

BOOKS MARCH 28, 2022 ISSUE

# HOW PUTIN'S OLIGARCHS BOUGHT LONDON


*From banking to boarding schools, the British establishment  
has long been at their service, discretion guaranteed.*

By Patrick Radden Keefe

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*"In London, money rules everyone," a Russian magnate told the journalist Catherine Belton.  
"Anyone and anything can be bought."* Illustration by Álvaro Bernis

 Listen to this story

Roman Abramovich was thirty-four years old—baby-faced, vigorous, already one of Russia’s richest oligarchs—when he did something seemingly inexplicable. The year was 2000. Abramovich, an orphan and a college dropout turned Kremlin insider, had amassed a giant fortune by taking control of businesses that once belonged to the Soviet state. He owned nearly half of the oil company Sibneft, and much of the world’s second-biggest producer of aluminum. A man of cosmopolitan tastes, he favored Chinese cuisine and holidays in the South of France. But now, he announced, he was going to relocate to the remote Chukotka region, a desolate Arctic hellscape, where he would run for governor.

Chukotka, which is some thirty-seven hundred miles from Moscow, is comically inhospitable. The winds are fierce enough to blow a grown dog off its feet. When Abramovich arrived, the human population was meagre, and struggling with poverty and alcoholism. After he was elected governor—he got ninety-two per cent of the vote, his closest challenger being a local man who herded reindeer—he was confronted with the baying of his new constituents: “When will we have fuel? When will we have meat?” There was no Chinese food in Chukotka.

“People here don’t live, they just exist,” Abramovich marvelled. Shy by nature, he was not a natural politician. He pumped plenty of his own money into the region, but appeared to derive no pleasure from his new job. Nor could he explain, to anyone’s satisfaction, what he was doing there. When a reporter from the *Wall Street Journal* trekked to Chukotka to pose the question, Abramovich claimed that he was “fed up” with making money. The *Journal* speculated that he was working an angle—did he have a lead on some untapped natural resource beneath the tundra? Abramovich acknowledged that his own friends “can’t understand” why he made this move. They “can’t even guess,” he said.

Three years after gaining his governorship, Abramovich leapt from wealthy obscurity to tabloid prominence when he bought London’s Chelsea Football Club. In 2009, he settled into a fifteen-bedroom mansion behind Kensington Palace, for which he reportedly paid ninety million pounds. His mega-yacht *Eclipse* featured two helipads and its own missile-defense system, and he took to hosting New Year’s Eve parties with guests like Leonardo DiCaprio and Paul McCartney. It was a long way from Chukotka. Indeed, that unlikely interlude seemed mostly forgotten, until the publication of “Putin’s People: How the KGB Took Back Russia and Then Took on the West” (2020), a landmark work of investigative journalism by the longtime Russia correspondent Catherine Belton. Her thesis is that, after becoming the President of Russia, in 2000, Vladimir Putin proceeded to run the state and its economy like a Mafia don—and that he

did so through the careful control of ostensibly independent businessmen like Roman Abramovich.

When Abramovich went to Chukotka, Belton tells us, he did so “on Putin’s orders.” The first generation of post-Soviet capitalists had accumulated vast private fortunes, and Putin set out to bring the oligarchs under state control. He had leverage over government officials, so he forced Abramovich to become one. “Putin told me that if Abramovich breaks the law as governor, he can put him immediately in jail,” one Abramovich associate told Belton. A “feudal system” was beginning to emerge, Belton contends, in which the owners of Russia’s biggest companies would be forced to “operate as hired managers, working on behalf of the state.” Their gaudy displays of personal wealth were a diversion; these oligarchs were mere capos, who answered to the don. It wasn’t even *their* wealth, really: it was Putin’s. They were “no more than the guardians,” Belton writes, and “they kept their businesses by the Kremlin’s grace.”

Belton even makes the case—on the basis of what she was told by the former Putin ally Sergei Pugachev and two unnamed sources—that Abramovich’s purchase of the Chelsea Football Club was carried out on Putin’s orders. “Putin’s Kremlin had accurately calculated that the way to gain acceptance in British society was through the country’s greatest love, its national sport,” she writes. Pugachev informs her that the objective was to build “a beachhead for Russian influence in the UK.” He adds, “Putin personally told me of his plan to acquire the Chelsea Football Club in order to increase his influence and raise Russia’s profile, not only with the elite but with ordinary British people.”

