

POLITICS

Indicted Florida Pair Known for Flashy Style, Claim of Trump Ties

Lev Parnas and Igor Fruman made about \$1 million in campaign donations as they attempted deals



A courtroom sketch shows attorney Kevin Downing, left, Lev Parnas, Igor Fruman and attorney Thomas Zehnle at a federal courthouse in Alexandria, Va. PHOTO: DANA VERKOUTEREN/ASSOCIATED PRESS

By Julie Bykowicz in Washington, Joe Palazzolo in New York and Georgi Kantchev in Kyiv

Updated Oct. 10, 2019 11:52 pm ET

In Ukraine, they were known by business associates for touting their connections to the Trump administration. In the U.S., their flashy style and propensity for name-dropping raised eyebrows. Their business deals at times ended in lawsuits.

The Soviet-born Florida businessmen Lev Parnas and Igor Fruman—indicted Thursday on campaign finance violation charges that include channeling foreign money into U.S. politics—boasted on social media and to associates about their close ties to American politicians, including President Trump.

Mr. Parnas made his first-ever federal political donation two weeks before the 2016 election, giving about \$100,000 to Mr. Trump and his Republican Party allies, Federal Election Commission records show. He and Mr. Fruman were the first two in a long line for a photo with

the president-elect at a donor thank-you event in Florida a few weeks after he won, according to a person familiar with the event.

Since then, they have sought to expand their political and business portfolios, making about \$1 million in campaign contributions in recent years as they attempted deals in the liquefied-natural-gas market and Nevada's legalized marijuana trade, according to FEC records, interviews and the indictment.

They picked up the pace in the spring of 2018, contributing to federal and local Republican candidates and political-action committees ahead of the midterm elections. Mr. Fruman attended a donor event that March at Mr. Trump's Mar-a-Lago resort and has been photographed with the president, according to Mr. Fruman's social-media postings, which are included in a complaint about the donations filed by the Campaign Legal Center, a nonpartisan activist organization based in Washington.

Some of their biggest contributions are outlined in Thursday's indictment, including a \$325,000 gift in May 2018 to America First Action, the pro-Trump super PAC. Prosecutors say they gave the money through a limited liability company to conceal their identities.

Mr. Trump on Thursday afternoon said of Messrs. Parnas and Fruman: "I don't know those gentlemen."

Messrs. Parnas and Fruman, who were arrested late Wednesday and appeared in federal court on Thursday, couldn't be reached for comment; their attorney, John Dowd, didn't respond to requests for comment.

People in Florida political circles said Mr. Parnas talked up his business deals and connections to politicians. Florida fundraising records show he and Mr. Fruman contributed to two Republican gubernatorial candidates last year, including now-Gov. Ron DeSantis.

In November 2018, they allegedly channeled foreign funds to the Republican candidates for governor and attorney general in Nevada, hoping they could ultimately help the pair obtain a license for a recreational-marijuana business, according to federal prosecutors. Both Republicans lost.

By early this year, Messrs. Parnas and Fruman had struck up a particularly close alliance with Rudy Giuliani, the former New York mayor and one of Mr. Trump's private attorneys.

The three had lunch together at the Trump Hotel in Washington on Wednesday, before the businessmen were arrested at Dulles Airport in Virginia, with one-way international flight

tickets.

RELATED COVERAGE

- [Two Giuliani Associates Who Helped Him on Ukraine Charged With Campaign-Finance Violations](#)
 - [White House Shifted Authority Over Ukraine Aid Amid Legal Concerns](#)
 - [Trump Opens Door to Cooperate With House Impeachment Probe](#)
-

Mr. Parnas made his first known appearance in Mr. Trump's circle at an exclusive, high-price October 2016 fundraiser hosted by the construction magnate Robert

Pereira at his home in Hillsboro Beach, Fla. Mr. Giuliani attended, and Mr. Pereira remembers Mr. Parnas introducing himself to both Mr. Trump and Mr. Giuliani that evening.

For weeks after the donor event, Mr. Parnas, often joined by Mr. Fruman, pressured Mr. Pereira to invest in an equity insurance company called Fraud Guarantee, Mr. Pereira said.

"He had no real money of his own in it," Mr. Pereira said. "I didn't trust this guy and just wanted to get away from him." He said he cut off contact with Mr. Parnas shortly after that.

Mr. Giuliani said in an interview Thursday that "there is nothing at all incriminating" in the way he met Messrs. Parnas and Fruman.

Mr. Giuliani turned to the two men to find potentially damaging information on the Democratic presidential candidate Joe Biden and chase theories that have been discredited by U.S. intelligence findings about Ukrainian meddling in the 2016 presidential election. They, in turn, solicited money from Ukrainians to help build up their influence in Washington.

