

MONEY LAND

‘Corruption undermines democracy, weakens institutions and erodes trust, it destroys lives and impoverishes millions. *Moneyland* starts from that truth and tells London’s part of that story. Bullough’s book is an important challenge to our government, banks, law firms and professional services companies for their role in tolerating and sometimes facilitating a system that robs the poorest and today even threatens our own country’s security. This important book shows clearly that foreign policy isn’t about foreigners, it’s about us.’ Tom Tugendhat, Chair of the Foreign Affairs Select Committee

‘This is meticulously researched and engagingly told, and reveals the horror and scale of dirty money flowing around the world. The central role played by the UK and jurisdictions associated with the British family mean that every person concerned about corruption and fairness in the UK should read this book – and then campaign and act.’ Margaret Hodge, Chair of the Public Accounts Committee

MONEY LAND

**WHY THIEVES
& CROOKS NOW
RULE THE WORLD
& HOW TO
TAKE IT BACK**

OLIVER BULLOUGH

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PROFILE BOOKS

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ALADDIN'S CAVE

When the French rebelled in July 1789 they seized the Bastille, a prison that was a symbol of their rulers' brutality. When the Ukrainians rebelled in 2014, they seized Mezhyhirya, the president's palace, which was a symbol of their rulers' greed. The palace's expansive grounds included water gardens, a golf course, a nouveau-Greek temple, a marble horse painted with a Tuscan landscape, an ostrich collection, an enclosure for shooting wild boar, as well as the five-storey log cabin where the country's former president, Viktor Yanukovich, had indulged his tastes for the over-blown and the vulgar.

Everyone had known that Viktor Yanukovich was corrupt, but they had never seen the extent of his wealth before. At a time when ordinary Ukrainians' wealth had been stagnant for years, he had accumulated a fortune worth hundreds of millions of dollars, as had his closest friends. He had more money than he could ever have needed, more treasures than he had rooms for.

All heads of state have palaces, but normally those palaces belong to the government, not to the individual. In the rare cases – Donald Trump, say – where the palaces are private property, they tend to have been acquired before the politician entered office. Yanukovich, however, had built his palace while living off a state salary, and that is why the protesters flocked to see his vast log cabin. They marvelled at the edifice of the main building, the fountains, the waterfalls, the statues, the exotic pheasants. It was a temple of tastelessness, a cathedral of kitsch, the epitome of excess. Enterprising locals rented bikes to visitors. The site was so large that there was no other way to see the whole place without

suffering from exhaustion, and it took the revolutionaries days to explore all of its corners. The garages were an Aladdin's cave of golden goods, some of them maybe priceless. The revolutionaries called the curators of Kiev's National Art Museum to take everything away before it got damaged, to preserve it for the nation, to put it on display.

There were piles of gold-painted candlesticks, walls full of portraits of the president. There were statues of Greek gods, and an intricate oriental pagoda carved from an elephant's tusk. There were icons, dozens of icons, antique rifles and swords, and axes. There was a certificate declaring Yanukovich to be 'hunter of the year', and documents announcing that a star had been named in his honour, and another for his wife. Some of the objects were displayed alongside the business cards of the officials who had presented them to the president. They had been tribute to a ruler: down payments to ensure the givers remained in Yanukovich's favour, and thus that they could continue to run the scams that made them rich.

Ukraine is perhaps the only country on Earth that, after being looted for years by a greed-drunk thug, would put the fruits of his and his cronies' execrable taste on display as immersive conceptual art: *objets trouvés* that just happened to have been found in the president's garage. None of the people queuing alongside me to enter the museum seemed sure whether to be proud or ashamed of that fact.

Inside the museum there was an ancient tome, displayed in a vitrine, with a sign declaring it to have been a present from the tax ministry. It was a copy of the *Apostol*, the first book ever printed in Ukraine, of which perhaps only 100 copies still exist. Why had the tax ministry decided that this was an appropriate gift for the president? How could the ministry afford it? Why was the tax ministry giving a present like this to the president anyway? Who paid for it? No one knew.

In among a pile of trashy ceramics was an exquisite Picasso vase, provenance unknown. Among the modern icons there was at least one from the fourteenth century, with the flat perspective that has inspired Orthodox devotion for a millennium. On display tables, by a portrait of Yanukovich executed in amber, and another one picked out in the seeds of Ukrainian cereal crops, were nineteenth-century Russian landscapes worth millions of dollars. A cabinet housed a steel hammer and sickle,

which had once been a present to Joseph Stalin from the Ukrainian Communist Party. How did it get into Yanukovich's garage? Perhaps the president had had nowhere else to put it?

The crowd carried me through room after room after room; one was full of paintings of women, mostly with no clothes on, standing around in the open air surrounded by fully clothed men. By the end, I lacked the energy to remark on the flayed crocodile stuck to a wall, or to wonder at display cabinets containing 11 rifles, 4 swords, 12 pistols and a spear. Normally, it is my feet that fail first in a museum. This time, it was my brain.

