey, pal, can you lend me a hand? And a leg? And a head?" Each Death Porn story came affixed with little cartoon pictures, which told you what kind of story elements to expect in the tale you were reading: a Far Sideean screaming old woman to indicate "Cries For Help Ignored," a piece of Swiss cheese to indicate "Riddled With Bullets," a turkey for "Carved Up Like a Turkey." Worse still, the stories were narrated with an unabashed voyeuristic glee that even the most progressive of our readers couldn't endorse publicly. Whoever was writing this stuff clearly got off on what he was doing. It was creepy, and didn't at all gibe with the do-gooder tone of our political coverage.

I was the Death Pornographer. Although most people blamed Mark for the paper's excesses, the truth was that the sicker parts of the *eXile* were a joint effort. The paper was really a two-front operation. On the one hand, it entered the public debate on its terms, sourcing stories,

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following basic journalism rules, genuinely trying to persuade. On the other hand, the paper was uncomfortably personal, conspicuously written for the most part by two specific people who self-aggrandizingly made themselves characters in the text. There was a lot of stuff in the paper, stuff like Death Porn, that was clearly in there because the editors got a kick out of it, and not because it had any audience appeal or was attractive to advertisers. Worse, as time went on, readers realized that the things the editors got a kick out of were usually very morbid and disgusting.

Mark and I wanted to make a publication that people like ourselves would enjoy reading. Which meant, in essence, a paper for paranoid depressives with very twisted enthusiasms. Since we weren't likely to get rich with it, satisfaction from the product itself was the only return we expected to get out of the *eXile*.

A lot of the things the *eXile* published looked like mental malfunctions; they had the same strangely ordered and yet somehow embarrassingly inappropriate quality of dreams. There was a Bugs Bunny comics version of the crucifixion, an ode to the late Mexican poet Octavio Paz featuring an overtly racist full-page portrait of Speedy Gonzalez, candid and cheerful discussions of rape and drug abuse in our contributor columns, and viciously threatening and usually totally uncalled-for responses to letters to the editor, so extreme that we were likely to tell an admiring writer from suburban California that we were going to hunt him down and fuck his kids, be they male or female, it didn't matter.

Once in the spring of 1997, for instance, Mark and I were lounging around in the office when we suddenly started discussing, as a kind of amusing intellectual exercise, potential suicide plans. Not actual kill-yourself suicide, but suicide articles—ways to horrify our readers so totally that we'd put ourselves out of business overnight.

The idea we eventually came up with was a cover with a



NEW YORK JETS

SAMUIL BELOV

Special Assistant
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NEW YORK JETS

Владимиру Анатольевичу Полиakovу
Фонд Горбачева
Ленинградский проспект 49

Уважаемый г-н Полиakov,

Благодарю Вас за то, что Вы уделили время нашему вчерашнему разговору. Еще раз прошу прощения за опоздание на нашу запланированную встречу. В следующий раз обязательно организую свое прибытие в Москву на день раньше.

Как мы уже обсудили в нашем телефонном разговоре, наше предложение Михаилу Сергеевичу достаточно просто. Наша команда переживает реконструкционный период, и на всех нас, в особенности нашего тренера, оказано большое давление с тем, чтобы все изменения произошли как можно скорее. Одна из особенностей пребывания в Нью-Йорке – гораздо более непротиворечивое отношение общественности к достижению успеха, чем в других городах. По этой причине, тренер Парсеппа решил, что было бы полезным использовать часть нашего обычного бюджета на консультантов и специалистов по связям с общественностью, которые помогут бы сгладить это общественное недоверие во время реконструкционного периода.

Как я уже сообщил Вам вчера, идея предложить Михаилу Сергеевичу выступить с обращением к команде изначально была легко высказано предложено мной, но тренер Парсеппа, который в течение долгого времени возглавлял бывшими Генеральным Секретарем, воспринял ее достаточно серьезно. Он верит, что ряд речей Михаила Сергеевича окажутся очень полезными для общественности на улучшение морального состояния как наших игроков, так и сотрудников нашей администрации, и особенностей тренерской состав защиты. Более того, как отмечается в реформации застарелых структур, Михаил Сергеевич смог бы подать команде глубокое понимание.

Связь с Михаилом Горбачевым, конечно, принесет безупречную пользу для общественных связей Нью-Йорк Джетс. Естественно, мы, хотели бы компенсировать г-ну Горбачеву все дополнительные услуги.

Мне сообщают, что я вправе распоряжаться бюджетом в размере \$150 000, выделенным на приглашение г-на Горбачева выступить перед командой. Я предвижу 2 выхода (примерно по одному часу каждый) перед командой в течение этого осеннего сезона, мы могли бы организовать их согласно расписанию г-на Горбачева. Команда заплатит за каждого выступления по \$50 000. Я предлагаю дополнительную оплату за услуги г-на Горбачева по общественным связям, и особенностям за представление нам привилегии называть его Почетным Членом администрации команды, возможно в качестве «Реконструкционного координатора», в размере дополнительных \$50 000. Михаил дополнительных услуг под этой должностю не подразумевается.

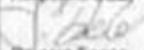
Я надеюсь, что Михаил Сергеевич будет приятно представить перед одними из его самых близких поклонников. Бил Парсеппа, владелец Джетс Леон Хесс и остальные члены команды видят в г-не Горбачевом одного из самых выдающихся людей этого века. Как Американец русского происхождения я относлюсь к Генеральному секретарю с глубочайшим уважением с тех пор, как он открыл мне двери для более частого посещения моих родственников в Москве. Его появление перед командой – для нас большая честь.

Я запланировал вернуться в Москву в этом августе, возможно, мы могли бы тогда обсудить все более подробно. До этого времени, Вы можете связаться со мной по моему телефону в Нью-Йорке (как указано на моей бизнес-карточке), но т.к. я буду в Европе в течение еще 2-3х недель, Вы могли бы связаться со мной по телефону в Москве (я веду еще одно дело здесь и работаю с секретарем, которая принимает звонки и держит со мной постоянную связь), если у Вас возникнут какие-либо вопросы. Телефон: 252-5626

По вопросу распределения бюджета было бы полезно узнать, что для Михаила Сергеевича является обычной оплатой гонораров за выступления, и имеет ли смысл никакие предложения. Я был бы Вам очень благодарен, если бы Вы могли послать мне короткое письмо или факс (номер моего московского факса – 252-5054) относительно этих вопросов примерно в течение недели.

Еще раз благодарю Вас за уделяемое время, и я надеюсь, что в следующий раз нам удастся встретиться лично. До этого времени оставайтесь

Искренне Ваш,



Самуил Белов
Ассистент персонала
Нью-Йорк Джетс

"Samuil Belov's" letter from the New York Jets to Vladimir Polyakov of the Gorbachev foundation.

giant close-up of a puzzled black face, accompanied by a banner headline: "NIGGERS: Where Did They Come From? And What Are They Doing Here?"

Well, *that'd do it*, we thought.

Out of consideration for the black community and for everyone else we knew would be permanently turned off by it, we sat on that joke for a full year. But finally, in the spring of 1998, we gave in and ran it—although not on our

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dimension, they might actually have run a cover like that in earnest.

When we finally designed it, it looked exactly like one of their own ads. By now giving up all hope of maintaining discretion, Mark added a text to the ad that was even more horrifically inappropriate. It took a vicious dig at 6'9" ex-Boston Celtic forward Marcus Webb, who was now playing in Moscow for the Red Army (CSKA) basketball team after having been tossed out of the NBA following an indictment for forcible sodomy of a girl in Boston. Using the usual cheerleading tone of the *Russia Review* ads, he plugged a fictional *Review* feature on Webb's success as a new black entrepreneur in Russia, lauding a "jelly and lubricant" factory we claimed he'd opened.

When I saw Mark typing that up on the screen, I sighed. Great, I thought. It wasn't enough that we were alienating the entire black community for no good reason. No, Mark had to go one step further and single out the very biggest and brawniet black man in Russia for unprovoked attack. Now we were marked men: you could practically start the t-minus for the inevitable humiliating beating. I could feel the Reebok sole patterns rising on my neck already.

As usual, there was no second-guessing, no last-minute spasms of caution. We closed our eyes, sent the thing to print, and went home to hide.

We paid for it immediately. As it happened, we had some problems with distribution of that issue, and as an emergency measure, Mark and I had to bring packets of the paper by hand to a pair of bar/restaurants in town. The two places we hit were the Hungry Duck and a place called Hola Mexico. Both places had black doormen. I dropped my packet at Hola Mexico and hit the ground running. Mark did the same at the Duck. We met on the street.

own cover, but on the cover of a spoof copy of the locally published *Russia Review* that we were designing for a parody of the magazine.

A sister publication of the *Moscow Times*, the glossy boosterish business mag had a banal, colloquial, stupidly confident style that fit the joke perfectly—in some other

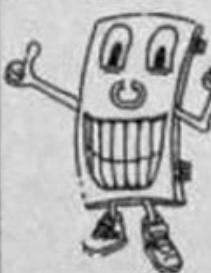
On the way home, we backtracked past the door of Hola Mexico, and glanced in: both doormen there had picked up our paper and were staring squarely at the offending page with intense expressions on their faces. We hid our faces and fled. There it was, the first miserable installment in a lengthy payment plan.

Soon afterward, we went to the opening of a club called Gentleman Jack's. The owner was a black guy named Elijah whom we knew from his other bar, a well-known expat hangout called the Sports Bar. We got along well with Elijah, and were relieved to find him in an *eXile* hat when we showed up at the opening. But there was a surprise in store for us. Elijah had invited Marcus Webb. I saw him first. I was standing near the entrance, meekly sipping a Diet Coke, when he walked in. Webb is your standard massive, scary-brother type: ill-fitting baggy jeans, multi-colored Hilfiger sweatshirt, about a pound of gold around his neck. I stashed my *eXile* hat deep in my back pocket



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The phony practical joke which Burson-Marsteller employee/Dmitri Vasiliyev press secretary Kristen Staples showed to Anatoly Chubais.



Knock-knock! Who's There? eXile special guest prankster Anatoly Chubais, taking America for a ride...

In its endless attempts to gain credibility with its readers, the *eXile* has long sought to attract the very best writers and contributors Russia has to offer. We were obviously thrilled when Alexander Minkin and Eduard Limonov agreed to work with us, but words simply cannot describe how happy we were when First Deputy Prime Minister Anatoly Chubais called us up with an idea for our "Knock Knock" section. "Listen, I've got this thing, you've absolutely got to run it," he said, giggling over the phone. "I spent years on it. What's your fax number? Oh, wait, here it is—same as the [sic] page, right? By the way, are those letters fake, or what?"

"They're real, all of them," we said. "Nobody believes us."

"Whatever," he said. "I'll send this right over. Don't worry about the money, there's no rush. I'll pick it up later."

A few minutes later our fax machine started spitting out paper. After a quick read we all had to admit—it was a pretty good gag, definitely worth dropping a hundred bucks on. So here it is, a special guest Knock-Knock, stamped with the seal of quality of the government of Russia:

By Anatoly Chubais
the *eXile*

How gullible is the United States government? A few years ago, as the deputy mayor of St. Petersburg, I decided to find out. Posing as a westernized new Russian "reformer," I contacted officers of the United States Agency for International Development (USAID) about the possibility of setting up pro-privatization, pro-market reform organizations in post-perestroika Russia. To my surprise, all it took was a cell phone, a laptop, a command of English, and a few other "reformist" affectations to ring up millions of dollars in grant money.

Chubais: So, how about those reforms?

USAID: Oh, don't even ask. Things just haven't been the same since Gibbs retired.

