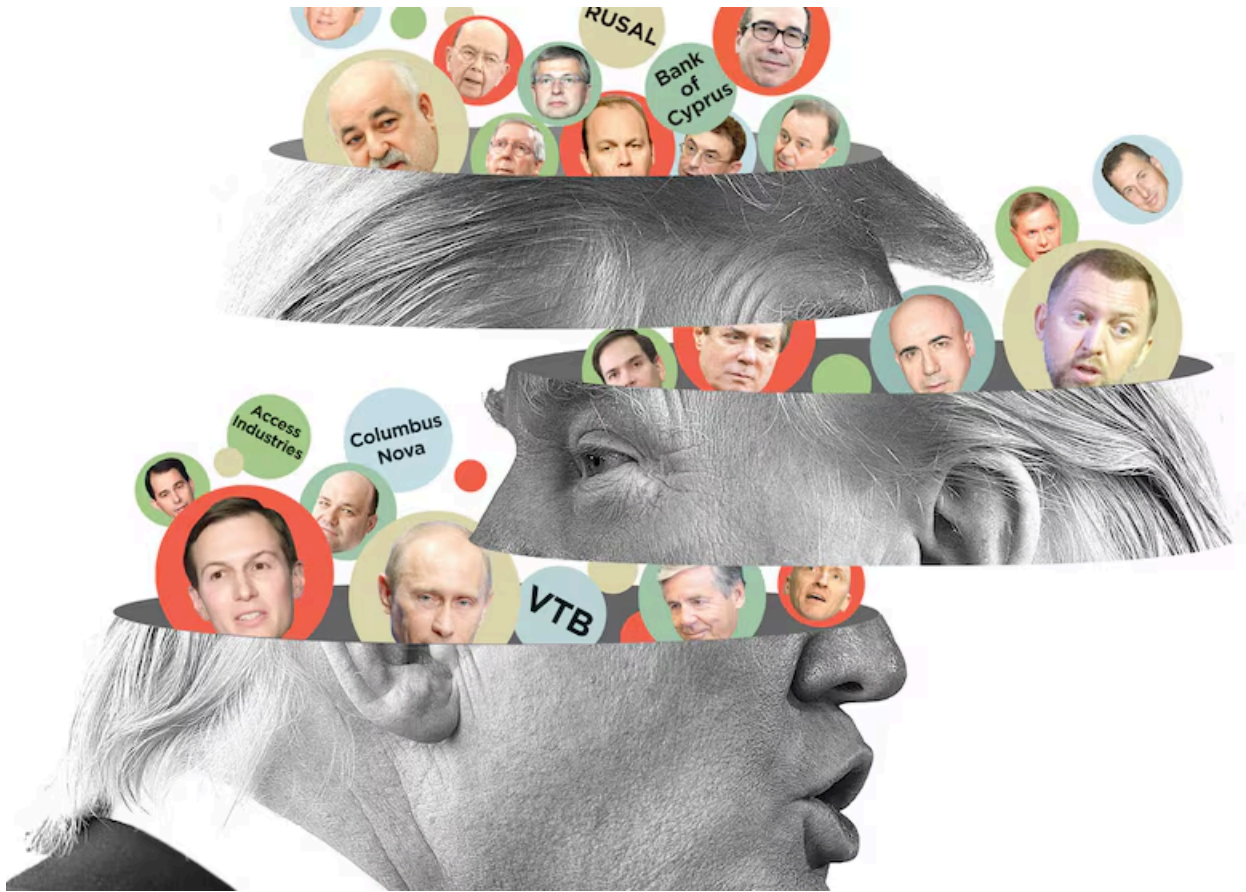


How Putin's oligarchs funneled millions into GOP campaigns

Campaign finance reports show troubling connections between a group of wealthy donors with ties to Russia and their political contributions to Trump and top Republican leaders.



(Michael Hogue / The Dallas Morning News)

Editor's note May 8, 2018: This column originally published December 15, 2017. New allegations about [\\$500k in payments from a Russian oligarch made to Trump attorney Michael Cohen](#) have placed it back in the news.

