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Why a Wrongful Dismissal Case Has Telegram Under Scrutiny

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Anton Rozenberg and Nikolai Durov (Anton Rozenberg Personal Archive)

The lives of Telegram founder Pavel Durov and his team are shrouded in secrecy, much like their heavily encrypted messenger service.

In interviews, Durov has said that the team uproots to a new location every several months, staying in hotel rooms or temporary accommodation.

This week, however, Anton Rozenberg, a man who says he was "director of special areas" for Telegram but whose job amounted to anti-spam administrator wrote a detailed article on the Medium blog describing his falling out with the Durov brothers that has resulted in two lawsuits.

Rozenberg is suing Durov's company Telegram for wrongfully firing him in April 2017. Telegraf, the company which formally employed Rozenberg but which Durov says he has no involvement in, has launched a countersuit against Rozenberg for 100 million rubles ($1.7 million).

The two separate trials began on Sept. 18 in St. Petersburg and were recently postponed until next month when the lawyers did not appear in court.

Rozenberg's long post has since been deleted, with Medium saying it breached its terms of use for sharing private correspondence without all parties' consent. We've lined up some of the takeaways.

What does the article say?

The detailed article on the Medium blog (still viewable in Google cache) was published on Sept. 18 with copious documentation from personal archives and social media.

Rozenberg recounted his childhood friendship with Pavel Durov's older brother Nikolai, his reported employment with the popular Russian social network VKontakte (VK), founded by Durov, and his later involvement in Telegram, also Durov's brainchild.

The colorful read has been mined mainly for details of the Durovs' private lives; supposedly a portrait of exiled tycoon Mikhail Khodorkovsky hangs in their bathroom. It also gives an insider's view of the secretive world of lucrative internet companies in Russia. Durov reportedly owns a luxury apartment and a Mercedes Maybach — claims flatly denied by Durov himself.

Rozenberg writes it was his office in the landmark Singer House in St.Petersburg from which Durov threw thousands of paper-plane ruble notes to amazed pedestrians below in a notorious stunt in 2013.

Related article: How Telegram Became the Durov Brothers' Weapon Against Surveillance

According to Rozenberg, Nikolai Durov tried to seduce his fiancé, leading to an ugly confrontation and then Rozenberg's dismissal from Telegraf, a contractor for Telegram but, reportedly, a separate company.

But Rozenberg says Durov is ultimately responsible for the firing and that ties between Telegram and Telegraf are much closer than is claimed. Meanwhile, Durov said he never hired Rozenberg and accused him of suffering from a "psychiatric illness."

Meduza outlet confirmed that a founder of the British Telegram Messenger LLP is Telegraph Inc, registered in Belize, which offered Telegram in app stores, indicating there is a relationship between the companies despite Durov's denial.

Meanwhile, Rozenberg is facing a reported 100-million ruble lawsuit from Telegraf, which accuses Rozenberg of violating a non-disclosure agreement by revealing his workplace (Telegram) on social media and making public workplace correspondence to try to prove he worked there.

Related article: How Telegram Channeled Russia's Political Intrigue

In a corporate statement published September 21, Telegraf's personnel director Aleksandr Stepanov challenged Rozenberg's characterization of the affair, noting that Rozenberg's fiance had left him before moving into Nikolai Durov's apartment, which he had offered while living abroad in Italy merely to be helpful to a new employee. He also said Rozenberg had blackmailed his company by demanding a settlement of 30 million rubles or he would disclose proprietary information about the company, and that ultimately Telegraf had offered him a settlement of 4 million rubles.

Why does it even matter?

Rozenberg makes no secret that it is in his own interest to prove the two companies are one and the same. But speaking to The Moscow Times, he also said the lawsuit was about "issues of the public positioning of the messenger."

Rozenberg believes the controversial but highly popular product may change hands, and he told The Moscow Times that he has heard Durov is setting up a new company, possibly offshore, to which to shift Telegram. The messenger has increased in value many times since its founding but its value largely rests on its reputation as being independent and free from government interference.

In his Medium post, Rozenberg cast doubt over the accuracy of that perception.

Despite the reports to the contrary, Durov and his team still live and work in Russia, he says, although Durov and his colleagues decided to move Telegram's data center from London to another unnamed European capital for security, he says.

Related article: Telegram Founder Makes Forbes' List of Russia's Richest Businessmen

He also provides an alternative account of Telegram's founding story. In April 2013, Durov publicly announced he was quitting VK because of government pressure. He then dismissed it all as an April Fool's joke but soon after sold his share in VK.

According to Rozenberg, what actually happened in the interim was that United Capital Partners (UCP), a fund run by financier Ilya Sherbovich who had reported connections to Putin ally Igor Sechin, "managed to gain control over a number of Telegram companies." Durov reportedly was forced to pretend his resignation was a hoax and play ball with VK in order to protect Telegram.

Durov then fled Russia, citing efforts by Russia's intelligence to force him to turn over customer data, but ultimately he was able to buy back shares in Telegram from UCP. Telegraf, meanwhile, was set up as a separate company as the Durovs' Russian entity. That means there are close ties between VK, Telegraf and Telegram.

Things were looking terrible for Telegram's fate inside Russia when the State Duma or parliament threatened to block the controversial app, concerned about its use by terrorists on Russian soil. Yet ultimately, the Duma fell shy of a ban, instead managing to force Durov to file British Telegram Messenger LLP with the registry of companies disseminating information on the Internet maintained by Roskomnadzor, the state censor. In a statement on his VKontakte wall June 28, Durov included a link to a British corporate registry which he said was "no secret".

That British registry includes the incorporation history for Telegram Messenger LLP, which indicates it was formed by Dogged Labs Ltd and Telegraph Inc.

If this sounds like a snake eating its tail, it is important to know that likely the construct was conceived to protect the independence of Telegram, in which Durov owns a majority stake.

Durov — who blasts the restrictive recent 'Yarovaya' Internet legislation as "anti-constitutional" — maintains the company will not let government agencies violate customers' privacy. Rozenberg's drama may disappear from view but Durov's determination ensures the story is sure to have another round.

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