Chubais: Yeah, he was a great coach—really knew how to get the running game going.

USAID: Just move the chains, that's what it's all about.

Chubais: Yeah...so anyway, we're looking at about fifty million for the privatization center.

USAID: Oh, okay...will you be running it alone, or should we invite some others to participate?

Chubais: Well, I...Tic Tac?

USAID: Oh, no, no thanks. I've got gum.

Chubais: As you like. No, I think we can handle it ourselves, we've got free time.

USAID: Okay, well, we'll have that money transferred—

Chubais: Banque du Geneve, acc.

314519578—

USAID: Wait, wait—one, nine, then what?

Chubais: I'll start over.

American policy, it turned out, was relatively easy to dictate. The people who held the most sway with the U.S. State Department proved remarkably open to suggestions, particularly the tweedy types in the Harvard Institute of International Development:

Chubais: So, listen, professor, you've got the wrong idea about the Securities Commission. If we let the Duma play a role in its structure, we'll never get an open securities market! We'll just create the whole thing by decree. Don't worry, we can do that here, it's a Russian thing.

HIID: Sure, but...

Chubais: Hey, listen, what do you drive back there in Cambridge?

HIID: Me? A Saab.

Chubais: Good mileage!

HIID: Fine, but it breaks down.

It's an '83.

Chubais: It's yellow, right? I'm really good at guessing car colors.

HIID: Orange, actually.

Chubais: There, see, I was close! Listen, we really need more consultants here. Why don't you get yourself a bigger staff and a couple of Lincolns? We can find you a driver.

HIID: Well, I...I don't know. Money's tight, we were thinking of maybe building a hospital here...

Chubais: No, see, the thing is, you've got to teach us to build hospitals ourselves. (Feeling breast). The Russian people will never be able to rise up out of poverty until Americans teach us how to be more efficient, you know? I know it's difficult for you to spare the manpower, but...since conditions are so difficult here, you really ought to be well paid. Maybe that way you can attract the right people. I mean, something along the lines of a \$5000 a month housing allowance, a per diem, you know. I mean, you personally, a Harvard professor, you're well off, I'm sure you don't need it, but others might respond to that kind of incentive.

HIID: Well, maybe...

Chubais: And don't worry about that decree thing. We'll take care of

that. By the way, did I show you this idea we had for our state auction?

HIID: Uh, no.

In addition to being pleasant and servile, the U.S. turned out to be an extremely useful political ally. I used their consultants and their legal experts to draw up the framework for the redistribution of property from the State to a selective group of banks. Believe it or not, the Americans were so convinced that the Communist opposition in government was the main stumbling block to progress that they didn't notice that they had virtually financed and written the plan for the extraparliamentary transfer of power to an oligarchical class of corporate raiders. Even funnier, they and the Uncle Toms they planted in places like the Federal Securities Commission were set up until the very end that we were all close buddies. Even Commission chief Dmitri Vasiliyev didn't guess that I'd gone behind his back to rat out that pair of Harvard losers I caught making themselves a little lunch money by trading on the inside on the Russian securities market.

Vasiliyev: I just don't understand this whole investigation. It just makes us look terrible!

Chubais: Gee, I know, it's awful.

Vasiliyev: This could sabotage everything we've been working for! If the public gets hold of this, it'll give those bankers every reason to move in on the securities market. We won't have fair competition anymore!

Chubais: (Weeping) Our dream of creating a free and fair market will be ruined!

Vasiliyev: But USAID must know this. So why are they doing it? Who tipped them off? Who could possibly convince them to pursue this in public?

Chubais: It must be those darned Republicans in Washington! They always voted us.

Vasiliyev: (Sighing) Yeah...Maybe if we'd spent less money on per diems. Those Republicans are such penny pinchers.

Chubais: They just don't understand that you need to spend money to get a result.

Vasiliyev: Break a few eggs to make an omelet!

Chubais: Exactly!

The HIID investigation I set in motion finally gave me the excuse to cut the cord with Uncle Sam. The self-satisfied snobs in Washington who for years had treated me as their little junior capitalist whipping boy were shocked when they received my one-paragraph letter, which effectively sold them to take their six years and their hundreds of millions of dollars and shove 'em.

TO: Brian Atwood, USAID chief

Dear Mr. Atwood:

I request that you terminate all existing contracts between USAID and the Harvard Institute for International Development relating to market reforms in Russia. Because of changing conditions, the agreement is no longer consistent with Russian interests.

I'd almost have been willing to hold a fair auction just to see the look on their faces when that rolled in over their fax machine. The letter, of course, could have included a thank you, but why bother? After all the things they'd helped me and their own staff get away with, they weren't in a position to give me a hard time in public or anywhere else, for that matter.

After that letter, all that was left of the prank was the icing on the cake—hanging that boy scout Vasiliyev out to dry. After I announced that Russia was abandoning its policy of keeping the Securities Commission separate, Vasiliyev found himself on the fast track to a job as a junior accountant in Arthur Andersen.

Vasiliyev: Tolya, please, think this over.

Chubais: Look, that's my final offer. I'll give you twenty bucks to do the whole town. If you take the leaves I'll toss in a Seeger.

Vasiliyev: Min...

Chubais: Alright, time's up, I'm out of here. (Gives laptop)

Vasiliyev: Wait! Okay, I'll do it.

Well, hey, Uncle Sam—thanks for the memories! I'll get lunch next time, I promise (wink wink!). In the meantime I'm going to catch up on some reading I missed in the last few years. I'll start with Lenin. I find something in his life story inspirational...

and stealthily backed into a shadowy corner. Then I saw Ames heading our way and intercepted him.

"Marcus Webb!" I shrieked.

"Oh, Jesus," he shouted, instantly stashing his hat away.

We both backed up against the wall, then slowly crept sideways, unblinking, like crabs, around and out the door. I remember thinking: Noam Chomsky never went through this.

My hard-to-please girlfriend Masha was waiting outside, in addition to the entire female staff of the paper, and some of their friends. The girls' club was treated to a textbook display of cowardice in action. We refused to go inside, hid around the corner, screeched in terror when the girls tried to put on our stupid multicolored company propeller hats. Finally we relocated to a restaurant across town and joked around as though nothing had happened, but the girls didn't really buy it.

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Sales dipped, and a few white liberal readers gave us a hard time for the joke, and then things went back to normal.

Most people thought that the rampaging-id aspect of the paper was its main flaw. *Boston Globe* bureau chief David Filipov, who was a friend of mine and a sometime admirer of our more serious stuff, was constantly hounding me about Death Porn. He implored me to repackage the section somehow, at the very least remove the horrible pictures and change the title. "It's like you're announcing to the world, 'Don't take me seriously.' That's all you're doing," he sighed, clearly irritated that I was fumbling away the kind of editorial freedom he didn't have at the *Globe*. "It doesn't accomplish anything."

Many academics and journalists felt the same way, but what most of these people didn't realize was that our sick material was also part of a conscious marketing strategy. We quickly learned that the more contradictory we were, the harder we'd be to pin down. Of course it was absurd that a paper which appeared to celebrate serial murder and sexual abuse would rant righteously about things like free speech and the rule of law. But we also knew that if we didn't have those conspicuous moral deficiencies, we'd have been just another "right-thinking" left-leaning alternative paper—the dog of dogs in the post-*End of History*, post-Clinton publishing world. As in, a humorless, predictable, easily dismissible nag like the *Village Voice*.

Well before we came on the scene, there were plenty of people who were saying many of the right things about Russia in print—*Green Left Weekly*'s Renfrey Clarke, for instance, or *Hindustan Times* commentator Fred Weir, or George Washington University academic Janine Wedel. But we knew that, with all due respect to these people, the truth is that nothing scares the powers that be less than an opposition of bearded lefties and nitpicking academics. They

actually welcome them. When you're rich, confident, and in charge, you actually find being opposed by cautious, low-earning, poorly dressed intellectuals flattering. They cut a nice figure for you.

We were different. Nobody who tangled with us came out looking good. To begin with, even being mentioned in the same breath as the *eXile* was an automatic minus for most respectable people. We were like the obscenely drunk party guest whose very presence casts aspersions on the host. You can be sure Jonathan Hay hated seeing his name written in boldface over and over again just a page or two away from the "fakhie factor." This was a no-win situation for a guy like Hay. He would never be able to respond in kind. And even if he had responded, he would have lost there, too.

Here was another way we differed from bearded lefties; we had no compunctions whatsoever about lowering any debate we were engaged in to the level of vicious schoolyard abuse. And at the schoolyard-abuse level, we were tenacious and unbeatable. When Stanford University professor and heavy-hitting ex-USAID consultant Michael McFaul tried to get us banned from an influential Internet list, even writing us personally to chew us out, we hounded him mercilessly, sending him such a fearsome barrage of invective that he soon retreated into his cyber-hole and never said a peep about us again. McFaul just couldn't compete with us. He was out of his league on our turf, and we didn't respect his. While Mark was debating him on the issues (mainly a free-speech argument)—and winning—I was hanging on his every written word, pettily berating him at every turn for his surprisingly atrocious grammar and spelling.

After a steady enough dose of this, McFaul started to lose control of his writing entirely and make horrifically comic gaffes, leaving him open to still more annoying corrections. At one point, in a letter to Mark, he referred to someone on the aforementioned Internet list as having "stepped to the plate and delivered" a key argument about something. Mark emailed the thing to me, and I instantly wrote to McFaul to remind him that in baseball, you deliver from the *mound*, not the plate. To which he quickly

the eXile decoding key:

Fahkie Factor! will you "do it tonight"? ★ = no dice ★★ = if you wear sunglasses indoors, maybe ★★★ = like being in a dog kennel in late spring— you'll have to pry the patrons off your leg with a crow bar.

Flathead Factor! will you walk out alive? ★ = probably ★★ = just don't bump into anyone ★★★ = if you so much as flinch, you're dead.

Brewski Factor! Will even the cheapest, most selfish eXile reader afford the beer? ★ = \$2-\$3 per beer ★★ = \$4-\$5 per beer ★★★ = \$6- \$60,000



CHAPTER THREE

the exile

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Knock-knock! Who's Theeerrre? The eXile's C.R.E.E.P.-y dead president's promo agency, helping Dick Nixon get popular in Moscow

Political has-beens lead a tough life. It's not just that they've lost their perks, their power, their status. No, most of all are the trials they have to endure. And no political has-been is more truly miffed than that has-been of has-beens: a dead political has-been.

We decided to test this theory by arranging a Russia tour for long-dead has-beens and former clowns Richard "Dick" Nixon. The precast was that he was combining yet another fact-finding mission—one of many Nixon World Tours he took long after his forced retirement to give the impression that he was an "elder statesman"—with a book-signing promotion for his newest work, "Notes from the Other Side."

To test the former president's has-been status in Moscow, we tried to see what his chances would be of getting into the most obnoxious restaurant in town, the *El Dorado* (yes, it's spelled without a space). See, to get into their restaurant, you need to be a member of the *El Dorado* club, which isn't easy for places like you and me. How difficult is it for the late architect of detente?

eXile: I'm calling on behalf of Richard Nixon, the former president of the United States.

EDorados: Yes.

eXile: Well, he's coming to Moscow soon and he would like to become a member of your restaurant so that he can get in any time he wants.

EDorados: It's possible to do this, but he needs a member of our club to recommend him for membership first. I hope that your people know someone who is a member of our club who could recommend Mr. Nixon.

eXile: Well, actually we don't know anyone. Is it really necessary to get that recommendation even for Mr. Nixon?

EDorados: If you want to reserve a table, just call in advance.

eXile: No, I want to get a membership in your club for Mr. Nixon.

