

# Ex-Kremlin Insider: All Russian Businessmen Are Putin's 'Serfs'

By [The Moscow Times](#)

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Sergei Pugachyov

After three years of silence in exile abroad, former Putin ally Sergei Pugachyov has given his first public interview — and the businessman had nothing good to say about the state of modern Russia.

“Today in Russia there is no private property. There are only serfs who belong to [President Vladimir] Putin,” he said in an interview in London with the Financial Times published Wednesday.

Western sanctions have created a “state of war” in Russia, Pugachyov said, comparing Putin to a general and his subordinates to “lieutenants.”

“Big business cannot live as before. It has to live under military rules,” he said.

Once a close associate of former Russian President Boris Yeltsin, Pugachyov remained a

Kremlin insider when Putin rose to power in the early 2000s. He served as a senator in Russia's upper house of parliament and boasted a personal fortune of \$2 billion in 2008, according to Forbes.

His downfall in Russia began during the 2008-09 global recession, when his bank Mezhprombank received a bailout of 40 billion rubles (\$1 billion) from the Central Bank.

The government claims that Pugachyov orchestrated the disappearance of these loans, while Pugachyov says he had come to an arrangement on repayment and the bankruptcy of his bank was part of a state campaign to take over St. Petersburg shipyards at a deflated price.

He fled to London in 2011 after his stakes in the shipyards were seized to pay off the bank's debts, for which he had been declared responsible. A warrant for his arrest was issued last year, followed in July by an order to freeze his international assets.

Pugachyov's comments may resonate with a business community stricken by the recent arrest of billionaire Vladimir Yevtushenkov and a court's decision late last month to seize his company Sistema's shares in oil producer Bashneft.

Regarding the case, Pugachyov said: "There is no point in anyone looking for a mistake by Mr. Yevtushenkov. This is just the system starting to eat itself."

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