

Swiss probe could topple Yeltsin, Gore

by Michele Steinberg and Claudio Celani

On Aug. 25, a political bombshell hit the Russian leadership circles connected to Vice President Al Gore and the International Monetary Fund. News of the personal shady dealings of Russian President Boris Yeltsin, his immediate family, and Kremlin inner circles emerged on the front page of the Italian daily *Corriere della Sera*, by reporters Carlo Bonini and Giuseppe D'Avanzo.

The revelations center around the investigation begun in 1997 by Swiss Magistrate Carla Del Ponte, who worked closely with embattled Russian Prosecutor General Yuri Skuratov. The probe has zeroed in on some 300 Russian companies suspected of organized crime and money laundering of at least \$27 billion. Their investigation goes right to the top. In February 1999, Skuratov was fired by Yeltsin because he was getting too close to Boris Berezovsky, the Russian "kleptocrat," who maintains massive blackmail capabilities. But, Skuratov's firing was rejected by the Russian Federation Council (the upper house of parliament), resulting in a stand-off that enraged the unstable Yeltsin.

In an interview with *Corriere* on Aug. 26, Skuratov said that "the Kremlin" wants to stop his investigation. In mid-August, Del Ponte was shocked to learn that she had been promoted to a position as judge on the International Court in The Hague, the Netherlands. Sources close to the investigation believe that Del Ponte was "promoted" to get her out of Switzerland and out of the Russian mafia investigation. But, according to *Corriere*, she plans to continue the probe.

Yeltsin and Mabetex

According to *Corriere della Sera's* sources, Swiss investigators working with Del Ponte found that large sums of money were moved through Mabetex, a construction firm owned by Bahgjet Pacolli, a mysterious figure of Kosovar Albanian origin who operates in Switzerland, Moscow, and throughout the Russian Federation. Pacolli's leading connection has been identified as Pavel Borodin, the head of the Economics Department of the Kremlin, a close Yeltsin loyalist. Borodin was brought in by Yeltsin in 1993 as manager of the real estate properties of the Russian Federation. He gives out jobs for renovating public buildings, and Mabetex is Borodin's preferred customer. Pacolli gets the jobs and Borodin gets paid, as it appears from the reports in *Corriere*.

Mabetex and Pacolli have been the subject of scandals in Moscow since January 1999, when the Mabetex offices in

Switzerland were searched by officials. On March 23, Pacolli flew to Moscow directly from Switzerland to give an emergency press conference defending his "legitimate" business dealings.

But, the most explosive information surfaced on Aug. 25, when *Corriere* reported that, in the offices of Mabetex, Del Ponte's investigators found files with credit card accounts under the names of Alexander Korzhakov, former head of Presidential security; Boris Yeltsin; and Yeltsin's daughters, Tatyana Dyachenko and Yelena Okulova.

According to *Corriere*, the accounts were regularly paid by Pacolli. The credit cards were issued for a Lugano shop owned by the wife of Franco Fenini, an official of the Banca del Gottardo in Lugano, Switzerland. Fenini is accused of threatening an associate, Felipe Turover, who reportedly began cooperating with Del Ponte and Skuratov in 1998, and is telling all he knows.

Corriere reports that on Yeltsin's daughters' credit cards, up to 20,000 deutschemarks (roughly \$12,500) have been paid on one day. Del Ponte reportedly interrogated Pacolli, who denied paying credit cards for Yeltsin, but Pacolli revealed that \$1 million went through Borodin's account, for Yeltsin's "little expenses" during a state visit to Hungary. Such expenses, says Pacolli, are part of the "contracts" signed by Mabetex with the Kremlin.

One of the other companies being investigated is the Mercata Trading firm, based in Geneva. Mercata is chaired by a former collaborator of Pacolli, Viktor Stolpovskikh. "Why, still now, after Stolpovskikh abandoned him," ask the *Corriere* authors, "does Bahgjet Pacolli move billions to Mercata? The police remark that Stolpovskikh is a Presidium member of Viktor Chernomyrdin's party. Is Chernomyrdin the real recipient of Pacolli's generosity? The Kosovar does not answer." Pacolli also denies ever having moved money to Mercata Trading.

Numerous companies in Switzerland have been served with search warrants by Swiss investigators, and Del Ponte's probe has tens of thousands of pages of documents tracing the suspected illegal flows of money out of Russia, including money directly stolen from public funds. Turover has allegedly provided the names of some 23 top Kremlin officials who have accounts at the Banca del Gottardo.

The *Corriere* report reconstructs the whole Del Ponte-Skuratov investigation, singling out Berezovsky, Borodin, Alexander Korzhakov, and Gore collaborators Anatoli Chubais and Viktor Chermomyrdin as the main characters in a system of suspected mafia money transfer from Russia to Swiss banks.

Meanwhile, Skuratov told *Corriere* that he cannot discuss the Yeltsin family's Swiss accounts, "because they are part of an ongoing investigation." Skuratov says that his "strongest opponents" are "the persons involved in the investigation," including persons "at the highest level." But, he also indicates that the investigation will proceed.