EDorados: Well, you can come to our club, and

if there are any free tables, of course we'll seat you.

eXile: No, that's not what we want. So he really needs a recommendation, even if he's the former president of the United States?

EDorados: Yes.

eXile: Well, it's okay. Thank you very much.

EDorados: Not at all.

With that modicum, we backed off and realized that even a dead Dickie Dick can't get no respect, even here in Moscow. Better to try setting up the book tour instead.

We called Rubicon Books to see if they would be interested in hosting a Nixon reading and book signing. We were afraid that given the fact they are an English-language bookstore, they might remember that Nixon had died a few years back.

eXile: Hello, Rubicon Books?

Rubicon: Yes.

eXile: Can I speak to your director?

Rubicon: His name is Ernst Benschenovich Yan. He's Korean.

eXile: Oh, uh, does he speak Russian?

Rubicon: Unfortunately, yes.

(Later)

eXile: Hello Ernst Benschenovich, I'm an assistant for the former president Richard Nixon. He would like to come to the Rubicon to promote and read from his new book, "Notes from the Other Side." Set of based on Dostoevsky's "Notes from the Dead," but with a twist. Would this be possible?

Rubicon: This sounds wonderful! Call me at home. (gives his home telephone number) We'd arrange everything, so that Mr. Nixon's reading would be properly arranged and beautifully done. Please call back so that we can arrange it. When is Mr. Nixon coming?

eXile: Probably early next week.

Rubicon: Well, that's wonderful! Call me back at home and we'll arrange everything.

Great, Dick, there is a Santa Claus! Now, we worked on arranging a place for the deceased former president to stay while in town. A hotel, we decided, would be too obvious, and keep the late president far from the ground-level. Better to have him sleep among the filthy, passport-toting backpackers, to get a sense of "what the kids are feeling." First, we called Traveler's Guest House, then Bed & Breakfast.

eXile: I'm calling on behalf of former American president Richard Nixon. He's coming to town on a fact-finding mission and a book tour and we'd like to book some rooms at your hotel.

Traveler's Guest House Uh, really? How many?

eXile: There'll be about twenty-five in his entourage.

Traveler's Guest House Well, you know, this is a small hotel. Mostly foreigners stay here.

eXile: Mister Nixon is a foreigner too.

Traveler's Guest House I know. The thing is, we have space, but our rooms are simple. There's a bed, a chest and a window. And that's all.

eXile: Well, Mister Nixon wants to lie down and be with the people. He's tired of being around charlatans. He wants to get a pulse on the youth.

Traveler's Guest House I see. Well, we have space if he's interested.



Richard Nixon rushes from Traveler's Guest House to Rubicon Books in a hectic day.

Bed & Breakfast: O nez god (in Russian)? 20 person envoys?? With the president?? You understand, we have apartments in the Belorussky Vokzal area. These are typical Soviet-style apartments. Five days a week a maid cleans up, and there are food items in the refrigerator. I would be more than happy to warm up my apartments for President Nixon, but the problem is that the apartments aren't all in one building or in one podgora. I can only tell you what would be. You probably have 2 minutes and you'd need an hour to get everyone together from our apartments.

eXile: That's true. Thanks a lot. I'll call back when we decide.

BMR: Oh no, thank you! And please tell Mr. Nixon that I'm a very big fan of his.

eXile: Well, he's putting out a new book so you can buy it.

BMR: I most certainly will!

Now that we found a place to stay, the deceased former president will naturally need to find facts to make the whole trip worthwhile. What better venue for a soiree to visit than one of Moscow's top meat factories, the "Moskovskiy Mysel Kombinat" (Meikom).

eXile: I'm Richard Nixon's assistant—you know, the former president of America—and he's coming to Moscow next week for a fact-finding mission and a book tour.

Mikome (surprised) Yes.

eXile: He'd like to visit your meat factory to learn about the changes in post-Soviet Russia, as part of his fact-finding mission.

Mikome: But what exactly does he want to do?

eXile: You know, just walk around, see things, talk to people.

Mikome: We can't arrange for someone to just "walk" through our factory. Our security will certainly not let him through. If there's some kind of specific offer that he has, for example to deliver our meat, then of course he can come.

eXile: But this is the former president, and he'd like to just see your factory and walk around.

Mikome: Absolutely not. We don't have time for that. We want concrete proposals.

A dead president dined by a meat factory? Now that's hitting an all-time low if we're bound to one. But perhaps the biggest hit of all is that NOT ONE SINGLE PERSON even remembered Nixon's death. Oh well, it's tragic being a dead president, especially if your chances of winding up on a coin or dollar bill are about as high as... well... as getting into the Mikome Meat factory on a fact-finding tour.

The results of an eXile survey around Moscow gauging enthusiasm for an especially tricky fact-finding tour by dead president Richard Nixon.

responded, exasperated, that it was late at night and his baby was screaming, etc., and, damn it, it didn't matter if he couldn't keep his metaphors straight.

This was part of the reason why Mark and I never took the high road people like Filipov urged us to take. For a no-name, underfunded, antiestablishment paper like ours, the high road was a dead end. It was a one-way ticket to permanent marginalization. But as morally ambiguous brutes, we could march right into the middle of the debate, take center stage, and really get under the skin of people like McFaul.

The *Moscow Times* was another obvious target for unfair play. We knew better than to counter editor Winestock's insidious colonialist editorials with polite,

reasoned *Moscow Times*-style editorials of our own. That was equivalent to surrender, as far as we were concerned. No, what we did instead was hire a mole in the *Moscow Times* newsroom to steal things off of Winestock's desk, then publish gloating photos of the bounty. Among other things, we stole his ballpoint pen, offering it as a reward to anyone who wrote a Winestock-style editorial condemning the theft. We provided sneering headline possibilities: "Theft of Pen Poorly Timed," "eXile Must Return Pen," "Pen Theft No Laughing Matter." To have people thinking about the fact that we'd stolen Winestock's pen and imagining his pinched, livid face while they read his stupid editorials was more damning and more effective than having people read us and agree

with us. It was also more satisfying, of course.

Our lack of a real protective *krysha* exposed us to a little-publicized but extremely ugly truth about small business in Moscow: the legendarily corrupt Russians were actually more trustworthy as business partners than expatriate Westerners.

We were in a position to know. Since none of our advertising space was prepaid, we always ran the risk of taking on deadbeat clients—an unpleasant situation to be in, since we really had no recourse if someone chose not to pay his bill. There was no point in going to court over \$800 of lost ads. In fact, about the only thing we stood to gain even by threatening to sue was a host of new problems, not the least of which being a deadbeat client so irritated at the thought of a lawsuit that he would sick his *krysha* on us in addition to not paying up. In short, we were totally vulnerable to anyone who wanted to screw us. But as it turned out, the only people willing to play that wild card were Westerners.

Getting screwed by expats was actually instructive. It proved that despite having grown up in the system their whole lives, Westerners still often had a weaker instinctual grasp of capitalism than Russians did. The bulk of our Russian clients—most all of them small entrepreneurs who'd had to make Faustian deals with gangsters and pay exorbitant bribes to bureaucrats just to stay afloat—seemed to understand that even if no one can stop you from doing so, it's just bad business to cheat someone. They'd had enough experience with life to know that what goes around, comes around. And after all, when things come around in Russia, they really come around.



When I lived in a communal apartment in my first year in Moscow, my neighbor came to me once with a distressed look on his face. We rarely talked except for the usual pleasantries. But that day, he'd heard something that shocked him.

"Are there bad Americans?" he asked, with a hurt look on his craggy, alcoholic face.

I laughed and asked why.

"My best friend and a few others were just swindled by an American who collected money from them, saying he was going to send their children to America to learn English. He took their money and disappeared. I thought only Russians did these things. Is it common with Americans?"

The was 1994, the beginning of the end of Russia's infatuation with the alleged Western ethic. And it's no one's fault but our own.

For incoming expat businessmen, this country is like a giant horror house: the proverbial door creaks open ever so slowly at Sheremetevka, a terrifying smell and sight greets you, then suddenly, from the depths comes a voice-a squeaky American voice-warning you, "Get out of Russia. GET OUT!! M-m-m-ha-ha-ho!" It's not just the corruption, the Mafia, the laws, or the possibility that you'll get turned into human confetti by AK-47 competitors. The main thing everyone warns foreigners about is that, when it comes to business, you can never trust a Russian. Just read any issue of the Moscow Times business pages: have they ever once insinuated that a joint venture dispute was the fault of the Westerners? I'll offer a free exile T-shirt to anyone who can show me such an article.

From my experience, Russian untrustworthiness serves as a ploy to throw you off the scent of the real threat to anyone doing business here. You're warned in advance about Russians, so you're on your guard. But there is a far more savage creature hiding behind the cloak of Russian amorality, and that is the expat huckster.

A majority of expats, after just a few months here, start to play what they think is "the game." No one takes a contract seriously? Fine, then I won't take contracts seriously either. Run up debts and tell my creditors to screw off, just like the

by Mark Ames

government does? Why not, no one will touch me. Steal assets at cut-rate prices by bribing the right people? Hey, if finance ministers and oligarchs can do it, why not me? Insider deals? My name is Jonathan, and you can count me in!

I have a proposal for lawmakers back home: Any expat who has spent more than six months here should undergo rigorous psychological and moral examinations when he returns home. A council of priests, rabbis and town elders should have the right to deport any expat deemed to be morally unfit for life in his or her home country. If an expat has spent more than 18 months here, he should be locked up in a re-education camp in North Dakota, and held there for a period of no less than six months while authorities examine and re-assimilate him, using brutal methods if necessary. If he has been here longer than 18 months, then he should be treated like the Ebola virus: as he crosses the border, a platoon of armed men in plastic space suits should roughly detain him, strip him of his citizenship, and deport him.

Last week, Masha and I went to visit a deadbeat client, a certain Mister Mulid, who owns the Sheherazade restaurant. He's also in the car importing business, so he may ram a cap up my ass for writing about him... if they find my limbless torso bobbing in a bloodied icehole in the Oka, then please, reader, do your Christian deed and burn Sheherazade to the ground.

We'd signed a contract with Sheherazade about four months back. Week after week, they kept coming up with reasons why they weren't paying us. And each week, we foolishly trusted Mr. Mulid.

Finally, I went with our own Masha to surprise Mr. Mulid at his restaurant/auto parts store at the end of December. We stopped him right in front of his employees and customers and confronted him with the invoices, asking when he'd planned to pay us. He promised to pay the following Monday, but we were persistent—we knew he was full of it. He then brought us down into the unit restaurant, using candles to light the basement... it was a cheap attempt to frighten us. When we didn't budge, he gave up all pretense and told us that he believed the bill was "our fault" and not "his fault." There was nothing we could do, short of resorting to methods that no expat should get involved in, at least not over a thousand dollars. Sorry, bub.

I got that queasy feeling which

reminded me of the world's worst villain of all here, the pair of British slimebags who run Quasar. We have a contract with them, signed by their director at the behest of general manager Guy Barlow. When Quasar first started, they placed ad after ad in our paper. Each ad was carefully designed based on material which was sent and approved personally by Barlow and their marketing manager Rob Kelley (and that's no blarney). After a few issues, Barlow tried to back out of the contract. It was incredible: here was an expat, a citizen of the allegedly civilized West, doing things according to the alleged rules of "the game": sorry, we don't need your contract anymore. Fuck you.

It always sucks hitting up a deadbeat. You feel you're confronting the dull mass of amorality itself—in this instance incarnated in the sweaty, unpleasant, wart-covered form of Guy Barlow. Like Mr. Mulid, he avoided our calls, so we posed Quasar and jumped him with copies of invoices. Finally he agreed to begin making payments. No payments came. We met again, this time with his accountant, and agreed to a schedule. But as we found out later, the minute we walked out, Barlow told the accountant to disregard everything he'd promised us. Nice fucking guy.