The public kept coming, though, and the queue at the gate stretched all the way down the road for days. The people waiting looked jolly, edging slowly forward to vanish behind the museum's pebble-dashed pediment. When they emerged again, they looked ashen. By the final door was a book for comments. Someone had written: 'How much can one man need? Horror. I feel nauseous.'

And this was only the start. Those post-revolutionary days were lawless in the best way, in that no one in uniform stopped you indulging your curiosity, and I exploited the situation by invading as many of the old elite's hidden haunts as I could. One trip took me to Sukholuchya, in the heart of a forest outside Kiev. The sun beat down, casting mirages on to the tarmac, as the road dived deeper into the trees. Anton, my driving companion, who ran his own IT company before joining the revolution, stopped the car at a gate, stepped off the road into the undergrowth, rustled around and held up what he'd found. 'The key to paradise,' he said, with a lop-sided smile. He unlocked the gate, got back behind the wheel and drove through.

To the right was the glittering surface of the Kiev reservoir, where the dammed waters of the Dnieper river swell into an inland sea dotted with reed-beds. Then came a narrow causeway over a pond by a small boathouse, with a dock. Ducks fussed around wooden houses on little floating islands. Finally, Anton pulled up at a turning circle in front of a two-storey log mansion. This was where Yanukovich came with old friends and new girlfriends when he wanted to relax.

Anton came here with his daughter in the first few hours after the

president fled his capital in February 2014. He drove down that immaculate road to the gate, where he told the policemen he was from the revolution. They gave him the key, let him pass. He pulled up in front of the mansion and marvelled at it, and at its grounds, dotted with mature trees. There was a chapel and an open-sided summerhouse housing a barbecue. The ground sloped gently down to a marina, for yachts. The staff came out to ask Anton what he was doing at the president's hunting lodge. He told them the revolution had taken over, the hunting lodge belonged to the people.

Now Anton opened the door, and led the way in. He had changed nothing: the long dining table with its eighteen over-stuffed chairs were as he had found them, as was the heated marble massage table. The walls were dotted with low-grade sub-impressionist nudes – the kind of thing Pierre-Auguste Renoir might have painted if he'd moved towards soft porn. The floor was of polished boards, tropical hardwood; the walls were squared softwood logs, deliberately left unfinished, yellow as sesame seeds. There were no books.

Anton walked from room to room, pulling out the karaoke machine, opening up the plunge pool, showing off the function rooms. Strange though it sounds, it was the bathrooms that really got to me. The house held nine televisions, and two of them were positioned opposite the toilets, at sitting down height. It was a personal touch of the most intimate kind: President Yanukovich had been someone who liked to watch television, and someone who needed to spend extended periods on the toilet. While Ukraine's citizens died early, and worked hard for subsistence wages, while the country's roads rotted and its officials stole, the president had been preoccupied with ensuring his constipation didn't impede his enjoyment of his favourite television programmes. Those two televisions became little symbols to me of everything that had gone wrong, not just in Ukraine, but in all the ex-Soviet countries I'd worked in.

The Soviet Union fell when I was thirteen years old, and I was highly jealous of anyone old enough to have experienced the moment for themselves. In the summer of 1991, when hardliners in Moscow tried and failed to re-impose the old Soviet ways on their country, I was on a family holiday in the Scottish Highlands, where I spent days trying to coax the

radio into cutting through the mountains to tell me what was going on. By the time our holiday was over, the coup had failed, and a new world was dawning. The previously sober historian Francis Fukuyama declared it to be the End of History. The whole world was going to be free. The Good Guys Had Won.

I longed to see what was happening in Eastern Europe, and I read hundreds of books by those who had been there before me. While at university, I spent every long summer wandering through the previously forbidden countries of the old Warsaw Pact, revelling in Europe's reunification. At graduation, most of my fellow students had lined up jobs to go to, but not me. Instead, I moved to St Petersburg, Russia's second city, in September 1999, overcome with excitement, drunk on the possibilities of democratic transformation, of the flowering of a new society. I was so full of the moment that I didn't realise I had already missed it, if it had ever existed in the first place. Three weeks before my plane touched down at Pulkovo airport, an obscure ex-spy called Vladimir Putin had become prime minister. Instead of writing about freedom and friendship, over the next decade or so I found myself reporting on wars and abuses, experiencing paranoia and harassment. History had not ended. If anything, it had accelerated.

By 2014, when I found myself contemplating presidential toilets, I had already written two books about the former USSR. The first, which grew out of the misery I'd seen in and around Chechnya, described the peoples of the Caucasus and their repeated failures to secure the freedoms they desired. The second addressed the ethnic Russians themselves, and how alcoholism and despair were undermining their continued existence as a nation. Beneath both books, though unaddressed (I now realise) by either of them, was a question: what went wrong? Why had the dreams of 1991 failed to become reality? And that question was forcefully presented to me by the en suite bathroom at the hunting lodge of Ukraine's exiled head of state: why had all these nations gained, not liberty and prosperity, but politicians who cared more about their own defecatory comfort than the well-being of the nations they ruled?