As Special Counsel Robert Mueller's team probes deeper into potential collusion between Trump officials and representatives of the Russian government, investigators are taking a closer look at political contributions made by U.S. citizens with close ties to Russia.

Buried in the campaign finance reports available to the public are some troubling connections between a group of wealthy donors with ties to Russia and their political contributions to President Donald Trump and a number of top Republican leaders. And thanks to changes in campaign finance laws, the political contributions are legal. We have allowed our campaign finance laws to become a strategic threat to our country.

An example is Len Blavatnik, a dual U.S.-U.K. citizen and one of the largest donors to GOP political action committees in the 2015-16 election cycle. Blavatnik's family emigrated to the U.S. in the late '70s from the U.S.S.R. and he returned to Russia when the Soviet Union began to collapse in the late '80s.

Data from the Federal Election Commission show that Blavatnik's campaign contributions dating back to 2009-10 were fairly balanced across party lines and relatively modest for a billionaire. During that season he contributed \$53,400. His contributions increased to \$135,552 in 2011-12 and to \$273,600 in 2013-14, still bipartisan.

In 2015-16, everything changed. Blavatnik's political contributions soared and made a hard right turn as he pumped \$6.35 million into GOP political action committees, with millions of dollars going to top Republican leaders including Sens. Mitch McConnell, Marco Rubio and Lindsey Graham.

In 2017, donations continued, with \$41,000 going to both Republican and Democrat candidates, along with \$1 million to McConnell's Senate Leadership Fund.

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So is this legal?

Rep. Adam Schiff, D-Calif., the ranking Democratic leader on the House Intelligence Committee, [told ABC News in September](#): "Unless the contributions were directed by a foreigner, they would be legal, but could still be of interest to investigators examining allegations of Russian influence on the 2016 campaign. Obviously, if there were those that had associations with the Kremlin that were contributing, that would be of keen concern."

Under federal law, foreigner nationals are barred from contributing directly or indirectly to political campaigns in local, state and federal elections.

Should Blavatnik's contributions concern Mueller's team of investigators? Take a look at his long-time business associates in Russia.

The Oligarchs

Oleg Deripaska is said to be one of Russian President Vladimir Putin's favorite oligarchs, and he is founder and majority shareholder of Russia's Rusal, the second-largest aluminum company in the world. Blavatnik holds a stake in Rusal with a business partner.

Further, nearly 4 percent of Deripaska's stake in Rusal is owned by Putin's state-controlled bank, VTB, which is currently under U.S. sanctions. [VTB was exposed in the Panama Papers](#) in 2016 for facilitating the flow of billions of dollars to offshore companies linked to Putin.

Earlier this year, The Associated Press reported that Paul Manafort, Trump's former campaign manager, began collecting \$10 million a year in 2006 from Deripaska to advance Putin's interests with Western governments. Deripaska's name turned up again in an email handed over to Mueller's team by Manafort's attorneys. [According to The Washington Post](#), in the email dated July 7, 2016, just two weeks before Trump accepted the Republican nomination for president, Manafort asked an overseas intermediary to pass a message on to Deripaska: "If he [Deripaska] needs private briefings, tell him we can accommodate."

Viktor Vekselberg is one of the 10 richest men in Russia. He and long-time business partner Blavatnik hold a 20.5 percent stake in Rusal. (They met while attending university in Russia.)

In 1990, Blavatnik and Vekselberg co-founded the Renova Group for large-scale investments in energy, infrastructure, aluminum and other metals. One of their earliest investments was in Tyumen Oil Co. (TNK), founded in 1995. TNK is best known for its contentious partnership with British Petroleum after the two entities formed a joint venture in 2003. That rocky relationship ended 10 years later when they sold out to the state-controlled energy giant, Rosneft, under pressure from the Russian government.

As for BP, that pressure took the form of growing harassment and intimidation from Russian authorities who at one point, [according to Forbes](#), refused to renew visas for BP employees, forcing BP's joint venture chief Robert Dudley (who is now chief executive of BP) to flee Russia and manage TNK-BP from a foreign outpost in a secret location.

Vekselberg has connections to at least two Americans who made significant GOP campaign contributions during the last cycle. They are among several Americans who also merit Mueller's scrutiny.