It's not like all expats are swindlers. We have many other clients, both expats and Russians, who are professional, honor their contracts, and lodge legitimate complaints about our nauseating pictures in Death Porn. But the greatest East Bloc myth of the 90s—that Westerners are inherently more ethical than Russians—is dying a hard, bitter death, thanks to people like Barlow.

Perhaps if you go to Quasar and you see that lying jerk, or his nerd sidekick Marty, you'll remember that you're patronizing the low end of the expat community, spineless twerps who only needed to find the right environment in order to let their true slippery characters shine in all their glory. We know that we'll never see that money—and because of Russia's tax system, we had to pay taxes on those ads anyway. So thanks a lot to Guy, Marty and the gang for holding onto your Western values. It's a good thing you're in a management position. Your Russian underlings have a lot to learn from people like you. And so will your Russian investors, when the time comes for them to see just how you've been spending their money.

This column Mark wrote about expat debtors reportedly sank a deal to sell the Quasar laser-tag club, one of the deadbeats in question.

Orlando Millionaire To Purchase Pravda

By HUGH JAMES
Register-Journal

Sources close to Orlando personal-injury attorney Barry Apfelbaum say that the millionaire has brokered a deal that will make him the chief financer of the controversial daily newspaper *Pravda*.

According to Tampa Bay banker Wallace Beck, Apfelbaum, who retired from his legal practice in 1991 to buy a chain of Sun-Rockstar franchises, has finally come to an agreement after months of my secret negotiations with Clinton Yannikos, the the Greek general director of Pravda International, the Greek company which owns *Pravda*.

Beck, whose Florida First National Bank brokered the deal, told the Register-Journal that Apfelbaum was a lifetime admirer of "world history" who wanted *Pravda* as a "trophy to add to my collection of holdings."

The storied communist organ has experienced great financial difficulties since the collapse of communism in 1991. It was purchased by Yannikos' firm in 1993.

Apfelbaum is well-known to

Orlando residents as the former director of Apfelbaum Associates, a personal injury law firm whose television commercials in the 1980's helped the owner amass a huge personal fortune over the course of the decade.

Apfelbaum, who is congenitally blind and a dwarf, was a cult favorite as a first courtroom witness who frequently won large settlements for blue-collar workers and as victims of accidents on Disneyland rides. He was later hired by Disney to defend the company against similar suits.

Both Apfelbaum and spokesman for *Pravda* international in Athens declined to comment on the story, saying that reports were "premature."

Beck said that the two sides would make a formal announcement in Athens next week.

He added that Apfelbaum was considering opening a SunRockstar franchise in Russia.

He said the attorney planned to advertise his business by striking a sponsorship agreement with *Pravda*, whereby SunRock would cover printing costs in exchange for free advertising space in the paper.

Pravda in Russian means "truth."

The phony "Tampa-Bay Register-Bulletin" article we sent to the newspaper *Pravda* in an attempt to convince them they'd been bought by a blind, Jewish dwarf.

The classic expat fraud, on the other hand, was a shabby little nerd who'd moved overseas to escape the very laws of physics which had made him a failure at home in the first place. He didn't understand cause and effect, because he tended to be in heavy denial to begin with, having spent a lifetime developing strong mental defenses against the acceptance of blame.

Dwarf to Buy *Pravda*

How low can the once-mighty communist daily *Pravda* sink? To about four-foot two, according to a report in the Tampa Bay Register-Bulletin.

The Register-Bulletin's Saturday edition, citing sources in the Tampa Bay First National Bank, reported that celebrated Orlando personal injury lawyer Barry Apfelbaum has closed a deal with Greek-owned *Pravda* International to purchase the legendary socialist organ, based in Moscow, Russia.

Apfelbaum, a blind dwarf, became famous in the 1980's for the wacky TV commercials he made for his personal-injury firm, Apfelbaum and Associates. The best-known spot pictured the quick-witted attorney pacing in front of a witness stand, saying, "If the jury can see me, they'll believe me!"

Apfelbaum, the Register-Bulletin said, is a history buff who is buying the paper to add to his "collection of holdings."

Pravda, founded in 1919, is Russia's oldest newspaper. It has struggled financially since the collapse of the Soviet Union in 1991.

More materials, this one from the "St. Petersburg Times," backing up our story about the blind, Jewish dwarf owner of *Pravda*.

Godzilla Versus Nemtsov

Boris Nemtsov stunned the world two weeks ago while on a visit to Tokyo by offering his personal mobile telephone number to a delegation of Japanese businessmen. "Call me if you have any problems, guys," he told them, to the cheers of the Western press. Was this gesture a sign of a New, Improved Russian reformer? Does this mean that corruption will end, companies will become more transparent, competition will become more fair, and Russia will finally enter the family of civilized, law-abiding nations? If yes, then does the handsome young Deputy Prime Minister know just how painfully annoying his life could become if indeed he intends to listen to the petty, frivolous problems of each and every Japanese businessman? We decided to test the New & Improved credentials of Boris Yefimovich. Disguised as regional manager "Mr. Hashimoto Godzilla" of "Mothra Electronics," the exile called a government press secretary, Nikolai Vasilyevich Prosin to see just how literally the reformer meant his words to be taken.



Godzilla: Hello, my name is Hashimoto Godzilla from Mothra Electronics. Not long ago, I met with the esteemed Vice Premier Boris Nauminovitch [sic] Nemtsov. I want his phone number because when I was in Tokyo, he gave me his mobile telephone number, and I need to ask him some important questions. Please tell me how to get his mobile telephone number.

Prosin:

I understand everything. Your secretary who just called me understood me very well. I don't know the mobile telephone number of Nemtsov. Please call his personal press secretary.

Godzilla:

And please tell me again, who are you?

Prosin:

I work in the department of information for the government.

Godzilla:

Ah, I see. Then could you please help me. Do you know the mobile telephone number of Boris Nauminovitch Nemtsov?

Prosin:

I don't know, I don't know!

I'll give you the phone number of his personal press secretary, 205-5208.

Godzilla:

Excuse me, Nikolai Vasilyevich. Maybe you can help me too, because I noticed at the meeting in Tokyo that Mr. Nemtsov is a very new, good Russian, a kind of Western businessman-type of person, and I

respect him very much for this. So I have a few questions for him that could help me. For example, well... you see I had his mobile telephone number, but I lost it.

Prosin: I understand, but I don't have it—

Godzilla: But maybe you could help me, because I wanted to ask Boris Nauminovitch, for example, where in Moscow you can find a good golf club, because golfing is very important for business. For Japanese it is particularly important for the soul as well.

Prosin: I know that a club opened up not long ago in Moscow. You should call your colleagues or accredited journalists. They should know.

Godzilla: But there are two clubs, right?

Prosin: I don't know how many golf clubs we have in Moscow. I don't play.

Godzilla: Do Russian businessmen play it a lot?

Prosin: No, no. It's a new sport.

Godzilla: Considering that Boris Nauminovitch is a New Russian reformer, maybe he plays golf?

Prosin: I don't know that.

Godzilla: Maybe just one more question, then I won't bother you any more. Where can you find here some good sashimi,

unagi, sushi, because I can't get used to your Russian food.

Prosin: (getting more annoyed) I don't understand, what do you need?

Godzilla: Sashimi, sushi, Miso soup. Japanese food.

Prosin: I think there's a restaurant here serving Eastern food.

Godzilla: Do you think Boris Nauminovitch eats sushi?

Prosin: Oh, I don't know.

Godzilla: Because maybe I would like to invite him to sushi.

Prosin: That telephone number I gave you, they'd know better. (repeats name and telephone number of Nemtsov's personal press secretary).

Godzilla: And, just one last question. Uh, karaoke: do you have that in Moscow.

Prosin: Probably, yes.

Godzilla: Ah, excellent. I love to sing.

Prosin: I understand.

Godzilla: Thank you so much.

Prosin: All the best.

Godzilla: Goodbye.



Our first run-in with expat shysterism involved a schmoozemeister named Dominique Berhout, who'd bounced around several restaurants and businesses as a promotions manager and director before landing, by the time we met him, at Le Gastronomie, one of Moscow's most elegant restaurants. This was a jittery working-class guy with the face and build of a minor league hockey coach who in Moscow had somehow reinvented himself as a high-society gourmand. His chief affectations were a snappy

editorial

Africa: At a Crossroads Facing Tough Choices

We know that it isn't in the news and that it has very little to do with expatriate life in Moscow, but the *eXile* editorial board has decided to devote this space in this issue to discussing Africa. We have very strong opinions about Africa and we feel they should be aired.

Obviously, Africa is entirely surrounded by water. We support this wholeheartedly. It has been a known fact for thousands of years that access to sea routes is a great boon to human civilization. Sea travel allows people to exchange goods and ideas. And Africa, as much any other continent, has a right to enjoy these advantages.

Of course, these days, Europe lies north of Africa. As we all know, this continent has been home to many of humanity's most prosperous civilizations over the course of the past five centuries or so. Now the countries of Europe are talking about uniting.

All of which only indirectly affects Africa. In Africa, African affairs take preference over non-African ones. Chief among these issues are trade, the political sovereignty of African nations, health and longevity of African citizens, the environment and the more abstract issues of family and sociological relations. In each of these areas, Africans have cause for both optimism and concern.

Africans have every right to be concerned about their own affairs. To ask them to be concerned about our affairs would be unfair. It also probably wouldn't do any good. What do they know about our problems?

Very little. And some Africans are Nigerian. Nigerians are distinguished from other Africans by their Nigerian citizenship. Nigerians have their own official language and the Nigerian treasury prints its own currency. You can't use that currency to buy anything in neighboring Ghana!

Still, if you were to take the whole Western part of Africa and just chop it off, Africa wouldn't have that funny "q" shape anymore, but would be more like a big rectangle. And if you were to take all of the people out of Africa, it would be totally unpopulated.

The *eXile* has no intention of supporting any external effort to chop off the Western part of Africa. However, should Africans undertake this project themselves, we feel it would only be fair to support their right to self-determination.

Furthermore, it is well known that Africa now is home to a great many ethnic conflicts, none of which take place anywhere outside of Africa. These conflicts must resolve themselves if they are to be resolved. Certainly a strong international presence would give these troubled nations a strong international presence.

The leaders of the Western world should not be shy about recognizing the existence of Africa. As time goes on, our relations with African nations will depend more and more on our ability to locate them. Be they in the north, south, or western part of Africa, our diplomats should make it their duty to be awake and physically present at all negotiations held with African officials.

This will take time. But time, unfortunately, is something that most Africans without it do not have. Therefore it seems prudent to recommend that all ineffective aid programs be canceled and replaced with effective ones. Only such a course will allow Africans to take charge of the destiny that is their own.

Hopefully, some good will come out of our ephemeral awareness of Africa. For too long our insistence upon leading lives totally independent of Africa have left us with a completely chartorial evacuation with our own fraternal inseams. The cossed subterfuge of multilateral encroachment ensures that last year's bold hegemonic Pan-African surge may yet subside the stark macchian bortinines that so characterized our previous relations with these countries.

Overall, Africa's young reformers face many tough questions, which they alone can answer for themselves. Will they be able to muster the courage to face their problems bravely? Will they take the time to understand the mission that is theirs? Only time will tell.



blue suit and a right forearm permanently twitching from the urge to give somebody, anybody, an earnest handshake.