The stark implication of “Putin’s People” is not just that the President of Russia may be a silent partner in one of England’s most storied sports franchises but also that England itself has been a silent and handsomely compensated partner in Putin’s kleptocratic designs—that, in the past two decades, Russian oligarchs have infiltrated England’s political, economic, and legal systems. “We must go after the oligarchs,” Prime Minister Boris Johnson declared after the invasion of Ukraine, doing his best to sound Churchillian. But, as the international community labors to isolate Putin and his cronies, the question is whether England has been too compromised by Russian money to do so.

For the past several years, Oliver Bullough, a former Russia correspondent, has guided “kleptocracy tours” around London, explaining how dirty money from abroad has transformed the city. Bullough shows up with a busload of rubberneckers in front of elegant mansions and steel-and-glass apartment towers in Knightsbridge and Belgravia, and points out the multimillion-pound residences of the shady expatriates who find refuge there. His book “Butler to the World: How Britain Became the Servant of Oligarchs, Tax Dodgers, Kleptocrats, and Criminals,” just published in the U.K., argues that England actively solicited such corrupting influences, by letting “some of the worst people in existence” know that it was open for business.

Invoking Dean Acheson’s famous observation, in 1962, that Britain had “lost an empire but not

yet found a role,” Bullough suggests that it did find a role, as a no-questions-asked service provider to the crooked élite, offering access to capital markets, prime real estate, shopping at Harrods, and illustrious private schools, along with accountants for tax tricks, attorneys for legal squabbles, and “reputation managers” for inconvenient backstories. It starts with visas; any foreigner with adequate funds can buy one, by investing two million pounds in the U.K. (Ten million can buy you permanent residency.)

London property is always an option for such investments. After King Constantine II was ousted in the wake of a military coup in Greece, in 1967, he moved into a mansion overlooking Hampstead Heath; ever since, global plutocrats have sought safe harbor in the city’s leafy precincts. Following the collapse of the Soviet Union, Russian buyers raced into London’s housing market. One real-estate agent described his Russian clients “gleefully plonking saddlebags of cash on the desk.” According to new figures from Transparency International, Russians who have been accused of corruption or of having links to the Kremlin have bought at least 1.5 billion pounds’ worth of property in Great Britain. The real number is no doubt higher, but it is virtually impossible to ascertain, because so many of these transactions are obscured by layers of secrecy. *The Economist* describes London as “a slop-bucket for dodgy Russian wealth.”

Bullough has made a careful study of this process. In an earlier book, “Moneyland: Why Thieves and Crooks Now Rule the World and How to Take It Back” (2018), he explained that, for moneyed arrivistes in the U.K., a glamorous new home is the first step on a well-established pathway for laundering reputations. Next up: hire a P.R. firm. “The PR agency puts them in touch with biddable members of parliament,” Bullough says, “who are prepared to put their names to the billionaire’s charitable foundation. The foundation then launches itself at a fashionable London event space—a gallery is ideal.” Ultimately, the smart billionaire will “get his name on an institution, or become so closely associated with one that it may as well be.” Major gifts to universities are popular. So are football clubs.

What’s most apt about Bullough’s butler analogy is the appearance of gray-flannel propriety, which can impart an aura of respectability to even the most disreputable fortune. The mercenary grubbiness of Britain’s role might be “hard to comprehend,” Bullough suggests, “because it is so at variance with Britain’s public image.” Yet Belton and Bullough are joined in their dispiriting diagnosis by Tom Burgis, the author of the excellent book “Kleptopia: How Dirty Money Is Conquering the World” (2020). And by Britain’s National Crime Agency, which found that “many hundreds of billions of pounds of international criminal money” is laundered through U.K. banks and subsidiaries every year. And by Parliament’s own intelligence committee, which has described London as a “laundromat” for illicit Russian cash. And by the Foreign Affairs Committee of the House of Commons, which declared in 2018 that the ease with which Russia’s President and his allies hide their wealth in London has helped Putin pursue his agenda in Moscow.

Each time Putin has taken a provocative step in recent years—including the assassination of Alexander Litvinenko in Mayfair, in 2006; Russia’s annexation of Crimea, in 2014; and the

poisoning of Sergei Skripal and his daughter in Salisbury, in 2018—British politicians and commentators have acknowledged London’s complicity with his regime and vowed to take steps to address it. But this has largely amounted to lip service. The English political establishment, like everything else in London, appears to be for sale. Boris Johnson, in his tenure as London’s mayor, was a pitchman to foreign buyers, boasting that property in the city had grown so desirable it was “treated effectively as another asset class.” Russian oligarchs have donated millions of pounds to the Conservative Party, and have enlisted British lords to sit on the boards of their companies.

