

Putin Ally Timchenko Figurehead for U.S. Ire

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Gennady Timchenko

Five years ago Gennady Timchenko was a little-known Russian oil trader with a fortune of just \$400,000, ranked a mere two slots from the bottom of Forbes magazine's list of wealthiest Russians.

In his first interview with foreign journalists in 2008 he stipulated that his photograph not be published.

Since then, however, Timchenko's rise has been dizzying. He has metamorphosed into the most prominent figure of a group of billionaires rumored to benefit from close personal ties to President Vladimir Putin.

This year Forbes said Timchenko was the sixth wealthiest person in Russia, worth \$15.3 billion.

Amid deteriorating relations with the West over the crisis in Ukraine, Timchenko has gained international notoriety, becoming a focus for United States authorities who characterize him as a money manager for Putin.

Justice Department Probe

U.S. law enforcement officials told The Wall Street Journal on Wednesday that the businessman was being investigated on suspicion of funneling money earned in corrupt Russian deals through the U.S. financial system.

Timchenko said in a statement released by his investment vehicle Volga Group on Thursday that he was not aware of the U.S. investigation and had received no formal notification of its existence.

“The material alleged in The Wall Street Journal does not contain any concrete evidence to support any of the charges and is merely an act of provocation,” according to Volga Group.

Gunvor, the oil trader through which Timchenko built his wealth but in which he no longer has a stake, said in a statement that the allegations were “all just baseless cocktail talk, at best old second- or third-hand rumors.”

Putin Link?

Putin's spokesman, Dmitry Peskov, told reporters Thursday that he had no knowledge of the U.S. case against Timchenko, Reuters reported.

"What is happening in the various 'sanction actions' is hard to explain and very often is aimed directly against Putin," Reuters quoted Peskov as saying. "This is yet another example of this — though I don't know how reliable the information is — this theme when the attacks on Russia focus on the leader of the country, Putin himself."

The U.S. probe against Timchenko is also an attempt to investigate possible illicit funds owned by Putin himself, The Wall Street Journal reported.

“Timchenko is a stand-in for what the U.S. government is more interested in, which is Putin's personal wealth,” said Karen Dawisha, a professor at Miami University, Ohio, and author of "Putin's Kleptocracy: Who Owns Russia?"

Sanctions Target

Timchenko made his money through his ownership of 44 percent of oil trading group Gunvor, a holding in independent gas producer Novatek and other investments in the energy, infrastructure and consumer services industries.

The U.S. imposed sanctions on a group of 20 Russian officials and businessmen, including Timchenko, in March after the Kremlin annexed the southern Ukrainian region of Crimea. Days before the sanctions were announced Timchenko said he sold his 44 percent stake in Gunvor to his Swedish partner in the venture, Torbjörn Törnqvist.

“Timchenko’s activities in the energy sector have been directly linked to Putin. Putin has

investments in Gunvor and may have access to Gunvor funds,” the U.S. Treasury said in its announcement of sanctions on March 20.

Timchenko was included as a key player in a group of influential figures around Putin in an October report, titled "Politburo 2.0," about Russia's ruling elite published by Minchenko Consulting.

“Timchenko is one of businessmen closest to Putin,” Yevgeny Minchenko, the author of the report, said by telephone Thursday.

Putin and Timchenko have repeatedly denied that Putin's patronage has been key to Timchenko's business success. The two men admit, however, that they are longstanding acquaintances with a relationship going back to the early 1990s.

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