Dominique gave Mark a call in late March and invited him to Le Gastronomie for a night of what in Russian is commonly called *khalyava*, or "free stuff" (although Dominique himself certainly wouldn't have known enough Russian to call it that). In this case the *khalyava* was a free meal at a real four-star restaurant, complete with fine wines that would have put a massive dent in Mark's monthly salary had he been given a bill. The food was so good that Mark almost didn't notice

Dominique's incessant schmoozing and paranoid insistence on asking every ten minutes if the food was okay. Mark also paid little attention when Dominique dropped the name of scary Chechen gangster Umar Gimbrailov, or when he mentioned that he was on good terms with a Dagestani restaurant owner who was rumored to have recently killed his Western manager for embezzling money, or when, ridiculously, he bragged that he'd once been a boxer. Mark didn't register, at the time, the not-so-subtle implication that Dominique ran with very heavy hitters, and maybe even was one himself.... In any case, Dominique subsequently struck a huge deal with us to advertise both Le Gastronomie and a new restaurant/nightclub called the Zoo, which his company was planning on opening. The Zoo deal involved half-page ads on a semiregular basis, which was a big deal for us at the time. We were so grateful for such a high-class client, in fact, that when the Zoo finally opened, we made the biggest mistake of the paper's existence: we blew it in a review, even though the place sucked.

The obvious blowjob review prompted a flood of disgusted letters from restaurant people around town, and though we admitted our mistake in our letters page, our reputation suffered a severe blow among other advertisers. Meanwhile, the outstanding Zoo/Le Gas bill was quietly growing in size. When we complained, Dominique kept insisting everything was okay and ordering more ads. We went along, stupidly and chauvinistically believing that an American working for two of the best-financed restaurants in town wouldn't screw us. But when the bill reached \$7,000, Dominique stopped returning our phone calls, forcing the entire company to mobilize in an effort to track him down in person.

The typical debt collector/debt evader scenario ensued. Mark, our mustachioed business manager Kara, and I hovered around Le Gas and the Zoo morning and night, and quickly discovered that the managerial staffs

CHAPTER THREE

It was not unusual for Death Porn to feature three or four identical stories in one issue, each describing the shooting of a "commercial director" in the doorway of his apartment building.

Murder by Numbers

After a while, the news stories all begin to sound the same. Victim X was director of company Y. Travelling along street Z, he exited foreign car of A make and was finally shot in the head in his podyezd by automatic weapon of make B. Ineffectual police department in C city closes the case by announcing that the investigation is continuing. Hired killer D remains on the loose. For this story, fill in the following blanks: X=Alexander Kolesnikov, Y="AO Interstroigazkomplekt", Z=Moskovskoye Shosse, A=Mercedes 600 series, B=TT pistol, C=Smolensk and D, as always, remains unknown. It all happened two weeks ago; look for the same story to happen again soon in a different city. Just hold on to our eXile algebra murder equation, and everything will be as E-Z as ABC.

of both restaurants had developed a habit of having just stepped out any time we were around. As long as we were around, both places were ghost ships, manned entirely by waiters and sous chefs.

After enough of this, we tried a new tack. I called Dominique's home number and left a message on his answering machine asking him if he was going to pay, adding that the "editorial content of the next issue" depended on his answer. We'd just run a very ugly exposé on another Dominique-esque figure, *Moscow Tribune* columnist/restaurant promoter Michael Bass, and we were hoping Dominique's paranoia would get the best of him.



"Whyn't you guys go on ahead? I'll catch up with you in a sec, I promise! Don't wait up!"

slim, although Charles Blitzer has not yet made the authoritative prediction.

The Death of Raisa Gorbacheva



We don't know enough about this story to even be funny about it, but here's what we do know from various Russian press reports: a 47 year-old woman by the name of Raisa Gorbacheva was murdered last week in Bishkek, the capital of Kirgizia. Gorbacheva, a journalist and a poetess, was strangled in what police describe as an apparent robbery. She has no relation to Raisa Maximovna, although her death, according to local police, has allowed her to eclipse her living namesake in political relevance.

Yet Another Serial Killer



Hear about the guy from Krasnoyarsk who killed 19 people? We didn't think so! Yet another p.r.-challenged killer seeped into the middle pages not of Izvestia, not of Moskovsky Komsomolets even, but of Kriminalnaya Khronika, Russia's only national newspaper devoted exclusively to crime. Nosferatu-lookalike Vadim Yershov, a deserter from the Far Eastern army group, returned home to Krasnoyarsk a few years ago and set about raping and killing women. This past summer he made the mistake of diving on a woman in a podyezd in broad daylight whose husband, an FSB officer, happened to be just a few yards away. The chekist beat Yershov to a pulp, tied him up, and sent him to jail. His court case winds up next week; he's already confessed to 19 killings and seven attempted kidnappings, so his chances of escaping heavy time or even death despite the 99% conviction rate of Russian courts are

Yet Another Serial Killer And Still More Good News From Nakhodka



Looking for a new home to move to? Try sunny Nakhodka! Just last issue we told you about a group of boys in notorious Nakhodka who were caught playing soccer with a human skull. This time, Kriminalnaya Khronika reports, two dismembered female bodies were found there—in an area where those same boys were playing soccer again! The paper concludes: "It is logical to conclude that Nakhodka now has its own serial killer, just to round out completely its criminal portfolio."

THE EXILE MEETS THE EXPATS

He called back right away. "Why didn't you tell me you were anxious about the bill?" he said. "We'll settle this right away."

We quickly realized what was going on: Dominique was on his way out at the restaurant, and no longer had any pull with the Russians who controlled the money. We couldn't even be sure that the über-bosses had approved the original ads. Whatever the real story was, Dominique clearly had no intention of telling it to us. We set a deadline for him to pay up or suffer the consequences in print, and it wasn't until past midnight on production night that he broke down and told us that he was about to be fired, that there was nothing he could do.

"I don't understand," I said. "Are we supposed to care about that? We still want to see that money by noon tomorrow."

Dominique was shocked. Apparently he'd been so sure that we would have appreciated the sheer bravery he'd demonstrated by admitting his highly embarrassing professional situation that we would have let him off the hook out of pure admiration.

"I can't believe this," he said. "I can't

believe you're threatening me like this. I was straight with you."

"Noon tomorrow," I repeated. We were bluffing, but what the hell.

"Look," he said. "I give you my absolute word that this will work out. Just hold off tomorrow."

"No way," I said. "We've waited long enough."

Hey Raula, I have to go sleeping
Down down for my mamma
She needs some tortillas and chili peppers
La la la, la la la la la la la la
La La La La la la la la la la la la la la

Your dog is gonna have a puppy
And we're running out of coke
No enchiladas in the ice box
And the television's broke
I saw some lipstick on your nose
I smell the perfume in your hair
Will if you're gonna keep on
mambo
Don't hang your business back
hun

Hey Raula, come quick, down at
the cantina
They're giving green stamps with lipsticks
La la la la la la la la

- 1990



OCTAVIO PAZ
POET
1914-1998

CHAPTER THREE

Sometimes we got a little out of hand in abusing our readers, but they didn't stop sending us letters.

WE'LL FUCK YOUR KIDS

Dear [sic],

I have been reading your website for some time now and I have to say that I find it very interesting. As a married criminal defense attorney in Southern California with three kids, two mortgages, etc., I read about your lives in Moscow with shock, horror, and of course barely controlled envy.

Keep up the good work! At least we suburban drudges can live vicariously.

... sort of.

Anyway I really did want to say thank you for one of the most unusual publications on the net. "Unusual" is probably an understatement, I suppose.

Keep on truckin' and avoid the flat-heads!

Jeff [redacted]

Dear Jeff,

You want to introduce us to that wife of yours? Think she'd mind if we ass-fucked her? How about your kids? Any of them have pubes? Male or female, it's the same to us.

we had no recourse, and we wouldn't have—had not fortune intervened. When Mark finally got fed up and published a savage column berating Barlow and other expat deadbeats, we didn't expect a response.

As it turned out, though, Barlow was in the middle of negotiations to sell his bar—and our column sabotaged the entire deal. As a result, Barlow was torn a new asshole by his corporate superiors in London, and another Quasar rep called us immediately to settle the debt in order to put the p.r. fire out and keep the deal alive. Unfortunately, Mark was whacked out on speed when the time came to do the deal, and he angrily refused their initial offer of \$3,000 in cash, having become fixated for some reason on collecting the full amount or nothing at all. They went out of business shortly thereafter, and we never saw a dime of that money.

Our few other assorted deadbeats were also all expats, providing still more evidence in support of one of our central hypotheses about the expat community: namely,

He called several more times through the morning and night to complain, but at 11:55 A.M., a fax spilled out of our machine. It was a copy of a wire transfer receipt for \$5,800. Apparently, there was still something he could do.

We had similar problems with other expats. A fat warty Brit named Guy Barlow, the manager of the "Quasar" laser-tag bar, tried to weasel out of a \$6,000 bill, stalling and making excuses all along the way even while bragging around town about how he'd never intended to pay us. Like Dominique, he figured

that a great many of the foreigners who came to Russia felt that the country's obvious sociopolitical chaos gave them an excuse to dispense with their normal standards of behavior. A lot of them were swept away by the shiny-suit-and-tommy-gun gangsterish feel of the city, and began to forget their backgrounds as dweebs raised in the American suburbs and feel like tough guys. Not having any kind of experience with this kind of thing, they began to see angles all over the place even when they weren't there, and started to assume that playing things straight was automatically a dumb move.

Our own business manager, the aforementioned Kara Deyerin, was a classic example. Short and squat with a freakishly fat ass and a copiously hairy body she stubbornly refused to hide (she frequently wore translucent white tights over her shaggy unshaved legs, resulting in a lower body covered with garish patches of matted black hair), Kara was a deeply resentful and prematurely bitter woman who used Russia as an excuse to see conspiracies rather than cope with her own multitudinous and doubtless very daunting personal problems. She grew to loathe Mark and me and eventually quit out of resentment.

In any case, when she finally quit in a rage, she did so suddenly, with just two weeks warning, dropping a series of bombs on us which suggested she'd been planning her departure for a long time. She somehow managed to convince our publisher to let her keep her 15 percent share in the company, despite the fact that her contract specified that she was only entitled to it if she stayed on for two years. She'd convinced the publisher that we were planning to steal the paper and move to another publisher. Apparently we needed to be stopped, and she offered to play the role of the heavy for him. "This is what Kostya wants," she

Lawrence Summers once called for more pollution in poor countries; he would have liked our phony Moscow Times brief.

Poison Gas Irks Indians

■ CALCUTTA, India (AP)—A DuPont mustard gas chemical plant outside of Calcutta exploded into flames yesterday, releasing a toxic cloud that authorities say may have led to the asphyxiation deaths of millions of Indians, while forcing tens of millions to evacuate the region. Also yesterday, a bus packed with 42 people, mostly women and children, crashed into a ravine in the southern state of Jaffna, killing all on board.

Markets in India reacted positively to the news, rising 3.3 percent in early trading.

The toxic cloud is expected to drift across the entire Indian subcontinent before settling into the atmosphere over the Indian Ocean. World Bank officials believe that the cloud will pose no threat to the region.

THE EXILE MEETS THE EXPATS

said. "And he's serious. If I were you guys, I wouldn't cross him. He knows some pretty serious people. I only recently found out how serious. Keep that in mind."

This was incredible. Here was a 24-year-old American woman, raised in the cradle of Seattle's coffee shops, essentially threatening us with a gangland hit if we didn't swallow her breach of contract.

Like a lot of Americans who started trying to pull these kinds of power plays after moving to Moscow, Kara was a person who would have been afraid to jump a subway turnstile at home, much less threaten anyone with murder. But a year and a half of living in Moscow had convinced her she knew all the moves. It was laughable. But it was really happening.

