

Reset With a 'Mafia State' May Backfire

By [The Moscow Times](#)

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Vladimir Putin, in answer to a question about the Russian mafia, infamously said in 2006: “We didn’t invent the mafia. The mafia is from Italy.”

That may be true, but a former senior Putin aide once likened Russia’s “corporatist state model” to a mafia state whose leaders are driven by an intense loyalty to Putin and a strict omerta-like code of conduct, particularly among current and former members of the Federal Security Service.

“Those who violate the code are subject to severe punishment,” Andrei Illarionov, economic adviser to Putin from 2000 to 2005, told a U.S. House Committee on Foreign Affairs in February 2009.

Illarionov’s views are shared by diplomats and public officials who, in cables that WikiLeaks published a year ago, described Russia as “a virtual mafia state” and Putin as an “alpha-dog.”

Putin’s corporatist model is described in detail in the Oct. 31 issue of The New Times weekly.

Its cover story, titled “Russia, Inc.: How Putin and Co. Carved Up the Country,” contains a striking, comprehensive [table](#) of Putin’s inner circle.

Its members hold the top positions in government, banking, gas and oil, transportation, construction, defense, metallurgy, chemicals, media, alcohol, show business, sports and telecommunications. They are divided into four categories: former KGB colleagues; non-KGB colleagues from St. Petersburg; partners from Putin’s Ozera dacha collective, set up in 1996 in the Leningrad region; and other Putin friends and relatives.

Opposition leader Boris Nemtsov — co-author of “Putin. Corruption” and “Putin. Results,” a 32-page report on corruption in the Putin regime — claims that Putin and his clan control about 30 percent of Russia’s gross domestic product.

According to several WikiLeaks cables, one large component of Russia’s mafia business is illegal arms trafficking. Last week, one of the world’s largest arms traders, Viktor Bout, was convicted in a New York court of conspiring to kill Americans by agreeing to sell weapons to U.S. agents disguised as members of FARC, a Colombian terrorist organization.

It is clear that Bout could not have sold weapons to FARC or to any other organization or country without the support and protection of top government officials. Not surprising, the Kremlin, exhibiting what appears to be “corporate solidarity,” has fought vigorously for his extradition to Russia since he was first detained in Thailand in 2008. Foreign Minister Sergei Lavrov at one point warned U.S. Secretary of State Hillary Clinton that Moscow might end its support for NATO’s anti-narcotics operations in Afghanistan if the United States insisted on trying Bout.

But the Bout affair is nothing compared with the arrest of former Yukos CEO Mikhail Khodorkovsky in 2003 and the subsequent government takeover of most of Yukos’ assets. Some call it the crime of the century. In any event, it appears to be the largest expropriation of private property by the Russian government since the Bolsheviks.

In the Sept. 25 Newsweek, Khodorkovsky [wrote](#) a comment in which he argues that the United States should not sacrifice its moral values and principles in dealing with Russia for the sake of realpolitik and economic gain.

“By ignoring its basic values to make friends with dictators,” Khodorkovsky wrote, “America risks losing its moral capital.”

Can the United States afford to “reset” relations with what the WikiLeaks cables called a “mafia state”? In addition to Khodorkovsky, there are many lawmakers in the United States and elsewhere who are asking this same question.

The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.

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