At a fund-raising auction at the Tory summer ball in 2014, a woman named Lubov Chernukhin—who was then married to Vladimir Chernukhin, one of Putin’s former deputy finance ministers—paid a hundred and sixty thousand pounds for the top prize: a tennis match with Johnson and David Cameron, who was Prime Minister at the time. Johnson defended the match, decrying “a miasma of suspicion” toward “all rich Russians in London.” A Russian magnate told Catherine Belton, “In London, money rules everyone. Anyone and anything can be bought.” The Russians came to London, the source said, “to corrupt the U.K. political elite.”

Another reason that London’s oligarchs have been able to forestall a day of reckoning is their tendency to pursue punishing legal action against people who challenge them, exploiting a legal system that is notably friendly toward libel plaintiffs. In January, 2021, the Russian dissident and anti-corruption campaigner Alexey Navalny, who had recently survived an assassination attempt, released a video, titled “Putin’s Palace,” in which he accused the Russian President of being “obsessed with wealth and luxury,” and presented information about a billion-dollar compound that Putin had reportedly built for himself on the Black Sea. “Russia sells oil, gas, metals, fertilizer, and timber in huge quantities—but people’s incomes keep falling,” Navalny said. The oligarchs “influence political decisions from the shadows.” At one point, he held up a copy of Catherine Belton’s book.

Not long afterward, Roman Abramovich sued Belton and HarperCollins in London. “Putin’s People” had been on shelves for nearly a year, leading Belton to suspect that Navalny’s endorsement had likely prompted the suit. (Navalny has described Abramovich as “one of the key enablers and beneficiaries of Russian kleptocracy.”) Within days, three other Russian billionaires filed lawsuits against the book, as did Rosneft, the national oil company. To Belton, it felt like “a concerted attack.”

And a terrifying one. Abramovich’s suit named Belton personally, meaning that her own home and savings would be at stake. The case was projected to cost ten million pounds if it went to trial, and under English law those who lose a suit can be ordered to pay their adversary’s legal costs. That’s part of why the rich like to take detractors to court in London. (Indeed, last fall, the Kazakh mining giant E.N.R.C. sued Tom Burgis over

claims he made in “Kleptopia”; the case was dismissed on March 2nd.) Libel tourism is another chronic English problem that everyone bemoans but nobody does anything about.

This has meant terrific business for the oligarchs’ morally flexible attorneys; according to the British trade publication *The Lawyer*, some law firms charge a “Russian premium” for their services, of up to fifteen hundred pounds an hour. The attorneys who represent oligarchs have managed to remain largely unsullied by their unsavory doings. One lawyer involved in the HarperCollins suit is Geraldine Proudler, who previously sued the anti-corruption activist Bill Browder on behalf of a Russian official who was accused of involvement in the torture and murder of the lawyer Sergei Magnitsky in 2009. (Browder prevailed in that case.) Remarkably, Proudler has served as a trustee of English PEN, which advocates free speech and human rights.

In assessing this dire legal situation, it’s important to consider not just the cases that are brought against books and articles but also the books and articles that are never published in England to begin with. In 2014, the American political scientist Karen Dawisha submitted her book “Putin’s Kleptocracy: Who Owns Russia?” to her longtime publisher, Cambridge University Press. After reviewing the manuscript, Dawisha’s editor, John Haslam, wrote to her praising the book but saying that Cambridge could not publish it. “The risk is high that those implicated in the premise of the book—that Putin has a close circle of criminal oligarchs at his disposal and has spent his career cultivating this circle—would be motivated to sue,” he explained. Even if the press ultimately prevailed, the expense of the proceedings could be ruinous, Haslam said. In a controlled fury, Dawisha wrote back that the U.K. had apparently become a “no-fly zone” when it came to publishing “the truth about this group.” The oligarchs “feel free to buy Belgravia, kill dissidents in Piccadilly with Polonium 210, fight each other in the High Court, and hide their children in British boarding schools. And as a result of their growing knowledge about and influence in the UK, even the most significant institutions . . . cower and engage in pre-emptive book-burnings.” (The book was ultimately published by Simon & Schuster in the United States.)