By March 1998, the *eXile* office was beginning to feel like Verdun in 1915. There were huge losses all over the place, and no one was winning. On the plus side, most of the people on our short list of usual suspects had taken a beating over the course of the last year. Jonathan Hay was out of govern-

ment, under investigation by the U.S. Attorney's office in Boston for mismanagement of government funds, and writing some kind of semiannual newsletter out of his girlfriend's office and ducking our phone calls. Hay's girlfriend, Beth Hebert, had been told by a Duma subcommittee (which had called the *eXile* for assistance in its investigation) that she would have to rebid for her Investor Protection Fund contract. Anatoly Chubais had been fired and four of his closest aides were under investigation; the very term "young reformer" had become a joke in the Russian press. The bureau chiefs of the *New York Times*, *Los Angeles Times*, and the *Times of London*, all of whom had been repeatedly brutalized in the *eXile* press review, had packed up and left town. The pathetic *Tribune* was teetering on the verge of bankruptcy. Whether or not we had anything to do about it, it seemed like everyone we'd written about had met a bad end. At the same time, though, the *eXile* was in crisis. An ill-considered decision to go weekly in February sent Mark, Krazy Kino Kevin, and me careening into severe substance abuse. Toward the end of the winter, we were each

Below: The *eXile* version of a Russia Review ad.

WE'VE GOT IT, YOU CAN GET IT.

Western companies have long wondered about the presence in Moscow of black Africans, and their importance in developing marketing and consumer-targeting strategy. Now, Africans are catching on.

The number of Africans in Moscow has grown exponentially in recent years—and their combined spending power has soared to over \$100 million dollars in Moscow alone. Geoff Winestock, the newly-appointed editor of *Russia Review*, takes you behind the scenes to show how Western consumer companies are adapting, and how

Russian companies are not far behind, recreating their marketing campaigns. We also bring you an exclusive interview with Marcus Webb, star forward for the CSKA basketball team, who has recently branched out into testimonials for consumer products such as jellies and hemorrhoidal creams produced at a plant in Khimki.

From the latest trends in the stock market to an analysis of maverick reformer Anatoly Chubais's Montes Auri investment firm, we bring you all you need to know about business in Russia.

COUPON FOR WHAT YOU WANT TO KNOW

Yes, I will subscribe to *Russia Review* for 12 months for the price of \$295.

Yes, I want to receive the Red October Box full of chocolates. FREE.

Name

Position

Company

Industry

Address

Country

Code/City

Fax

Telephone Payment (Equivalent US\$ and Eurocheques accepted)

Bank Transfer Cash Check enclosed, payable to Independent Media

Credit card: Amex Eurocard/Mastercard Visa Diners

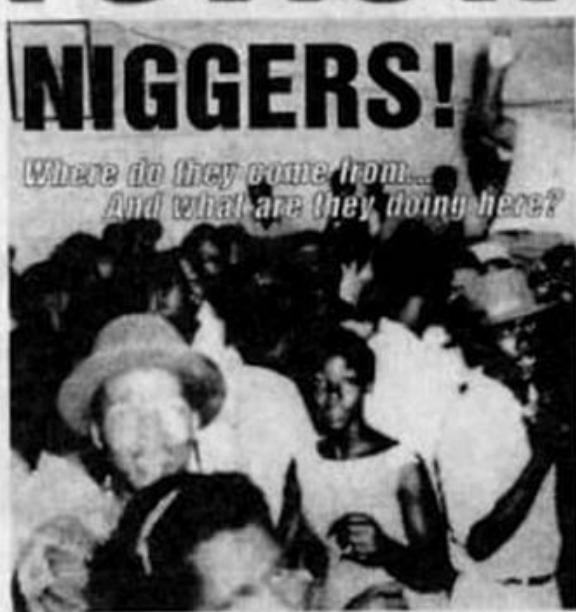
Card Number Signature

Valid thru Credit card charges will be made in US\$

Please fax or mail this coupon to:
For USA/Canada: fax 802-223-6105; or mail to: 99 Main Street, Suite 2, Montpelier, Vermont, 05602-2948.
For Canada: fax 613-232-1781; or mail to: Russia Review, 1000 Victoria Park Rd., Ottawa, Ontario K2B 2L2.
For Europe & rest of the world: fax 21-09-679-0721; or mail to: Van Lieropstraat 82, 1071 EX Amsterdam, The Netherlands.

RUSSIA review NIGGERS!

Where do they come from...
And what are they doing here?



Subscribe now to *Russia Review* and you will receive a free box of "Friends" cappuccino-flavored candies from America. It may be your biggest investment of 1998.



CHAPTER THREE

snorting enough speed every week to cause heart failure in the entire pan-African wildebeest herd. We spent our few waking off-hours waiting out heart palpitations and calming our nerves with hot chocolate and PG movies. At night our pillows were damp from uncontrollable sweats. For the first time in my life, I considered seeking help for a drug problem.

After about six weeks of this, the line between reality and paranoid fantasy had become so blurred in our office that we were no longer sure what exactly it was we were doing. The huge piles of refuse, gigantic yellow-press headlines, and frantic faxes all over the city pointed to some determined, aggressive purpose, but by mid-March we no longer knew what that was. Personally I began to wonder whether we were just hurling invective out of inertia. I started to wonder: Was all of this worth it? Could well-fed middle-class people like ourselves really have enemies terrifying enough to justify this much aggression and self-destructive energy? What was the point?

We got our answer late on a Saturday night in March. Ames called me from his apartment. We'd both been off drugs for something like 36 hours, and the phone call was unusually lucid. There was no point to any of this, we realized. We had to go back to biweekly or else we would die. We were both relieved. Privately, I started having thoughts about making the post-amphetamine *eXile* a "nicer" publication.

That Monday, Yeltsin fired the entire government. Just what we needed. Exhausted, we went back on drugs and put out a nearly unreadable issue. By the time we woke up, it was Friday, March 27. Things looked bad. We were a humor magazine, and we had no plans for April 1. Our stock in the expatriate community had fallen sharply. We were looking like losers again.

So we got together and quickly came up with an idea. This awful period in our lives was going to end with a bang. If we were going to go down, we were going to bring some people with us.

Early on the morning of Wednesday, April 1, the guards at the North gate of the U.S. Embassy followed their normal daily routine and brought about 200 copies of the *Moscow Times* into the embassy cafeteria. The *Times* was distributed for free, and diplomats and other embassy staff generally read it over breakfast to start their day.

Wineswaggled!



If you kind folks out there ever doubted the *eXile's* potential for really petty harassment of its commercial competitors, check this out: we had a drooling agent on the staff of the *Moscow Times* visit this worthless bullock pen off the desk of *exile* editor Geoff Winesock, and now we're bringing about it in this very special Photocontest, we're going to seek even more by allowing our readers to choose the诬蔑者 themselves, by participating in a simple contest. These 託謗 need only write and send in a plausible 300-word submission under one of the following headlines:

eXile Must
Return
Pen

Theft of
Pen Poorly
Timed

Pen Theft
No Laughing
Matter

Our panel of expert judges will choose the best essay of the bunch, and the author will walk away one bullock. However, we'll publish your editorial and put your picture in the paper. And don't feel bad if you try and lose—we've got at least two rookies working Winesock's desk, so this might not be your last chance! Anyway, apply now and win this commemorative "Fido" pen, which our sources say was once used to sign the preface on a page 5 of a genuine *Moscow Times* Wednesday edition, a page that might very easily have contained a story about the Mir Space Station! We're taking faxes at 261-71-46, and e-mail at exile.editor@swipex.ru.



According to the paper, March 31 had been a busy news day. The headline on the lead article read "Sex Scandal Rocks Kremlin" and told a spectacular story: new Prime Minister-designate Sergei Kiriyenko had been fired by Boris Yeltsin after being arrested in a midnight fracas at a gay nightclub over a beauty pageant tiara. This was huge news for the embassy staff, particularly since Russia had already been teetering on the verge of a political crisis as a result of the March 24 firing of the entire government. Now, with the new PM shot down in a sex scandal that even the staid *Moscow Times* was calling a "new round of hostilities in the so-called banker's war," Russia would be lucky to escape widespread pandemonium. Word spread quickly around the embassy, and an emergency meeting with Ambassador James Collins was convened to discuss the crisis.

Meanwhile, at hotels and restaurants all over the city, expats and anglophile Russians alike were scratching their heads. Expat American sports fans got up early to check the results of the NCAA basketball final, but their morning edition of the *Moscow Times* neglected to tell

Our April 1 parody of a typical Moscow Times editorial. Editor Winestock was known to describe some of his columns as "waffly."

6 ♦ Wednesday, April 1, 1998

EDITORIAL

A Difficult Choice For Yeltsin

President Boris Yeltsin faced a difficult choice last night when he received news that new Prime Minister Sergei Kiriyenko had been detained in an embarrassing nightclub fracas.

Yeltsin had no reason to be dissatisfied with Kiriyenko's work under Kiriyenko's watch, the economy finally began to show signs of real growth, with industrial production rising three-fifths of one-tenth of a percent last week. When the history books are written, Kiriyenko's commitment to reform will be duly noted.

Nonetheless, Kirylenko was hardly the ideal choice to lead Russia's economy into the 21st century, and his detention in a violent imbroglio at a Moscow nightclub may yet be seen as a fortuitous break in the country's ongoing search for a real dynamic young reformer to head its government.

Following Kiryenko's tenure at the White House, Russia is finally stable and at peace. Nonetheless, the bespectacled young technocrat never once displayed the kind of tough mettle in pushing through reforms that so many people had hoped he would when he was first named Prime Minister. Instead, he seemed content to remain in relative anonymity, allowing key decisions about the economy to be made by people who actually held power.

Certainly, the speed with which Kiryenko was dismissed is a sad reflection of Russia's continued intolerance for the personal lifestyle choices of its citizens. This is a shame.

There has been some talk that Yeltsin may attempt to place American investor George Soros in the post, but it is unlikely that the Duma would ratify such a choice. Although he would doubtless put a stop to the type of robber baron capitalism which has kept Russia relatively isolated from the world economy, Soros would inevitably become a lightning rod for nationalists and hardliners seeking an excuse to put up obstacles to reform.

Bank Menatep President Mikhail Khodorkovsky has also been forwarded as a possible replacement, and there are certainly many salutary aspects to his candidacy. However, *equitibowbjmpdkrufelgyde* *axlongin*he desirable in any case.

Yeltsin may be thinking of the other "young reformer," Boris Nemtsov. It has long been no secret that the former Nizhny Novgorod governor is the apple of Yeltsin's mind's eye. The naming of ally Alexander Braverman as acting prime minister would seem to favor Nemtsov's candidacy.

A year of internecine battles in the rough-and-tumble world of Kremlin politics have exposed some weaknesses, but Nemtsov remains the country's most articulate spokesman for reform and is the only true democrat in the President's inner circle. Of the available candidates, Yeltsin could do a lot worse.

Will Russia's mercurial President finally decide to give his government a leader truly determined to give reform a one-and-for-all test drive? We can only hope for the best. As it stands, only one thing is certain: it is a difficult choice.

THE EXILE MEETS THE EXPATS

them the score, reporting only that the game had been a hugely entertaining double-overtime thriller. *Nezavisimaya Gazeta* reporter Boris Kagarlitsky read the *Moscow Times* report about Kiriyenko's dismissal and bounded into action, calling the State Duma and the government press office for details of the firing. As usual, they told him nothing. Press colleagues he contacted reported similar frustration in unraveling the story. By 11 A.M., phones in the *Moscow Times* newsroom were ringing off the hook with complaints and desperate requests for further information. The calls were in vain. Editor Geoff Winestock was on vacation, and the early-morning arrivals at the MT offices pleaded total ignorance before hanging up on each of the callers.