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The Americans

Andrew Intrater, [according to Mother Jones](#), is Vekselberg's cousin. He is also chief executive of Columbus Nova, Renova's U.S. investment arm located in New York. (FEC records list his employer as Renova US Management LLC.)

Intrater had no significant history of political contributions prior to the 2016 elections. But in January 2017 he contributed \$250,000 to Trump's Inaugural Committee. His six-figure gift bought him special access to a dinner billed as "an intimate policy discussion with select cabinet appointees," [according to a brochure obtained by the Center for Public Integrity](#).

Alexander Shustorovich, chief executive of IMG Artists, attempted to give the Republican Party \$250,000 in 2000 to support the George W. Bush presidential campaign, but his money was rejected because of his ties to the Russian government, [according to Quartz](#). So why didn't the Trump team reject Shustorovich's \$1 million check to Trump's Inaugural Committee?

Simon Kukes is an oil magnate who has something in common with Intrater. From 1998 to 2003, he worked for Vekselberg and Blavatnik as [chief executive of TNK](#). Redacted CIA documents released in 2003 under the Freedom of Information Act said "TNK president Kukes said that he bribed local officials." The CIA [confirmed the authenticity of the reports to The Guardian newspaper](#) but would not comment further. In 2016, Kukes contributed a total of \$283,000, much of it to the Trump Victory Fund. [He had no significant donor history](#) before last year's election.

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There is no doubt that Kukes has close ties to the Putin government. When he left his job as CEO of TNK in June 2003, he joined the board of Yukos Oil, which at the time was the largest oil company in Russia owned by the richest man in Russia, Mikhail Khodorkovsky. Four months after Kukes joined the board, authorities arrested Khodorkovsky at gunpoint on his private plane in Siberia on trumped up charges of tax evasion and tapped Kukes to be CEO. This decision could only have been made at the highest levels in the Kremlin. The arrest of Khodorkovsky rattled the nerves of international investors and was the first tangible sign that Putin was not going to be the kind of leader that global executives and Western governments had expected him to be when he first took office in 2000.

Khodorkovksy was given a 13-year sentence in a Siberian prison and served 10 years before being released by Putin in December 2013, a month before the start of the 2014 winter Olympics in Sochi, as a sign of goodwill. As for the fate of Khodorkovksy's company, its largest oil subsidiary was sold in a sealed bid auction to Baikal Financial Group, a shell company with an unpublished list of officers. Baikal was registered at an address that turned out to be a mobile phone store in Tver, Russia. Three days after the auction, all of Baikal's assets were acquired for an undisclosed sum by Rosneft, the Russian oil giant that went on to buy TNK-BP in 2013.

In total, Blavatnik, Intrater, Shustorovich and Kukes made \$10.4 million in political contributions from the start of the 2015-16 election cycle through September 2017, and 99 percent of their contributions went to Republicans. With the exception of Shustorovich, the common denominator that connects the men is their association with Vekselberg. Experts who follow the activities of Russian oligarchs told ABC News that they believe the contributions from Blavatnik, Intrater and Kukes warrant intense scrutiny because they have worked closely with Vekselberg.

Even if the donations by the four men associated with Russia ultimately pass muster with Mueller, one still has to wonder: Why did GOP PACs and other Trump-controlled funds take their money? Why didn't the PACs say, "Thanks, but no thanks," like the Republicans said to Shustorovich in 2000? Yes, it was legal to accept their donations, but it was incredibly poor judgment.

McConnell surely knew as a participant in high level intelligence briefings in 2016 that our electoral process was under attack by the Russians. Two weeks after the Department of Homeland Security and the Office of the Director of National Intelligence issued a joint statement in October 2016 that the Russian government had directed the effort to interfere in our electoral process, McConnell's PAC accepted a \$1 million donation from Blavatnik's AI-Altep Holdings. The PAC took another \$1 million from Blavatnik's AI-Altep Holdings on March 30, 2017, just 10 days after former FBI Director James Comey publicly testified before the House Intelligence Committee about Russia's interference in the election.