A major difficulty for would-be chroniclers of the kleptocrats is that, in England, a person bringing a libel suit does not have to prove that an assertion is untrue, so long as there’s evidence of “serious harm”; instead, the author must prove that it is true. This is a fiendishly burdensome standard when it comes to, say, establishing the true ownership of a super-yacht, or the subtle dynamics of an influence campaign orchestrated by ex-K.G.B. spies. In “Kleptopia,” Tom Burgis remarks that in the former Soviet Union the “skill prized above all others” was the ability to obfuscate the origins of stolen money. (On paper, Putin’s real-estate portfolio consists chiefly of one conspicuously modest apartment. He has denied that the palace on the Black Sea belongs to him.) Here, the professional facilitators of London’s butler class come in handy. There is a booming industry in financial dissimulation: the creation of shell companies, tax shelters, offshore trusts.



Haslam, in his letter to Dawisha, had objected that “Putin has never been convicted” for the crimes described in the book. But, by making it perilous to publish allegations, however well documented, that haven’t yet resulted in a criminal conviction, the legal system can grant well-financed malefactors a free pass from scrutiny. According to an investigation by BuzzFeed News, U.S. intelligence believes that at least fourteen people have been assassinated on British soil by Russian mafia groups or secret services, which sometimes collaborate, but British authorities tend not to name suspects or bring charges. (Instead, they have concluded with an unsettling frequency that such deaths are suicides.) In an interview with NPR in late February, Bill Browder was asked whether he would name Russian oligarchs who had not yet been sanctioned but should be. “I live in London,” he said. “So it’s very unwise to name names.”

Catherine Belton named names. But she, too, is bedevilled by the challenge of producing absolute proof in a world of shadowy deniability. There is the official record—property deeds, legal convictions—and then there is what everyone knows. “It’s not just his money,” a onetime associate of Abramovich’s told her. “He is Putin’s representative.” As the oligarch Oleg Deripaska once explained, “If the state says we need to give it up, we’ll give it up. I don’t separate myself from the state. I have no other interests.” (He later claimed to have been joking.) Time and again in “Putin’s People,” Belton tells the official version of a story, and then shares what she understands to be the real story—the word on the street. She describes “an emerging KGB capitalism in which nothing was quite as it seemed.” This is what it looks like when a national economy is designed by ex-spies.

“Putin’s People” does include a denial from someone close to Abramovich, who said that he was not “acting under Kremlin direction” when he bought the Chelsea Football Club. Belton also uses a phrase that concedes the empirical limitations of her reporting: “whatever the truth of the matter.” But this was not enough for Abramovich, whose representatives argued that Sergei Pugachev was an unreliable source. “At no stage is the reader told that actually Abramovich is someone who is distant from Putin and doesn’t participate in the many and various corrupt schemes that are described,” his lawyers asserted. They later argued, “It would be ludicrous to suggest that our client has any responsibility or influence over the behavior of the Russian state.”

In December, the case was settled. Belton and HarperCollins agreed to some changes and clarifications in future editions; the book would be amended to contain a more strenuous denial on the Chelsea claim, and to emphasize that the allegations relating to the team could not be characterized as incontrovertible facts. They also agreed to cut the line about Abramovich being “Putin’s representative,” and to include additional comments from his spokesperson. Chelsea released a smug statement expressing satisfaction that Belton had “apologized to Mr. Abramovich.” HarperCollins committed to making a payment to the charity of his choosing. Belton greeted this settlement as a victory—she would not have to go to trial, or make major changes to her book. But she seemed exhausted and demoralized. “This last year has felt like a war of attrition,” she said. The *Observer* columnist Nick Cohen, reflecting on the case, ventured that “oligarchs can manipulate the truth here as surely as Putin can in Russia.”

In the days following Putin's invasion of Ukraine, a slow-motion comedy began to unfold in the various exotic ports in which billionaires moor their yachts. Some of these mega-vessels started motoring out to international waters, presumably on instructions from anxious Kremlin-affiliated owners. Others were reportedly setting course for the Maldives, which has no extradition treaty with the United States. The *Graceful*, a hundred-million-dollar yacht that is widely believed to belong to Vladimir Putin, had made a hasty departure from a German port on the eve of the invasion, and relocated to Russian waters, in Kaliningrad. Officials in France seized a boat linked to Igor Sechin, the C.E.O. of Rosneft.