While all of this was going on, Mark and I sat hunched over in a booth in the Starlite Diner at Oktyabrskaya Square, watching customers flow in and read the news. We were dressed to the nines, each decked out in brand-new night-sky-blue \$18 Belarussian sweatsuits that were made of an artificial fabric so rugged that even our knees were pouring sweat from trapped heat. Twice during breakfast I had to excuse myself to sponge my knees off in the bathroom.

The suits were symbols of our changed luck. The night before, Mark and I had held a late-evening meeting to discuss how best to receive a reporter from *Rolling Stone* magazine who was traveling all the way from America to interview us, and would be arriving the next day. Ultimately, the only thing we could really come up with was the need to buy matching night-sky-blue track suits with raised white stripes, so that we could receive him in appropriately idiotic dress. So we went outside at the end of the last workday before his arrival to search for the suits.

There were no sporting-goods stores within a one-mile radius, but within five minutes we came upon an old woman standing near the metro station. She was selling night-sky-blue track suits, in size 56. Our size. We'd passed by that spot every day for months on the way to work, and never seen her. Now, on the one day when we really needed two size-56 night-sky-blue track suits, she was standing there, holding *exactly* two size-56 night-sky-blue track suits, and nothing else. We paid her and went to our respective homes to sleep.

The *Moscow Times* that had been distributed to the embassy was, of course, actually a special April Fool issue of the *eXile* that we had spent the previous three days laboring over. If you looked closely, you could see the words *EXILE #35* written in fine print under the banner, but otherwise it was an exact copy of our competitors—and quite a vicious one at that. It wasn't the "Moscow Slimes," or "Moscow Time," or any other friendly send-up, but the *Moscow Times*. With the *Times*'s fonts, graphics, layout format, even the bylines of real *Times* writers. A key element of the joke was its clear libelous illegality.

The Kiriyenko lead story was meant to be taken seriously at first glance, and it had taken a fair amount of planning to create all the story elements. Filling the rest of the paper, though, was no problem, mainly because we had a set format: the real *Moscow Times* filled its news pages with exactly the same stories every day. In fact, we knew, putting out a paper like the *Moscow Times* is mainly a matter of dressing up a preselected assortment of clichés—photos of rock-throwing Arabs, alarmist headlines about the “creaky” Mir Space Station, very big adjective-rich articles telling us what kind of weather we’re having, insufferably boring op-ed pieces by hurrumphing laissez-faire realists, a sports section, and Dilbert cartoons, all capped with a letter from the editor which shows the pros and cons of

CHAPTER THREE

The eXile's defeatist letter from the editor, explaining why the weekly format was abandoned.



www.
exile.
ru
#09
P.4

In a move that is sure to gladden the hearts of people everywhere who hate this newspaper, the eXile is switching back to its old biweekly format. Beginning in mid-April, the paper will again publish 24 pages every two weeks, rather than 16 pages weekly.

for a couple of dinners out a month. For these people, a raise is one size, fits all.

It wasn't worth it. By the third weekly issue, no one on the staff was talking to one another. Long-buried resentments rose to the surface and flared out in ugly production-night spats. We were pulling three all-nighters a week, and every hour of lost sleep

problems and were soon struggling even to retain the motor skills needed to transfer the few consummate ideas we had left onto paper. We lost weight and developed cavities. When we pretended to laugh at our own jokes to try to keep up morale around the office, we exposed mouths full of black teeth.

Readers could tell. As

Greed Not Funny

WE SUCK!

We'd like to say the reasons are financial. They're not. The issue here was quality. The weekly format sucked. It wasn't funny. When the first print runs came off the press, we didn't want to see it. The only things the writers ever looked at later were the comics, and that's only because they didn't draw them ourselves.

The weekly launch of the eXile is a classic example of what happens when people who have no business trying to make a lot of money get greedy. There wasn't a single creative reason to lay twice as many eXiles on the eXpat community as before, but we did it anyway, because we had this dumb idea that it would make us more money. We never calculated how much money—we just knew it would be more.

Bohemian people are pretty poor at economic planning. They're so unused to financial rewards that all you have to do is say the word "raise" to them, and right away they're bracketing in car payments and a sauna. It doesn't matter if the raise in question is only enough

inevitably got blamed on someone who didn't feel like he deserved it. And by the time a paper went to press, we were all waking up and realizing that it was time to go back to work again with all of those people we hated so much.

In the midst of all this, we made an amazing discovery. No one wanted to read the eXile once a week. At biweekly, we were all under the illusion that the public appetite for our genius was limited only by the conviction that no more could possibly be expected of us. We figured that by going weekly, we were just throwing a pebble in a Grand Canyon of demand.

We were wrong. As it turns out, we're pretty annoying. It took going weekly to realize that in the first year of our existence, people were only moved to read us by the numbing banality of ten consecutive issues of the Moscow Times. Five issues didn't cut it. For the vast majority of English-language readers in this city, our act was just barely tolerable for eight minutes or so out of every 14 days, despite the fact that we were distributed free and stacked in front of your face every time you went out to eat anywhere.

And that was when we were working at optimum efficiency. In the weekly regime, we quickly developed substance abuse

part of a "consumer survey" someone in the greed-minded end of the company thought up, we polled readers and asked them what they thought of the new format. A full 87% said the old format was better, a distressing statistic given the fact that only 19% of those same readers classified the old format as "good" or better in a four-point scale. A full 37% of readers said the eXile staff "should not quit their day jobs," while a good 11% said we "suck." Worse still, more than 94% of those who said they read the eXile only did so for the ads.

Anyway, we're going biweekly again. We apologize deeply to our readers for overestimating our ability to deliver a good product. It won't happen again. We will still suck, but we will do it less frequently, and with much greater humility. The one thing we regret is that we can't go out of business entirely. We're scheduled to keep going for at least a few more years. Things are so bad, we might even settle down—and start families.



both sides of an issue before instructing readers that "time will tell."

We did all that, making the clichés as grotesque as possible. There was a "rock-throwing Arab" story about Israeli Prime Minister Benjamin Netanyahu's decision to relocate the entire Palestinian population into a single condominium, a "Weather Returns" headline, and so on. For our "hurumphing" op-ed piece, we were surprised to find that it only took a very gentle edit to make the Unabomber manifesto into a believably staid pro-IMF editorial about the benefits of reform to post-communist Russia. There were also lots of nasty little barbs directed at individual MT writers, even an article about the resignation of editor Winestock (whom we'd harassed all year by constantly referring to him as "interim editor Geoff Winestock"), but the most obnoxious thing about the issue was its absolutely perfect resemblance to the *Moscow Times*. Mark, Kevin, Ilya, and I—four people—had done in 72 drug-addled, sleep-deprived hours what the *Moscow Times* employed over sixty people to do in a



THE EXILE NO.35

WEDNESDAY, APRIL 1, 1998

WWW.EXILE.RU

Investor Lashes Out At Russian Cheaters

Local miners battle junk bond whiz over embattled mine. Page 12.



NCAA Hoop Tourney Ends in 2 OT Thriller

Utes and Cats clash in unforgettable final. Page 14.

Stee-Rike!

Meet the lycra-clad king of Moscow's burgeoning nightclub scene. MT Out.



Sex Scandal Rocks Kremlin

By David McHugh

STAFF WRITER

Just days after he was permanently nominated to the post of prime minister, Sergei Kiriyenko was fired after being arrested in an embarrassing early-morning nightclub fracas that analysts say may signal a new round of hostilities in the so-called "Bunker's War."

Kiriyenko, 35, was one of 17 men detained by special police

forces in a wild early-morning fracas at the "Chameleon" nightclub in the Krasnoprudsky region. Deputy State Property Committee Chief Yury Medvedev and former Presidential Advisor Boris Kuzik were also reportedly arrested in the commotion, which police say broke out after midnight following an argument between the officials and a group of unidentified men.

Presidential spokesman Sergei

Yastrzhembsky issued a curt statement to the Interfax state news service late in the morning indicating that President Yeltsin had dismissed Kiriyenko and Medvedev from their posts "in connection with assignment to other duties."

Alexander Bersierman, also of the State Property Committee, was named acting Prime Minister by Yeltsin, Interfax reported.

No reason was given for the dis-

missal, but the site of the arrest is almost certainly at the heart of the controversy. Chameleon is known as a popular nightlife haven of Moscow's gay community.

Analysts said that Yeltsin may have dismissed Medvedev and his new protege Kiriyenko after deciding that the incident had rendered both men politically non-viable.

"Yeltsin's only reason for nominating Kiriyenko in the first place

was to have his own person at the reins of government," said Andrei Piontovskiy of the Center for Strategic Studies. "Now, following this incident, Kiriyenko's authority in government will be automatically compromised by his perceived political weakness."

Moscow police spokesman Andrei Kiselyov said that all three officials were released shortly after

See SEX, Page 2

Nightclub Fracas Too Much For Yeltsin

By Dmitry Zaks

STAFF WRITER

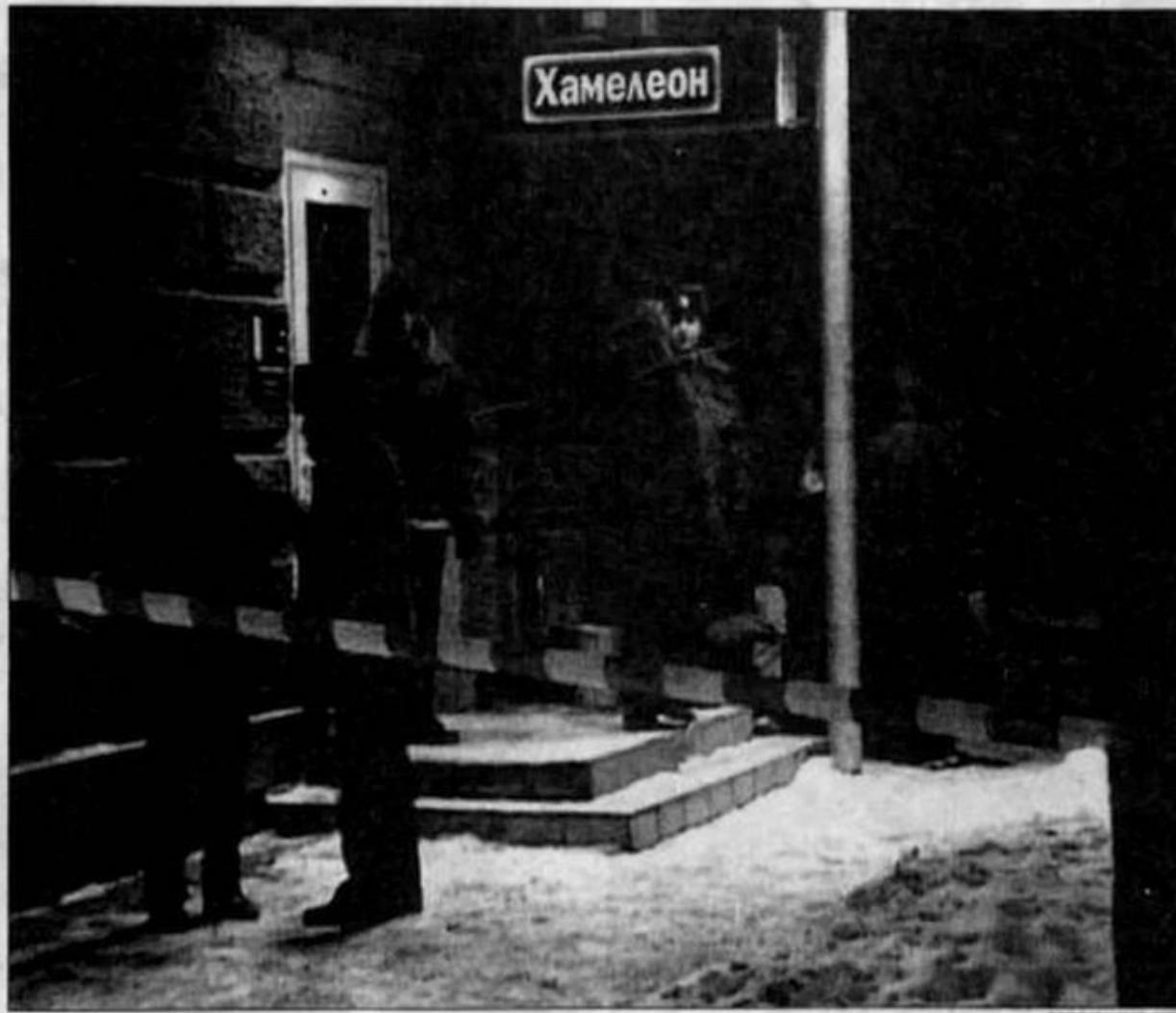
Even as President Boris Yeltsin was publicly toying with the idea of making Sergei Kiriyenko his permanent choice for the post of Prime Minister, observers wondered whether or not the relative

NEWS ANALYSIS

anonymity of the young Fuel and Energy ministry graduate might turn out to be as much a handicap as a benefit to the President in his efforts to retain control over his government.

