

Dear Dr. Haass and Members of the Council on Foreign Relations Board of Directors:

We are U.S., European and Russian foreign policy experts and anti-corruption activists who are deeply troubled by your announcement last week of a new \$12 million CFR internship program to be named after the donor, Leonid (Len) Blavatnik. We regard this as another step in the longstanding effort of Mr. Blavatnik—who, as we explain below, has close ties to the Kremlin and its kleptocratic network—to launder his image in the West.

At a time when revered institutions from the Massachusetts Institute of Technology to major museums have suffered reputational damage when the sources of major donations proved repugnant, and when the role of Russian networks in undermining democracy from Eastern Europe to the United States has become plain, we urge you to review your decision, and to apply the high standards of ethics and due diligence that an organization of CFR's leading stature should wish to model.

As recent unrelated events illustrate, the origin of donations to high-profile institutions matters. Blavatnik acquired his initial wealth by way of highly questionable transactions in tandem with the regimes of Nursultan Nazarbayev and Vladimir Putin. He protected that wealth in part through strategic alliances with security personnel and practices that would surely be considered criminal in any democracy. There are clear indications that some portion of these riches is being deployed to further anti-democratic agendas in Europe and the United States. Below are a few illustrations.

- In a 2013 deal orchestrated by Russian President Vladimir Putin and Putin confidant, former deputy prime minister and now Rosneft chair Igor Sechin, Blavatnik reaped an estimated \$7 billion from the sale of the oil company TNK-BP to the state-owned Rosneft conglomerate. Subsequent investigation indicates that as much as \$3 billion of the total was an inexplicable overpayment by the Russian government. (See further information [here](#),<sup>1</sup> [here](#),<sup>2</sup> and [here](#).<sup>3</sup>) Such unexplained sums can then be used by Putin-linked private-sector individuals to further Putin's interests in foreign countries, including by making donations. This transaction later proved so controversial that Putin felt obliged to publicly [criticize](#)<sup>4</sup> its use of opaque tax-free off-shore financial structures – despite his direct involvement.
- As part of the lead-up to that transaction, Western TNK-BP managers were subjected to daily harassment at the hands of state security services and security personnel controlled by Blavatnik and his Russian partners. (See further information [here](#),<sup>5</sup> [here](#),<sup>6</sup> and [here](#).<sup>7</sup>)

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1 <https://www.khodorkovsky.com/offshore-is-a-sure-thing/>

2 <https://www.kommersant.ru/doc/2051534>

3 <https://openrussia.org/post/view/15547/>

4 <https://www.youtube.com/watch?v=d9n0yBbAMr8&feature>

5 <https://www.thisismoney.co.uk/money/markets/article-1637926/BP-threat-to-snatch-homes-of-oligarchs.html#ixzz2jk9E3Kp7>

6 <https://www.telegraph.co.uk/finance/newsbysector/energy/2793739/Russians-issue-legal-threat-to-TNK-BPs-Robert-Dudley.html>

- Blavatnik's connections to corrupt Putin-supported oligarchs and officials are longstanding and well known. For example, Blavatnik's business partners include several individuals who are sanctioned by the United States government, such as [Viktor Vekselberg, Oleg Deripaska](#)<sup>8</sup> (both [designated by the U.S. Treasury in April 2018](#)<sup>9</sup> under the Countering America's Adversaries Through Sanctions Act), and [Alexander Makhonov](#)<sup>10</sup> (via Blavatnik's media enterprise [Amediateka](#)<sup>11</sup> – the Russian analogue of Netflix).
- According to ABC News, Blavatnik was [investigated](#)<sup>12</sup> as part of Special Prosecutor Robert Mueller's examination of Russian subversion of the 2016 election. From the Mueller Report we know that two close business associates of Blavatnik – Oleg Deripaska and Petr Aven – were also examined, as were, according to multiple credible media outlets, two others – [Viktor Vekselberg](#)<sup>13</sup> and [Simon Kukes](#).<sup>14</sup> The point here is that Blavatnik and his fortune cannot credibly be dissociated from individuals and entities who further Putin's agenda in the U.S. and other democracies.
- While Blavatnik himself was never charged with meddling in the elections, a number of his [major donations](#),<sup>15</sup> and his [investment in an aluminum plant in Kentucky](#),<sup>16</sup> raise serious questions – including among [many members of Congress](#)<sup>17</sup> – about his money and its connection to the political goals of the Kremlin in the US. A public charity should not look to the standards of U.S. criminal procedure in ensuring that none of its funding is -- or is likely to be seen as – tainted, but should err on the side of propriety.
- The repeated practices of Blavatnik or his companies display a contempt for U.S. law and norms. (See examples [here](#),<sup>18</sup> [here](#),<sup>19</sup> and [here](#)<sup>20</sup>.)

