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Excerpt from The Man Without a Face: The Unlikely Rise of Vladimir Putin by Masha Gessen (pages 154 to 164)

I returned from Chechnya the weekend of the inauguration. My second day back in the office, which also happened to be Vladimir Putin's second day officially in the office of the president, police special forces descended on the corporate headquarters of Vladimir Gusinsky's Media-Most, the company to which my magazine belonged. Scores of men in camouflage, wearing black knit masks with slits for their eyes and armed with short-barrel automatic rifles, pushed their way into offices of the newly renovated building in the very center of Moscow, about a mile from the Kremlin, roughed up some of the staff, and threw piles of paper into cardboard boxes that they then loaded onto small trucks. The prosecutor's office, the presidential administration, and the tax police later made confused and confusing public statements explaining the raid: they said they suspected tax irregularities; they said they suspected misconduct on the part of Media-Most's internal security service; they even said they suspected the media company was spying on its own journalists. The nature of the raid was in fact familiar to anyone who had been involved in business or had even observed business in Russia in the 1990s: the raid was a threat. These kinds of raids were usually staged by organized-crime groups to show who was boss—and who had greater influence with the police. This raid was unusual, though, in several respects: its scale (scores of officers, several truckloads full of documents); its location (central Moscow); its timing (broad daylight); and its target (one of the country's seven most influential entrepreneurs). It was also unusual in its alleged initiator, whom Media-Most's outlets identified as Vladimir Putin. He himself claimed no knowledge of the event; during the raid he was in the Kremlin, meeting with Ted Turner, reminiscing about the Goodwill Games held in St. Petersburg in the 1990s, and discussing the future of media.

The months that followed the raid on the Media-Most headquarters are the sort of period that is always difficult to recall and describe: the time between the diagnosis and the inevitable outcome, between the day when you learn how the story will end and the day it actually ends. I think it is fair to say that the roughly seventy people who worked at my magazine and the hundreds of people who worked at Gusinsky's daily newspaper and his television channel, NTV—the same channel that had aired the investigative piece on the apartment-block explosions—all knew on the day of the raid that this was the beginning of the end

of Russia's largest private media company. Yet we continued to work almost as though nothing had happened, as though the story of the company's troubles were yet another story to cover.

I do not remember learning of Vladimir Gusinsky's arrest on June 13. I may have heard about it on the car radio, though this seems unlikely: the summer of 2000 was my second summer of bicycling in Moscow, which was then a novel form of transport in the city; I was even working on a story on city biking that June. I may have heard about the arrest from a colleague. I may have gotten a phone call from a friend telling me about it. However I got the news, the most important thing I heard was not even that one of the country's most influential men, who happened to pay my salary, had been arrested, but that he was arrested on charges stemming from the privatization of a company called Russkoye Video. This was my story to write.

RUSSKOYE VIDEO was a television production company that had belonged to Dmitry Rozhdestvensky, the St. Petersburg man who had been in prison for two years by now.

It seemed someone had set out to get Rozhdestvensky. First, in March 1997, he had been subjected to a tax audit. Then in May he received a letter from the local secret-police office informing him that the transmitter used by the television station of which he was part owner represented a threat to state security.

In September 1998, Dmitry Rozhdestvensky was charged with embezzlement and placed under arrest. I first met his parents two months later. Over the following twenty months, I visited the Rozhdestvenskys several times and they updated me on their son's case. Dmitry was being moved from jail to jail, landing in Moscow and, later, at a secret-police prison outside St. Petersburg. Charges against him were shuffled: first he was accused of embezzling a car, then of embezzling advertising contract money, then of misappropriating funds to build a retreat. From what I could tell, his business and family affairs were so tightly and messily intertwined that the prosecutors could probably keep finding ways to keep him behind bars as long as they wanted. What I could not figure out was why someone wanted Rozhdestvensky in jail.

I kept going back to see the Rozhdestvenskys because I could not figure out how to write the story of their son. The more it developed, the less I understood. The entrepreneur who had been said to blackmail Rozhdestvensky was eventually arrested and charged with a number of contract killings, including one of a deputy mayor in charge of real estate development: he had been gunned down on

Nevsky Prospekt in broad daylight in 1997. One thing was clear: Whatever was going on with Rozhdestvensky had little or nothing to do with the legal case against him and everything to do with the way business and politics were done in St. Petersburg.

Now this case and this company most Russians had never heard of had somehow landed Vladimir Gusinsky in prison. I sat down and started sorting through the half a file drawer's worth of papers I had collected on the case—mostly legal complaints and supporting documents—as I had done several times over the preceding two years. For the first time they started to make sense to me, even though I still could see no case there—just as the high-powered lawyers at Media-Most could not. “There are no charges,” a smart middle-aged female corporate lawyer was telling me, genuinely confused. “I can’t even understand what the crime is supposed to be. I can’t figure out where they got the figures they cite here. Here they say the very company was created illegally, but they reference a law that contains nothing pertinent. And even if the company was created in violation of the law, Media-Most had nothing to do with it.” The bigger company had bought Russkoye Video, along with dozens of other regional production and broadcasting companies, when it was forming a nationwide entertainment network. The St. Petersburg company was not even one of the larger advertising vehicles in the network: it was bought primarily for its huge library of B movies that the network could use to fill the airways while it worked to set up its own production.