Nearly all observers thought that Kiriyenko, 35, was chosen as acting Prime Minister precisely because of his neophyte status in government, and not because of any particular personal qualities he brought to the post. Analysts said that Kiriyenko's lack of a political power base made him totally dependent on Yeltsin, making it possible for the aging President to head off potential threats to his authority throughout the remainder of his term.

But following an embarrassing incident in which Kiriyenko was detained at a nightclub known as a popular haven for Moscow's gay community, it appears that Yeltsin may have failed to properly calculate the disadvantages of naming an



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Moscow police searching the premises of the nightclub "Chameleon" following the brawl involving Prime Minister designate Sergei Kiriyenko.

Customs Officials Target U.S. Travellers

By Bronwyn McLaren

STAFF WRITER

Most passengers who wait in the incoming passport control line at Sheremet'yevo 2 Airport don't even notice the beige, unassuming door adjacent to the diplomatic passport control booth. Brian and Pearl Edwards, a retired American couple from Florida, learned exactly what that room is for last Saturday evening, when customs authorities detained them on suspicion of mal-

ing narcotics.

"It was horrible," said Brian Edwards, 67, who came to Moscow on his first-ever vacation outside of America. "They yelled at my wife and me in Russian, and we couldn't understand a thing of what they were saying. And then they made us undress."

According to the couple, customs authorities brutally forced them to strip in the room, which they said was cold and packed with

eleven officials, many of whom laughed and smoked. Both Americans say they were subjected to full cavity searches, including Pearl Edwards, who just a year ago underwent a hysterectomy. Russian customs officials reportedly did not take heed of the 65-year-old former nurse's plea not to perform a cavity search, leaving her distraught.

The couple was transferred to a detention center on the airport

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CHAPTER THREE

day. The *Times* had over 25 staff writers, kept dozens of freelance contributors in tow, and subscribed to every major wire service to fill its pages; on the other hand, we wrote all 95 article entries ourselves and even had time to design some of the ads. The *Times* had reportedly spent tens of thousands of dollars and months of research designing its bland "MT OUT" clubbing section: Ilya did it in six hours, lifting the fonts from a can of air freshener. The whole thing was a monument to the childish simplicity of the straight-news newspaper business.

But the crudest indictment of the *Moscow Times* on April 1 hadn't even come as a result of anything we'd

done. It was their own doing—a tiny item on page 4 of the actual April 1 edition of the *Moscow Times*, which for some reason had been poorly distributed that day and only occasionally could be found sitting in stacks next to its evil *eXile* twin brother. The item was a small, 300-word story at the bottom of the page which announced that a tiny breakaway Russian republic had declared war on the Vatican. The byline on the story belonged to a heretofore unknown freelancer named "Babar Glupov," whose name translated as "Babar Stupid," the leader of the breakaway republic, as reported in the article, was a certain Mr. "Durakilov," a name oddly reminiscent of the Russian word "Durak," or "fool." This was, of course, the *Times*'s own effort at an April Fool's

No parody of an Independent Media publication like the *Moscow Times* could be complete without an ad for a fictional Independent Media launch of a Russian-language version of *Juggs* magazine.

WE'RE HIRING!

Independent Media is proud to announce the addition of a new publication to its growing family of monthly magazines. In conjunction with the Bob Guccione Group of the United States, Independent Media will shortly be launching *Djags*, a Russian-language version of the successful Guccione publication *Juggs*. It is our hope that *Djags* will help fill the gap in the Russian market for magazines devoted to men's issues. Hunting, fishing, snowboarding, and photography are among the many relevant issues that will be tackled by the staff of promising young writers we hope to attract to *Djags*.

In accordance with our company's stated goal of maintaining the highest professional standards possible, we plan on hiring people at our own expense to work on the new magazine project. We are currently seeking to fill the following positions:

• Managing Editor

Responsibilities:
Holds photographer's leash
Makes aesthetic adjustments
Provides cover story to parents
Receives served process

• Talent Scout

Requirements:
Own car with trunk
Contacts in the state orphanage system
Immunity to clofeline

• Models

Requirements:
Humongous Honkers
Dyed blonde hair with roots showing
Lobotomy, with certificate of attestation

If you feel you have what it takes to be a candidate for any of these positions, please apply to our offices before April 21, 1998.

Our address: 24 Ulitsa Pravdy tel: 257-30-10 fax: 257-32-11



Housing Plan Irks Palestinians

By Muhammed Goldberg

NABLUS, The West Bank—Palestinian sources reacted negatively yesterday to a new peace proposal by hardline Israeli Prime Minister Benjamin Netanyahu, calling it "insulting and demeaning."

Netanyahu's bold plan envisages moving the entire autonomous Palestinian authority into a single two-story house in the West Bank town of Nablus. Netanyahu claimed that Israeli security concerns led it to revise the Oslo Accords and to take back all of the land thus far ceded to Yasir Arafat's control, leaving the Palestinians with a 2,350 square foot house on the outskirts of town.

The house, which is in need of minor repairs, also boasts a small garage and cable television access.

"Israel is a small nation surrounded by enemies," Netanyahu told reporters outside of the Knesset. "For security reasons, it is impossible for us to cede more of our territory."

While Palestinian leaders described the proposal as yet another example of Netanyahu's lack of commitment to the peace process, the U.S. State Department remained cautious. "We are studying the details," said a spokesperson.

Dennis Ross, the U.S. representative for peace talks in the Middle East, is said to be proposing that Netanyahu modify his plan and allow the Palestinians to set up a semi-autonomous state in a 2,350 square foot town house closer to the central square, but Netanyahu is reportedly defiant.

"If we offer them a duplex,



The winner of the Be the Millionth Arab Photographed Throwing a Rock contest.

then why not offer them an entire apartment block?" Netanyahu angrily told a conference of Likud Party members. "And if

not an entire apartment block, then what is to stop them from demanding all of Israel, including Eretz?"

Markets reacted positively to the announcement as shares on the Tel Aviv stock exchange rose a modest 1.1 percent. Traders said that there was likely to be further upward movement in the belief that the Palestinians would eventually accept a "duplicity compromise," although the issue of how an entire government, not to mention the 1.7 million Palestinians who live in the West Bank, could fit into a single duplex has yet to be worked out.

"We're still hammering out the best point," said the spokesperson.

Jewish groups in America are said to be backing Netanyahu publicly, although privately, they are said to be in favor of Ross's duplicitous proposal.

Colin Powell, considered by many to be a leading candidate for the Republican presidential nomination in 2000, denounced the Clinton Administration's attempts to pressure Israel, while former President Jimmy Carter is said to be preparing a peace mission of his own.

Meanwhile, militant Jewish settlers denounced Netanyahu's proposal as a sell-out to the Palestinians. Eitan Scharf, a leader of the right-wing Tsahalot Movement, vowed that his group would never allow the Palestinians to set up a sovereign nation in the house, located at 38 Khalil Lane.

"That house where the so-called Palestinians are planning to set up their state is a sacred site to all Jews. Bernie and Mildred Finkelstein built that house more than forty years ago, before being forced to sell it. We will never allow that house to become Arab land."

One of the permanent features of the *Moscow Times* was its page-5 "Rock-Throwing Arab" story. In our April 1 version, protests had erupted over a proposed Israeli move to put the entire Palestinian population in one half of a duplex.

joke—delivered with all the wacky corporate wit of a tampon brochure, and the subtlety of the emergency broadcast system. It was the work of an organization terrified to its core that its clients might suspect it of having a genuine sense of humor.

Mark and I made the rounds that day, hanging out anywhere newspapers were distributed. Everywhere we went, total strangers approached us to offer congratulations. Even the stuffiest of businessmen winked at us and patted our backs. We didn't pay for a meal or a drink all day. For a few hours anyway, the expat community—the same people we'd been slamming for over a year—made us the toast of the town. We were assholes, and we stood for all the wrong things—but at least we weren't bores. And that counted for something.

Johnson Wax
Glade

MT Out

A can of air freshener... and a bad nightlife guide?

Our mad publisher, Ilya, came running out of the bathroom one day holding this can of Glade and pointing to the MT Out section of our rivals.

IN BRIEF

Isles Threaten Russia

■ MOSCOW (MT)—If Russia achieves less than 7.5 percent year-on-year economic growth over the next 47 years, it will soon drop behind Tonga and Reunion Island in terms of gross domestic product, a senior Russian analyst predicted Tuesday.

Andrei Illarionov, director of the Independent Moscow Institute for Economic Analysis, told reporters that Russia ranked 14th in the world for absolute gross domestic product in 1997, and would slip down in the rankings if it did not achieve at least 7.5% annual growth.

He said, however, that that figure was not reachable, indicating that Russia would soon fall behind Fiji, Tonga, and a host of other tropical islands. Reunion, the nearest threat to Russia in the rankings, has advanced in the course of the last year due to increased trade in sea shells.

Illarionov was presenting his new book, *Russia Below Your Feet*.

Metals Set to Go

■ MOSCOW (MT)—Russia's State Reserve for Precious Metals is prepared to start selling platinum group metals and other commodities for cash, changing its previous policy of simply giving them away for nothing, officials said Tuesday.

Reserve official Valery Goncharov said that the sales would go through as soon as the government grants the appropriate licenses. Those would most likely be given out after the 1999 budget is passed.

While Russia has not exported metals for months, Goncharov denied that Russian stocks were depleted. Rather, he said, the metals had been distributed to reserve officials for their own use.

Markets Respond

■ MOSCOW (MT)—Markets reacted favorably Tuesday to news that the entire world had been fired.

The Dow Jones jumped 2000 points as investors rewarded companies that had committed to putting a lid on spending.

The CAC-40 rose 73% as France welcomed the news that there would now be more time for lunch.

Our phony *Moscow Times* "briefs."

Moscow's Only Alternative!

the eXile



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Meet Michael Bass

All About
Vladimir
Zhirinovsky's New
Imagemaker

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Edward Limonov
returns with tales
of Duma election
madness

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Prodigy, snowboards
and Al Gore all come to
Moscow for a Kremlin
rave!

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Fill in the blanks in
the eXile's time-
saving do-it-your-
self editorial

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