

Calvey Denied Bail by Moscow Court, the Latest on His Case

February 20, 2019



Igor Ivanko / Moskva News Agency

U.S. citizen Michael Calvey, the founder of major private equity fund Baring Vostok in Russia, was detained on Feb. 14 on suspicion of defrauding Vostochny bank shareholders. On Saturday, a Moscow court placed him under arrest on fraud charges until April 13.

The arrest has sparked an outcry among Western businessmen, political officials and members of Russia's liberal elite. Russia's ex-Finance Minister Alexei Kudrin [criticized](#) the arrest, tweeting "this particular situation [is] an emergency for the economy" on Monday. Meanwhile, the Kremlin [said](#) the arrest shouldn't hurt the confidence of foreign investors.

In a case that is quickly developing, we'll be updating this article as more information becomes available.

Here are the latest updates and responses to the case:

Thursday, Feb. 28

Court denies Calvey's bail appeal

Calvey will remain in jail for at least six more weeks after a Moscow court denied his appeal to be released on bail, the Financial Times [reported](#) Thursday. The court's decision upholds a previous ruling that ordered Calvey to be held in pre-trial detention until April 13.

Embed:

American investor Michael Calvey will spend at least the next six weeks in Russian jail after a court denied his bail appeal. With prosecutors claiming more suspects are at large and Putin privately backing the case, things aren't looking good for him. <https://t.co/aJ1WINfVT6>

— max seddon (@maxseddon) [February 28, 2019](#)

Tuesday, Feb. 26

Russia's business ombudsman visits Calvey in jail

Russia's business ombudsman Boris Titov visited Calvey in jail, the Vedomosti business daily [reported](#) Tuesday.

During the visit, Calvey said his arrest hadn't affected his intentions to continue attracting foreign investment to Russia, Titov claimed.

President Vladimir Putin cannot intervene in Baring Vostok case, Kremlin spokesperson says

Dmitry Peskov, Putin's spokesperson, ruled out the possibility of the president intervening in Calvey's legal proceedings, Kommersant [reports](#). Peskov's statement comes a day after Baring Vostok requested that the president take control over the investigation against Calvey and other executives.

Monday, Feb. 25

Kremlin spokesperson rejects claims that President Vladimir Putin expressed a position on Calvey

Dmitry Peskov, Putin's spokesperson, refuted reports made earlier in the day that Putin had defended the detention of U.S. investor Michael Calvey in an off-the-record meeting, Interfax [reports](#).

"The president stated the facts. He did not express a personal position," Peskov was cited as saying by Interfax when answering a question about whether Putin felt Calvey's arrest was justified.

Vladimir Putin defended the detention of Michael Calvey and other executives, Bloomberg reports

Russian President Vladimir Putin reportedly [defended](#) the decision to prosecute U.S. fund manager Michael Calvey on fraud charges.

At a closed-door meeting last week, Putin was asked about attacks on the handling of the case and the damage it might do to the investment climate. Putin reportedly told the meeting that he didn't give approval in advance for the arrest, but argued that pretrial detention is sometimes justified in business cases.

Baring Vostok asks President Vladimir Putin to intervene

The Russia-based private equity group requested in an [open letter](#) that the president take the criminal investigation against Michael Calvey and other executives under his personal control.

The company posted the letter on its website. There was no immediate comment from the Kremlin.

Thursday, Feb. 21

Russian wealth fund calls for Calvey to be freed from jail

The head of the Russian National Wealth Fund has appealed to a court in Moscow to move Calvey and several other detained executives of the Baring Vostok private equity group to house arrest, the fund said.

Russia denying U.S. diplomats access to Calvey, embassy says

Russia has failed to grant American diplomats access to the detained investor.

The U.S. Embassy said in a statement that it has asked multiple times to visit Calvey in custody but has not received permission.

The embassy said that denying access flouts consular rules between the two countries and that they "insist on access now."

Embed:

Seven days after his detention, the U.S. Embassy still has not received permission from Russian authorities to visit detained American citizen Michael Calvey. Russia's obligations under the Bilateral Consular Convention require them to provide consular access w/in 4 days. (1/3)

— Andrea Kalan (@USEmbRuPress) [February 21, 2019](#)

Calvey indicted, lawyer says

Russian prosecutors have formally charged Calvey with fraud, his lawyer Dmitry Kletochkin said.

"Michael said that he wants to testify after consulting with his defense," Kletochkin was [cited](#) as saying by the RBC news website.

Human rights violations, activist says

Ivan Melnikov, a human rights activist, visited Calvey in the detention center, [according](#) to the state-run TASS news agency.

Despite regulations that require those accused of violent crimes and economic crimes be kept separate, Melnikov says that Calvey is sharing the same cell as a man who is suspected of attempting to kill a judge.

Moreover, Melnikov notes that Calvey still has not been given a second mattress to alleviate his back problems.

Wednesday, Feb. 20

Putin weighs in

"Good-faith business shouldn't feel threatened by the law or constantly feel the risk of criminal or even administrative punishment," President Vladimir Putin [said](#) in his address to the Federal Assembly without referring to the case of Baring Vostok.

European lobby groups release statement

A coalition of lobby groups for European businesses active in Russia expressed concerns about the arrest of Calvey and his colleagues in a joint statement on Wednesday.

"The detention of Baring Vostok's top-management has sent shockwaves through the country's business community and can potentially seriously damage the investment climate and attractiveness of Russia for foreign direct investments," it said.

Central Bank to meet Vostochny Bank shareholders

Reuters reported that Russia's Central Bank will reportedly meet minority shareholders of Vostochny Bank, whose majority shareholder is Michael Calvey. Vostochny Bank declined to comment.

Tuesday, Feb. 19

Business associations request Calvey's release

Five business associations appealed to the head of Russia's Investigative Committee, Alexander Bastrykin, to transfer Calvey to house arrest, RBC [reported](#).

Russian financiers post their support

Embed: https://twitter.com/jason_corcoran/status/1097855965775437824

Reuters contributed to this article.

Original url:

<https://www.themoscowtimes.com/2019/02/20/the-latest-on-us-investor-calveys-detention-russia-on-fraud-charges-a64557>