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7 <https://www.svoboda.org/a/27349843.html>, also see

[https://wikileaks.org/plusd/cables/08MOSCOW2452\\_a.html](https://wikileaks.org/plusd/cables/08MOSCOW2452_a.html)

8 <https://www.dallasnews.com/opinion/commentary/2018/05/08/how-putin-s-oligarchs-funneled-millions-into-gop-campaigns/>

9 <https://home.treasury.gov/news/press-releases/sm0338>

10 <https://qz.com/1521847/major-gop-donor-len-blavatnik-had-business-ties-to-a-russian-official/>

11 <https://www.occrp.org/en/panamapapers/persons/makhonov/>

12 <https://abcnews.go.com/Politics/exclusive-special-counsel-probing-donations-foreign-connections-trump/story?id=55054482>

13 <https://www.nytimes.com/2018/05/04/us/politics/viktor-vekselberg-mueller-investigation.html>;

14 <https://www.theguardian.com/us-news/2018/sep/28/russian-us-tycoon-boasted-of-active-involvement-in-trump-election-campaign-simon-kukes>

15 <https://www.dallasnews.com/opinion/commentary/2017/08/03/gop-campaigns-took-7-35-million-from-oligarch-linked-to-russia/>

16 <https://time.com/5651345/rusal-investment-braidy-kentucky/>

17 [https://beta.washingtonpost.com/opinions/mcconnells-new-posture-toward-moscow/2019/08/02/a3b5a080-b53f-11e9-951e-de024209545d\\_story.html](https://beta.washingtonpost.com/opinions/mcconnells-new-posture-toward-moscow/2019/08/02/a3b5a080-b53f-11e9-951e-de024209545d_story.html)

18 <https://www.federalregister.gov/documents/2016/04/27/2016-09782/united-states-v-len-blavatnik-proposed-final-judgment-and-competitive-impact-statement>

19 <https://www.reuters.com/article/oil-lyondell-iraq/update-1-lyondellbasell-stops-buying-kurdish-crude-amid-dispute-idUSL2N0Q62GA20140731>

20 <https://www.reuters.com/article/boomerangtube-bankruptcy/billionaire-blavatniks-company-stung-by-u-s-bankruptcy-court-ruling>

- [His multiple appearances in the Paradise Papers](#)<sup>21</sup> trove of documents related to the corrupt use of secret shell companies indicates a similar contempt for the democratic principles of corporate and political transparency.
- In judicial wiretaps of Russian organized crime, Spanish investigators [recorded](#)<sup>22</sup> two Russian mobsters - Vladislav Reznik (a Duma Deputy) and Gennadiy Petrov, boss of the Tambovskaya organized crime syndicate -- setting up a meeting for Blavatnik. That is a disturbing revelation for a self-proclaimed supporter of good governance, which warrants deeper examination.

Blavatnik projects himself as an independent US businessman, and denies links to Putin, noting the absence of direct meetings. As Petr Aven's testimony to Mueller's office indicates, however, his long-time oil-sector business partners from [Alfa Bank](#)<sup>23</sup> do regularly meet Putin to obtain instructions regarding politics, including US politics (and [highlight](#)<sup>24</sup> their membership on CFR's International Advisory Board).

It is our considered view that Blavatnik uses his "philanthropy" - funds obtained by and with the consent of the Kremlin, at the expense of the state budget and the Russian people -- at leading western academic and cultural institutions to advance his access to political circles. Such "philanthropic" capital enables the infiltration of the US and UK political and economic establishments at the highest levels. It is also a means by which Blavatnik exports Russian kleptocratic practices to the West.

We urge the Council on Foreign Relations to assume the moral leadership and apply the due diligence standards incumbent on an institution that is an exemplar to our community, and consequently reverse its decision to accept Mr Blavatnik's gift.

Sincerely,

Signed by

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2. Larry Diamond, Life Member, Council on Foreign Relations; Senior Fellow, Hoover Institution; Senior Fellow, Center on Democracy, Development & the Rule of Law, Freeman Spogli Institute for International Studies
3. Dr. Evelyn Farkas, Life Member, and Former Staff Member, Council on Foreign Relations; Former Deputy Assistant Secretary of Defense for Russia/Ukraine/Eurasia
4. Mary Beth Goodman, Life Member, Council on Foreign Relations; Senior Fellow, New America Blockchain Accelerator Trust

21 <https://offshoreleaks.icij.org/nodes/80036510>

22 <https://tbcarchives.org/blavatnik-petrov-reznik/>

23 <https://time.com/5592739/donald-trump-petr-aven-alfa-bank/>; also see *Petr Aven's Outreach to the Transition Team* <https://www.justice.gov/storage/report.pdf> (pp. 163-166)

24 <http://www.gpg.org/leadership/mikhail-fridman.html>

5. Dr. Louise Shelley, Life Member, Council on Foreign Relations; Omer L. and Nancy Hirst Endowed Chair, Director, Terrorism, Transnational Crime and Corruption Center (TraCCC); University Professor, Schar School of Policy and Government, George Mason University