What I was now learning, as I went through the documents that I had kept for nearly two years, was the same thing Natalya Gevorkyan learned when she confronted Putin about the journalist Andrei Babitsky: “He is a small, vengeful man,” was how she put it. The case against Gusinsky was, just like the case against Rozhdestvensky, a case of personal vendetta. Gusinsky had not supported Putin in the election. He was friendly and had significant business dealings with Moscow mayor Yuri Luzhkov, who was a leader of the anti-Family opposition coalition. It was Gusinsky’s television channel that had aired the program about apartment building explosions two days before the election.

Gusinsky’s arrest had no real connection to Russkoye Video; it just so happened that the man behind the arrest had detailed knowledge of the Russkoye Video case—which was as good as any other when all that was required was to get one of Russia’s most powerful men behind bars. If there were any irregularities in the company’s founding documents, Putin knew of those too:

sifting through my files, I found a document authorizing the formation of the company, signed by Vladimir Putin.

Vladimir Gusinsky spent just three days in jail. As soon as he was released on his own recognizance, he left the country, becoming the first political refugee from Putin's regime—only five weeks after the inauguration.

UNLIKE THE OWNER of my company, I was still in Moscow. And, it seemed, I was in a lot of trouble, just as prosecutor Vanyushin had warned me I would be. I had written an article about the Russkoye Video case; it was published a few days after Gusinsky left the country, and it was illustrated with the document I had found—the one signed by Putin. Next thing I knew, there was a man on a ladder parked outside my apartment door—twenty-four hours a day. “What are you doing here?” I would ask every time I opened the door to find him there. “Fixing,” he would growl.

A few days later, my home phone was turned off. The telephone company claimed to have had nothing to do with it, but it took days to get it turned back on. These were classic KGB tactics, intended to make me understand I was never safe and never alone: this approach had not changed since the 1970s, when the same sorts of goons would take up residence in people's stairways to let them know they were being watched. This knowledge did not make things any easier for me. The intrusion tactics worked just as well now as they had thirty years earlier: within a few days of this, I was going crazy with unidentifiable worry.

Meanwhile, Gusinsky, shuttling between England and Spain, where he owned a home, was negotiating with the Russian state the fate of his media empire. Gusinsky personally owned 60 percent of his company; another 30 percent was held by the state gas monopoly, Gazprom, and 10 percent more belonged to private individuals, mostly top managers within the company. Gusinsky had borrowed heavily from a state-held bank to finance the setup of his satellite network. Less than a year earlier, he had still entertained well-founded hope that his debts would be forgiven: his once cozy relationship with Yeltsin and his role in his 1996 reelection campaign made this seem a reasonable expectation, at least to Gusinsky himself. Now some of the credits were overdue and the state was calling in the rest early, demanding stock instead of cash—aiming to enable the state gas monopoly to take control of the companies. Gusinsky was trying to restructure the debt in such a way that none of the stockholders would own a controlling share, which would guarantee the media outlets' editorial independence.

As negotiations grew more adversarial, someone—each side said it was the other—leaked to the press a document Gusinsky had signed before leaving the country. He seemed to have agreed, in writing, to cede a majority share of his company to Gazprom in exchange for his personal freedom. Most damningly, the document was signed not only by Gusinsky and the head of Gazprom's media arm—reconstituted especially for the occasion—but also by the press minister, Mikhail Lesin. In other words, this was a classic organized-crime contract, formalizing the exchange of one's business for one's personal safety, and the state was a party to it. Once the document was leaked, Gusinsky said publicly that the minister had personally threatened him, forcing him to sign over his business under duress, "virtually at gunpoint." He termed the entire process "state racketeering."

Putin refused to comment on the situation. Yet no one seemed to doubt that the order to wrestle the media company away from Gusinsky had come directly from him. His prime minister, the white-toothed Mikhail Kasyanov, appeared genuinely surprised and even shocked by the revelations and reprimanded Lesin publicly, before television cameras. Three days later, Mikhail Gorbachev emerged from nine years of de facto political retirement to meet with Putin and ask him to set the Gusinsky situation right. The older man left the meeting dejected, telling the media Putin refused to interfere. The next day Prime Minister Kasyanov opened the cabinet meeting by once again reprimanding his press minister, Lesin. Russian journalists and political analysts took this as a clear sign that the prime minister felt helpless in a situation orchestrated by the president himself.

Soon enough, this kind of takeover of private businesses large and small would become commonplace. But the system Boris Yeltsin had left behind was not quite ready to accommodate "state racketeering." Yeltsin's successive governments had not succeeded in turning the Russian courts into a functioning justice system, but they had succeeded in planting the seeds of ambition in them. Now these courts, mostly at the lower levels, would refuse some of Gazprom's claims, with one city court even throwing out the case against Gusinsky altogether. In the end, it took the state monopoly almost a year to gain control of Gusinsky's media empire. In April 2001, after a nearly weeklong standoff when NTV staff maintained a live broadcast of the takeover, the old editorial staff was forced out. A week later, my former colleagues at the magazine *Itogi* came to work to find the doors locked and every last staff member fired.