And consider Steve Mnuchin, Trump's campaign finance chairman. Could he have known that the Trump Victory Fund, jointly managed by the Republican National Committee and Trump's campaign, took contributions from Intrater and Kukes? Mnuchin owned Hollywood financing company RatPac-Dune with Blavatnik [until he sold his stake to accept Trump's appointment](#) as the Treasury secretary.

Which PAC officials are making the decisions to accept these donations?

The Supreme Court

The contributions are legal because the Supreme Court's 2010 ruling, *Citizens United*, and several subsequent decisions, allowed American corporations and citizens to give unlimited amounts of money to PACs and non-profit 501c4 organizations, regardless of how they make their money, where they make their money, or with whom they make their money. The only caveat is that PACs and non-profits cannot coordinate their activities with the political candidates they support.

The man who led the winning fight for *Citizens United* was David Bossie, president of the conservative non-profit since 2001. In 1996, Bossie was hired by Republican Rep. Dan Burton to lead an investigation into President Bill Clinton's campaign fundraising. Burton fired him 18 months later for manipulating recordings of conversations among law officials and Webb Hubbell, a Clinton confidant who resigned as associate attorney general and pleaded guilty to tax fraud during the Whitewater investigation. [CNN reported at the time](#) that Newt Gingrich, who was speaker of the House, called Bossie's tampering with the Hubbell recordings an embarrassment to the Republicans.

Bossie served as Trump's deputy campaign chairman.

The Super PAC, Make America Number 1, is primarily funded by Trump's largest donor, Robert Mercer. His Renaissance Technologies hedge fund donated \$15.5 million to the PAC.

Mercer's daughter, Rebekah, assumed control of Make America Number 1 in September 2016 and is now tainted by her role in the communications between Wikileaks and Cambridge Analytica, the firm that Trump's son-in-law, Jared Kushner, hired for \$5.9 million to handle the digital portion of the Trump campaign.

Robert and Rebekah Mercer are major investors in Cambridge Analytica. According to *The Wall Street Journal*, Rebekah Mercer asked Cambridge chief executive Alexander Nix if the firm could compile stolen emails related to Hillary Clinton so that they could be more easily searched. (This suggestion came from someone she met at an event supporting Sen. Ted Cruz, [according to The Hill](#). Cambridge Analytica had worked on digital marketing for Cruz before he dropped out of the Republican primary.)

Nix confirmed that he had asked Wikileaks founder Julian Assange to forward the Clinton-related emails. Assange said he declined the request.

Rebekah Mercer also heads the non-profit Making America Great, formed in March 2017. The non-profit ran a seven-figure ad campaign highlighting Trump's achievements. Bossie is the group's chief strategist.

Erik Prince, brother of Secretary of Education Betsy DeVos, contributed \$150,000 to Mercer's Make America Number 1 PAC and another \$100,000 to the Trump Victory Fund. Prince has recently testified to the House Permanent Select Committee on Intelligence about his trip [to the remote Seychelles](#) for a secret meeting in December 2016 with a close ally of Putin, Kirill Dmitriev, head of the Russian Direct Investment Fund. The purpose of the meeting was allegedly to setup a back channel of communication between then president-elect Donald Trump and the Russians, though Prince has denied this allegation. Before the 2015-16 elections, Prince's political contributions totaled a mere \$31,800 as far back as 2007, according to FEC records.

The hybrid super-PAC, The Committee to Defend the President, was formed in 2013 under the name Stop Hillary PAC. It is managed by Dan Backer, the lead attorney who won the [McCutcheon vs. Federal Election Commission](#) case in 2014. The Supreme Court decision eliminated the cap on how much wealthy individuals can donate to federal candidates, parties and PACs in a single, two-year election cycle.

Like Bossie, Dan Backer [helped to open the floodgates](#) to millions of dollars of influence brought to bear on incumbents and their political challengers who are now pressured to kowtow to their donors with the biggest bank accounts, even if their billions are earned in Russian rubles.

Backer was born in Russia and emigrated with his family to the U.S. in 1978.

The changes to our campaign finance laws created an avenue for Russia to try to influence our elections. There are holes in our firewall and they aren't on the internet.

Touch chart to see info:

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Graphics by Michael Hogue/Staff Artist

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