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7. Natalia Arno, President, Free Russia Foundation
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9. Danielle Brian, Executive Director, Project on Government Oversight
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11. Oliver Bullough, Journalist and Author of *Moneyland: Why Thieves and Crooks Now Rule the World and How to Take It Back*
12. Adam Bushey, Army Veteran; Executive Director, Responsive to Our Community (ROC)
13. Dr. Michael Carpenter, Managing Director, Penn Biden Center for Diplomacy and Global Engagement; Former Deputy Assistant Secretary of Defense
14. Sarah Chayes, Author of *Thieves of State: Why Corruption Threatens Global Security*; Former Special Adviser to the Chairman, Joint Chiefs of Staff; Former CFR Life Member
15. Gustavo Coronel, Former Transparency International Representative, Venezuela; U.S./Venezuelan Anti-Corruption Activist, ACAN member
16. Martin Dewhirst, Lecturer in Russian Language and Literature, the University of Glasgow 1964-2000
17. Michael Dziejczak, Adjunct Professor, George Mason University
18. Andrew Feinstein, Executive Director, Corruption Watch
19. Dr. Andrew Foxall, Director, Russia and Eurasia Studies Centre, Henry Jackson Society
20. Roland Freudenstein, Policy Director, Wilfried Martens Centre for European Studies
21. Professor Colleen Graffy, Pepperdine University, School of Law; Former Deputy Assistant Secretary of State for Public Diplomacy for Europe and Eurasia
22. Luke Harding, Journalist and Author of *Collusion: Secret Meetings, Dirty Money, and How Russia Helped Donald Trump Win*
23. Robert Homans, Managing Partner, Aperio Associates
24. Melissa Hooper, Director, Human Rights and Civil Society Program, Human Rights First
25. Jakub Janda, Head of Kremlin Watch Program and Director, European Values Center for Security Policy
26. Donald Jensen, Senior Fellow and Editor in Chief, Center for European Policy Analysis
27. Michael Johnston, Charles A. Dana Professor of Political Science, Emeritus, Colgate University
28. Daria Kaleniuk, Co-founder and Executive Director, the Anti-Corruption Action Center, Kyiv
29. Garry Kasparov, Former World Chess Champion, Author and Political Activist

30. Ambassador (ret) Richard D. Kauzlarich, Distinguished Visiting Professor, Schar School of Policy and Government, George Mason University; Former US Ambassador to Azerbaijan and Bosnia and Herzegovina.
31. Kate Kizer, Policy Director, Win Without War
32. David J. Kramer, Former Assistant Secretary of State for Democracy, Human Rights and Labor
33. Marius Laurinavicius, Senior Expert, Vilnius Institute for Policy Analysis
34. Pavel Litvinov, Human Rights Activist
35. John Lough, Former Senior Manager, TNK-BP
36. Edward Lucas, Senior Vice President, Center for European Policy Analysis; Journalist and Author of *The New Cold War: Putin's Russia and the Threat to the West*
37. Thomas Melia, Washington Director, PEN America; Assistant Administrator for Europe & Eurasia, USAID 2015-2017; Deputy Assistant Secretary of State, Bureau for Democracy & Human Rights 2010-2015
38. Vladimir Milov, Russian Opposition Politician, Former Russia's Deputy Minister of Energy
39. Tom Mueller, Author of *Crisis of Conscience: Whistleblowing in an Age of Fraud*
40. Alina Mungiu-Pippidi, Author of *A Quest for Good Governance. How Societies Develop Control of Corruption*
41. James Nixey, Head, Russia and Eurasia Programme, Chatham House
42. Sarah Peck, Foreign Service Officer, Retired; Former Anti-Corruption Officer, U.S. Embassy, Kabul.
43. Peter Reddaway, Professor Emeritus of Political Science, George Washington University
44. Joshua Rudolph, Formerly of the U.S. Treasury Department, the U.S National Security Council, and the International Monetary Fund
45. Randy Scheunemann, Strategic Counselor, Halifax International Security Forum
46. Katja Smaglij, Next Generation Leader, McCain Institute for International Leadership
47. Ilona Tservil, Foreign Service Officer, USAID
48. Ivan Tyutrin, Executive Secretary, Free Russia Forum
49. Jodi Vittori, Former CFR Term Member
50. Frank Vogl, Co-Founder, Transparency International and The Partnership for Transparency Fund
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52. Kate Watters, Co-Founder & Executive Director, Crude Accountability
53. Janine R. Wedel, Professor, George Mason University; Author of *Unaccountable and Shadow Elite*.
54. Brian Whitmore, Senior Fellow and Director of Russia Program, Center for European Policy Analysis
55. Ilya Zaslavskiy, Head of Underminers.info; Head of Research, Free Russia Foundation

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