

BP 'Complicit' in Destruction of Russia's Free Press, Says Embattled Media Firm RBC

RBC says only BP can save it from Rosneft's wrath and total destruction.

By [Eva Hartog](#)

December 06, 2016



Head of Russian state oil firm Rosneft Igor Sechin (C), BP Group Chief Executive Robert Dudley (R) and moderator Nobuo Tanaka attend a session of the St. Petersburg International Economic Forum 2016 in St. Petersburg, Russia, June 16, 2016. **Valery Sharifulin / Reuters**

Russia's largest independent media company is appealing to oil giant BP to break its silence on a lawsuit that threatens to bankrupt it and further limit free press in Russia.

RBC, famous for its hard-hitting investigations into Russia's political and business elite, is facing the largest damages claim against a media company in Russian history for an article

that claimed Rosneft, the country's largest state-controlled oil firm, sought to manipulate the privatization of its shares.

The article published in April said Rosneft's powerful chief executive, Igor Sechin, had asked the government to ensure participants in a planned privatization this year would be prevented from cooperating with Rosneft's existing minority owner, BP, through shareholder agreements.

Such agreements between BP, which already owns 19.75 percent of Rosneft, and any new owners could have increased BP's influence over the company and eroded the position of Sechin, a close ally of President Vladimir Putin and one of Russia's most powerful men.

In an online statement in reaction to the article, Rosneft branded the RBC report "false" and based on "the unfounded fantasies of journalists and their so-called sources." Roughly a month later, it launched a libel lawsuit against the RBC media holding — which includes a national television station, newspaper and one of the country's most visited news websites — and the three journalists who authored the report. It claims the article increased the risk of a contractual break with BP and lowered the company's value, and [estimated the damage at roughly \\$49 million](#).

If granted by the court at a hearing scheduled for Dec.12, the claim would bankrupt RBC and the individual journalists involved, all of whom would be liable for the full amount, says Yevgeny Reznik, a lawyer for RBC.

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RBC stands by its report, and says the claim is an attack on the press that would allow individuals and companies close to the government to pursue media outlets for their coverage without having to prove actual damage.

Its lawyers say there is little evidence to suggest financial damage to Rosneft or a fallout with BP. In fact, the oil company's share price has risen by around 15 percent since April, and it announced a new joint venture with BP in June.

"Rosneft's only argument is about the possible, future risks in connection to BP," says Reznik. "But after the article's publication, those risks did not only not materialize, but their cooperation became even closer."

RBC has meanwhile struggled to find anyone willing to challenge Rosneft's assessment of the damages.

"For a month we approached leading organizations, universities, and experts to give us their own analysis, but through unofficial channels they let us know they are not interested in working on this case," says Timofei Shcherbakov, head of RBC's legal team.

RBC also petitioned to involve BP as a third party in the trial, but the judge rejected the move following objections from Rosneft, which claimed BP's interests were not involved.

That has left some in the company frustrated at what they claim is an illogical and unfair case. "This is a totally Kafkaesque case; the damages being claimed don't exist, we cannot find

experts to testify in our favor, they seem scared, and the party that can easily defuse this case, BP, is absent,” says Derk Sauer, vice president of Onexim Group, RBC's parent company. “That’s fighting a legal battle with your hands tied to your back.”

Asked for a reaction, BP’s deputy press head Scott Dean said in written comments that BP would not comment on the court case since it is “not part” of it. “Having said that, we remain committed to further development of cooperation with Rosneft both as shareholder and via joint ventures,” he wrote.

The lawsuit comes amid mounting pressure on RBC. Earlier this year, the offices of Onexim Group, a company controlled by billionaire Mikhail Prokhorov, were raided by law enforcement. Many linked the raids to RBC's coverage of the "Panama Papers" and the finances of Putin's inner circle. Soon afterward, several top editors at RBC were fired.

Sechin, meanwhile, has recently successfully sued independent newspapers Novaya Gazeta and Vedomosti over articles he claimed had breached his privacy. He has never lost a case.

“BP is staying quiet, they're thinking: this is a hornet's nest, we don't want to get involved,” says Sauer. “But that makes BP complicit in the problems we are facing now.”

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