In Ukraine, the pair were known for trying to drum up business, touting their connections to Mr. Giuliani and President Trump.

After Volodymyr Zelensky won Ukraine's presidential election in April, Messrs. Parnas and Fruman sought inroads to the comedian-turned-politician, flying to Israel in April to visit an exiled Ukrainian tycoon close to the president-elect. The tycoon, Ihor Kolomoisky, said he kicked them out of his house after they asked for the meeting to discuss energy deals but then sought an introduction to the newly elected president.

"I said, 'Maybe I don't understand something—maybe I stopped by the wrong meeting,'" Mr. Kolomoisky said. "I am not going to organize any meeting.'" Then he left and told his secretary to escort the men out of the building.



This Facebook screen shot provided by the Campaign Legal Center shows President Trump with Lev Parnas at the White House on May 1, 2018. PHOTO: THE CAMPAIGN LEGAL CENTER/ASSOCIATED PRESS

Messrs. Parnas and Fruman, Mr. Kolomoisky said, filed a lawsuit against him, saying he had threatened them in the meeting, a charge he denies. After that meeting, Mr. Giuliani took to Twitter saying Ukrainian President Zelensky “already has surrounded himself with some people that are enemies of Pres. Trump.”

Mr. Giuliani said Thursday that he continues to represent Messrs. Parnas and Fruman in their legal complaint against Mr. Kolomoisky. He said he also provides them “civil advice on business.”

In July, Mr. Parnas accompanied Mr. Giuliani to a breakfast meeting with Kurt Volker, then the U.S. special representative for Ukraine negotiations. During that breakfast, Mr. Giuliani mentioned the investigations he was pursuing into Mr. Biden and 2016 election interference, according to Mr. Volker’s testimony to House committees.

As they aided Mr. Giuliani’s inquiries, Messrs. Parnas and Fruman sought out business deals. Their company, Global Energy Producers LLC, sought to deliver U.S. natural gas to Ukraine, and they devised a plan to facilitate that by replacing the chief executive of Ukraine’s state gas company, Naftogaz.

At an energy conference in March in Texas, they approached Andrew Favorov, another senior executive at Naftogaz, with a proposal to install him as the head of the company, according to Dale Perry, an energy executive in Ukraine and a former business partner of Mr. Favorov.

There is no evidence, however, that Global Energy Producers engaged in any gas deals, according to business associates.

Mr. Parnas, who grew up in Brooklyn’s Brighton Beach neighborhood after emigrating from Ukraine in the 1970s, moved to Florida and found investors in the Russian- and Ukrainian-

American communities in South Florida.

Mr. Fruman is less well-known, according to the people who encountered them in political circles. Mr. Fruman's export-import company registered with New York in 1996, according to state records. An archived webpage for the company, F.D. Export and Import Corp., says it is a major food distributor in Ukraine. Its products include coffee, chocolate, bananas and jewelry.

Before throwing his efforts into American politics, Mr. Parnas churned through companies and business partners. He has faced lawsuits over unpaid debts and rent, Florida court records show.

In 2007, Peter Murray, a technology executive, joined a company Mr. Parnas created to sell mobile phones. Mr. Murray became Edgetech International Inc.'s president and made a five-figure investment in the company, he said.

On his first day on the job, Mr. Murray learned Edgetech's employees weren't receiving their paychecks. He wrote personal checks to cover them while he waited for funds to arrive. Mr. Parnas told him that his assets had been frozen in a nasty divorce, according to Mr. Murray. He never put together the funding he promised.

Another former business partner, Bruce Galloway, said he formed a company with Mr. Parnas in 2011 to buy distressed companies and turn them around. Mr. Parnas was responsible for raising funds for the venture and touted his connections to Russian money and wealthy individuals, but he failed to deliver, according to Mr. Galloway, who terminated the partnership after only a few months.

Mr. Galloway recalled that Mr. Parnas worked out of a strip mall in Boca Raton but was chauffeured around in a black SUV.

—Alan Cullison in Kyiv and Alex Leary and Rebecca Ballhaus in Washington contributed to this article.

Corrections & Amplifications

Lev Parnas and Igor Fruman were arrested Wednesday at Dulles Airport. An earlier version of this article incorrectly implied that the arrest was Thursday. (Oct. 10, 2019)

Write to Julie Bykowicz at julie.bykowicz@wsj.com, Joe Palazzolo at joe.palazzolo@wsj.com and Georgi Kantchev at georgi.kantchev@wsj.com