

Khodorkovsky Found Guilty

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The  **Moscow Times**

Jailed Russian ex-tycoon Mikhail Khodorkovsky was found guilty of money laundering and theft of billions of dollars on Monday at a trial that has renewed doubts about the Kremlin's commitment to the rule of law.

Khodorkovsky's lead defense lawyer told Reuters he would appeal the verdict, which government critics say suggests longstanding Kremlin promises to reform a court system marred by corruption and political influence are insincere.

Prosecutors are seeking an additional six-year prison term for the former Yukos oil company CEO, but it could take Judge Viktor Danilkin days to read what lawyers said was a 250-page verdict and announce a sentence.

Khodorkovsky is in the last year of an eight-year sentence imposed in 2005 after a politically charged fraud and tax evasion trial that shaped Vladimir Putin's 2000-2008 presidency.

Now prime minister but the dominant figure in Russia's ruling tandem with President Dmitry Medvedev, Putin this month said Khodorkovsky had blood on his hands and that "a thief must be in jail".

Khodorkovsky's lawyers said the comments in a Dec. 16 television appearance were designed to exert influence in the case, which has accentuated a sense of personal rivalry between Putin and a business mogul who was once Russia's richest man.

"What we are hearing leaves us no doubt that pressure was put on the court — that the court was not free when adopting this decision," lead defense lawyer Vadim Klyuvgant said during a brief break in Danilkin's rushed verdict reading.

Medvedev signaled his disapproval of Putin's comments, saying in a nationally televised interview on Friday that no official had the right to comment before a verdict was reached. Putin said later he was referring to Khodorkovsky's first conviction.

The current trial has been closely watched in Russia and abroad ahead of a 2012 presidential election that could put Putin back in the Kremlin.

The European Union was following the verdict "very closely" and "expects Russia to respect its international commitments in the field of human rights and the rule of law," EU foreign policy chief Catherine Ashton said in a statement.

Guilty Verdict

In the Moscow courtroom Judge Danilkin said the court had established that Khodorkovsky and his former business partner Platon Lebedev "carried out the embezzlement of property entrusted to the defendants."

The judge said the two men were also guilty of laundering stolen oil funds.

Enclosed in a glass-and-steel courtroom cage, Khodorkovsky and Lebedev pointedly ignored the judge as he read out the widely expected guilty verdict, talking to each other in hushed tones and reading.

Hundreds of protesters gathered in sub-zero weather outside Moscow's Khamovnichesky Court, holding pictures of the defendants and chanting "Freedom!" and "Shame!"

The Itar-Tass news agency said some 30 were detained.

Prosecutors say Khodorkovsky stole \$27 billion in oil from Yukos subsidiaries through pricing schemes and laundered some of the money, charges his lawyers dismissed as an absurd, politically motivated pretext to keep him behind bars.

The verdict "is meant to show that the boss in our country is Putin," said Yuri Korgunyuk, an analyst at Indem think-tank.

Putin dominates a ruling tandem with Medvedev even though as prime minister, he is subordinate to the protege he steered into the presidency in 2008.

Both men say they will decide together who will run for president in 2012 as the Kremlin's shoo-in candidate, but many Russians suspect it is Putin who will make the choice.

Justice System

Monday's conviction deepens doubts that Medvedev, who has championed a progressive Russia underpinned by the rule of law, will shed Putin's shadow and bring meaningful change to Russia.

Despite Medvedev's public urgings, little progress has been visible and Russians who support those goals fear his talk amounts to little more than window-dressing for Putin's more restrictive policies and his continued rule.

A six-year sentence would keep Khodorkovsky in jail until late 2017, close to the end of the six-year term of the president elected in 2012 — keeping him out of electoral politics and shadowing Medvedev if he stays in the Kremlin.

Khodorkovsky fell foul of the Kremlin during Putin's first term after he aired corruption allegations, challenged the state's control over oil exports and funded opposition parties.

After his arrest in 2003, Yukos was bankrupted by back-tax claims and its assets sold off, most ending up in state hands, deepening Western concerns about property rights and the rule of law in Russia under Putin.

Russia's markets showed no immediate reaction to the verdict, with the MICEX stocks index and the ruble

holding on to modest losses on year-end profit-taking.

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