Boris Johnson, meanwhile, announced that "oligarchs in London" would find that there was "nowhere to hide," and said that he would form a kleptocracy cell at the National Crime Agency, to target "corrupt Russian assets hidden in the U.K." The real test, however, is not so much what legal authorities are created as how they are used. In 2018, Britain introduced a promising new ordinance concerning "unexplained wealth," which meant that a potentate could be required to account for the source of the funds used to buy a particular asset or risk losing it altogether. Yet it has so far been used in only four cases, none of them targeting Russian oligarchs. In one proceeding, against the family of the former President of Kazakhstan, authorities froze three properties. After the move was challenged in court, though, the order was reversed. If a lack of political will was to blame for the paucity of cases, so was a lack of resources. The National Crime Agency is notoriously underfunded. Addressing the issue of why there hadn't been more "unexplained wealth orders," the agency's director said, "We are, bluntly, concerned about the impact on our budget, because these are wealthy people with access to the best lawyers."

But, given the bloodshed in Ukraine, and the international community's surprising resolve to isolate the Kremlin economically, couldn't things be different this time? One great irony of the story that Bullough relates in "Butler to the World" is that, after decades of obliging the global criminal elite, Britain now has a singular opportunity to turn the tables. Lured by "Tier 1" visas and luxury real estate and fabulous shopping and the comfortable prospect of lasting impunity, the oligarchs entrusted their fortunes to the butlers of Britain. If the British government were to have a genuine change of heart and start demanding transparency and freezing assets, a sanctuary could become a snare. After all, what does Putin own on paper? If he has left his many assets in the care of a coterie of front men who have built lives for themselves in London, then London has the upper hand. It could help isolate Putin—by pinching off his access to resources, and perhaps even by motivating the front men to pressure him to change his behavior, or to abandon him altogether.

Roman Abramovich, for one, seems to have grown worried about the long-term prospects of British hospitality. In late February, he reportedly flew to Belarus to help Russian and Ukrainian negotiators secure a "peaceful resolution" to the conflict. (The lawyers who had previously claimed that it would be "ludicrous" to think there was a relationship of influence between Abramovich and the Kremlin volunteered no explanation for why he might now have a seat at the table.) Abramovich also said that he was putting Chelsea up for sale. There should be no shortage of potential buyers; last year, Newcastle United was purchased by a consortium of



investors representing the Saudi sovereign wealth fund, which is chaired by Mohammed bin Salman, who authorized the murder and dismemberment of the journalist Jamal Khashoggi. Net proceeds from any sale would be dedicated to a fund for “all victims of the war in Ukraine,” Abramovich pledged. Even so, it appeared as if he were seeking to unload assets while he still had the chance. There was talk that Abramovich was also looking to sell his home in Kensington. A Chinese buyer was said to be circling.

On March 10th, the British government finally sanctioned Abramovich, along with six other Russian oligarchs. The Chelsea Football Club can no longer charge for tickets or sign new players, but it can continue to play, and players and staff still get paid; Abramovich just can't profit from the team. How much will these sanctions accomplish? Not enough, Bullough seems to suggest, given the multitude of tricks available for obscuring transactions. The system, he writes, “derives its power and resilience from the fact it does not rely on any one place: if one jurisdiction becomes hostile, money effortlessly relocates to somewhere that isn't.”

Ironically, this is the very rationalization that Britain's butler class has long offered in its own defense: if deep-pocketed foreigners can't do their business here, they'll just take it elsewhere. In recent weeks, some have worried that dirty money is so woven into the fabric of British life that, as one parliamentary report from 2020 suggests, it “cannot be untangled.” But many Londoners share another fear, which is that it can—that the money will simply migrate to a more permissive jurisdiction. Dubai, for one, seems positively eager to sink to the occasion. And what becomes of Britain if that happens? The prospects for a post-Brexit economy were looking bleak already. Will Britain find itself, once again, without a role?

On March 5th, Chelsea played Burnley. Prior to kickoff, at Turf Moor, Burnley's stadium in Lancashire, both teams on the pitch and the fans in the stands paused for a show of solidarity with the people of Ukraine. For a solid minute, everyone stood clapping. In the midst of this, however, a discordant sound could be heard, as visiting Chelsea fans chimed in with a chant of their own. They were singing the name of the club's beloved owner, who had just announced that he would be selling the team. His largesse is credited with transforming Chelsea from a moribund club to a championship-winning juggernaut. These supporters appeared unfazed by the accusations against him; they were just grateful for his munificence, and sorry to see him go. “Abramovich!” the English fans chanted. “Abramovich!” ♦

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*Patrick Radden Keefe, a staff writer at The New Yorker, is the author of “[Empire of Pain](#).” His new book, “[Rogues: True Stories of Grifters, Killers, Rebels, and Crooks](#),” will be published in June.*

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