

# Oil tycoon Khodorkovsky convicted in Moscow trial

Patrick Martin  
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Imprisoned oil tycoon Mikhail B. Khodorkovsky, once the richest man in Russia, was convicted Monday on new charges of embezzlement after a politically manipulated judicial proceeding in Moscow. Also convicted was his former business partner and fellow ex-billionaire, Platon L. Lebedev.

The conviction was predictable, particularly after the public denunciation of Khodorkovsky last week by Russian premier Vladimir Putin, who labeled him a “thief” and declared that he deserved to “sit in jail.” The likelihood that Judge Viktor Danilkin would find the defendant not guilty after such an outburst by the most powerful figure in Russia was nil.

Nor is the judge likely to issue a suspended sentence or brief jail term, given that prosecutors are seeking an additional term of 14 years, on top of the eight-year sentence Khodorkovsky is currently serving.

Khodorkovsky will finish serving his first prison term in 2011, but the new conviction will likely keep him jailed past the 2012 presidential election. It is clear from the past legal proceedings that such political considerations are uppermost in the minds of both the Putin regime and the judicial system it controls.

The oil billionaire initially came into conflict with the Kremlin when he began to finance an opposition political movement in 2003, an initiative that potentially challenged Putin’s reelection bid in 2004. He was also viewed as an ally and instrument of American capital and had advocated opening the Russian oil industry to foreign investment.

Jailing Khodorkovsky seven years ago sent a message to the Russian oligarchs—the handful of billionaires who reaped huge personal fortunes from the restoration of capitalism in the 1990s—that their wealth was secure only insofar as they did not use it to challenge the ruling clique of former Stalinist apparatchiks and KGB

agents around Putin.

After a protracted proceeding in tax court, the Putin government seized control of Yukos Oil in 2005 and transferred the bulk of its assets to Gazprom, the nominally state-owned firm that is run by Putin and his allies. Yukos had been Khodorkovsky’s principal vehicle for dominating the Russian oil industry, and its liquidation effectively wiped out his personal fortune, once estimated at nearly \$10 billion.

The prosecution of Khodorkovsky in 2003 was politically popular for Putin, since the billionaire oligarchs are widely hated by the Russian population. The second prosecution carries favor with a narrower audience—the right-wing Russian nationalists for whom a high-profile Jewish defendant is a useful target for anti-Semitic demagoguery.

Outside the court, several hundred supporters of the two defendants staged an unauthorized protest that was quickly and brutally broken up by the police, who arrested many of the demonstrators.

Western press commentaries have labeled the charges in the latest prosecution concocted and even “absurd.” These accounts have pointed to the obvious contradiction between the legal case mounted in 2003, when Khodorkovsky and Lebedev were charged with evading taxes on oil sold by Yukos, and that mounted over the past 22 months, when the same two men were charged with stealing the same oil from Yukos and pocketing the proceeds.

The character of the charges cannot, however, disguise the reality that the huge personal fortunes of Khodorkovsky and Lebedev—and of all the Russian oligarchs—are the product of one of the most brazen instances of theft in world history.

In less than a decade, virtually all the assets of the Soviet Union, accumulated through the labor of

generations of workers, were plundered by a capitalist mafia drawn largely from the ranks of the Stalinist bureaucracy, and aided by Wall Street and international finance capital.

Khodorkovsky, a former Stalinist youth leader, was one of the most ruthless and unscrupulous of these new capitalists. His possession of a personal fortune of more than \$10 billion, while the vast majority of the population of the former USSR lives in destitution, was in itself evidence of a great social crime.

However, unlike his fellow oligarchs, Khodorkovsky had begun to play the role of go-between for American and international capital within the former Soviet Union. He criticized the Putin government, not for its right-wing social policies or its brutality in Chechnya, but for violating free-market principles by restricting the operations of Russian and foreign capital in the interests of the Russian state.

As the German magazine *Der Spiegel* wrote in 2005: “Up until 2003, the doors in Washington were open for Khodorkovsky. He was the key figure for Russian-American energy dialogue, a kind of elevated prospecting agent for US oil companies in the billion-strong Monopoly game for raw materials reserves in Putin’s realm.”

In the months before his arrest in 2003, Khodorkovsky was reportedly negotiating to sell a significant interest in Yukos to the American oil giants Chevron and Exxon, and to build a private pipeline network in competition with the state-run system, both actions that the Kremlin evidently regarded as threats to national sovereignty.

The Bush administration and the Western media denounced the first prosecution of Khodorkovsky, and the same line-up is evident in the current case, with the Obama administration echoing its predecessor.

The White House issued a statement after the verdict was announced Monday, expressing concern over “the allegations of serious due process violations, and what appears to be an abusive use of the legal system for improper ends... The apparent selective application of the law to these individuals undermines Russia’s reputation as a country committed to deepening the rule of law.”

Such comments would have more credibility if the same White House had not announced the day before that dozens of prisoners held at the Guantánamo Bay,

Cuba detention camp would continue to be held indefinitely, possibly for the rest of their lives, without any “due process” of any kind. Moreover, this White House asserts the right to assassinate any individual, including American citizens, whom the president designates as a “terrorist.”

If the Russian government were to propose sanctions against the United States for crimes committed at Guantánamo or at secret CIA “black site” prisons, there would be a deafening howl from the American political establishment and the corporate-controlled media.

There is an overpowering element of cynical bad faith in the Obama administration’s criticism of Russia over the Khodorkovsky case, and in the Russian government’s official repudiation of such criticism. The entire affair reeks of back-channel orchestration.

The Russian court had been scheduled to deliver its verdict on December 16, but the judge postponed action without any explanation, merely having a notice taped to the door of the courtroom.

The postponement was apparently required to avoid interfering with the US Senate ratification of the New START Treaty between the United States and Russia. Right-wing Republicans in the Senate would have seized on a guilty verdict in Moscow as further proof that Russia was not “trustworthy.”

The Senate vote was delayed as the Obama administration lobbied for votes, and the treaty was finally ratified on Wednesday, December 22. Five days later the judge reconvened his court and announced his guilty verdict against Khodorkovsky.



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