Because Ukraine wasn't an isolated example. A Bentley showroom within half a mile of the Kremlin sold cars for hundreds of thousands

of dollars, and the Russian media boasted that it was the luxury brand's busiest outlet anywhere on Earth. Just a few hours' travel away – and this was well into the age of the iPhone – I once met a man who offered to swap his entire smallholding for my Nokia. In Azerbaijan, President Ilham Aliyev commissioned Zaha Hadid, perhaps the most glamorous architect in the world at the time, to build a spectacular swooping sinuous museum in honour of his late father (and predecessor as president) on a prime location in the centre of the capital, Baku. Thousands of his subjects lived in makeshift refugee centres, as they had done since losing their homes in a war with Armenia two decades earlier. In Kyrgyzstan, the president created a three-storey yurt (yurts are a kind of tent, and like all tents they usually have just the one storey) in which he could pose as a nomadic horse lord of old, while residents of his own capital still went to communal pumps for their water.

In Ukraine, Yanukovich and his ruling clique ran a shadow state operation, which operated alongside the official government apparatus. Instead of ruling, they stole. Where taxes were supposed to be paid, they took bribes to help people avoid them. Where permits were being given, they awarded them to their friends. Where businesses were flourishing, they sent policemen to demand protection money. State officials moonlighted for the shadow state, neglecting their real duties for their more lucrative side careers. Ukraine had 18,500 prosecutors, who operated like foot soldiers for a mafia don. If they decided to take you to court, the judge did what they asked. With the entire legal system onside, insiders' opportunities to make money were limited only by their imaginations.

Take medicines, for example: the government bought drugs on the open market for a health system that had a constitutional duty to provide free care to everyone who needed it. Any company that met the relevant standards was technically allowed to participate. In reality, officials found endless ways to exclude anyone who wasn't prepared to pay them off. They would disqualify entries for being written in the wrong font, if the signature at the foot of the document was too large or too small, or for anything else they could come up with. Excluded companies could appeal, but that required them to go to a court that was another part of the corrupt system, enmeshing them further in the scams, so they

tended not to bother taking part in the first place. After all, if they made a fuss, they would be hassled in perpetuity by one of the several dozen state agencies empowered to conduct on-the-spot inspections: for compliance with fire regulations; for compliance with hygiene regulations; and so on, and so on. That meant the medicine market was dominated by the bureaucrats' friends via shady intermediary companies, registered abroad, who colluded with each other and with insiders to jack up prices. The trade abided by the letter of the Ukrainian law, and still made big profits for the businessmen and officials who dominated it.

The health ministry ended up paying more than double what it needed to for anti-retrovirals, the drugs required to control HIV and prevent it developing into full-blown AIDS – despite Ukraine having the fastest growing epidemic of HIV in Europe. When international agencies took over procurement after the revolution, they managed to reduce the cost of cancer medicines by almost 40 per cent, without compromising on the quality of the drugs. Previously, all of that money had gone into officials' pockets.

And that was just the beginning. The government bought everything it used from someone, and every single purchase was an opportunity for an insider to get rich. Fraud of the state procurement system may have cost the government as much as \$15 billion a year. In 2015, two Ukrainian children caught polio and were paralysed, despite it being a disease that had supposedly been eradicated from Europe. A faulty vaccination programme, undermined by corrupt and cynical politicians, was to blame. What went wrong?

It may seem like this question is specific to Ukraine and its former Soviet neighbours. In fact, it has a far wider significance. The kind of industrial-scale corruption that enriched Yanukovich and undermined his country has driven anger and unrest in a great arc stretching from the Philippines in the east to Peru in the west, and affected most places in between. In Tunisia, official greed became so bad a street vendor set himself on fire, and launched what became the Arab Spring. In Malaysia, a group of young well-connected investors looted a sovereign wealth fund, and spent the proceeds on drugs, sex and Hollywood stars. In Equatorial Guinea, the president's son had an official salary of \$4,000

a month, yet bought himself a \$35 million mansion in Malibu. All over the world, insiders have stolen public money, stashed it abroad, and used it to fund lifestyles of amazing luxury while their home countries have collapsed behind them.

As I walked out of the hunting lodge, still mulling over the toilets, the televisions and the unwelcome visions they conjured up, I asked Anton how his fellow Ukrainians had let their ruler get away with this. How could they not have known what was going on? 'We didn't know the details, of course we didn't,' he replied, with a hint of frustration. 'This land we're standing on, it's not even in Ukraine, it's in England. Look it up.'

He was right. If you had wanted to know who owned this 76,000 acre former nature reserve, perhaps because you wondered how it had come to be privatised in the first place, you could have looked in the registry of land ownership. And in that registry, you would have found that the official owner was a Ukrainian company called Dom Lesnika. To find out who owned Dom Lesnika, you would have needed to look in another registry, where you would have found the name of a British company, which yet another registry would have told you was owned by an anonymous foundation in Liechtenstein. To an outside observer, this would have looked like an innocent piece of foreign investment, the kind of thing all governments are keen to encourage. If you had been particularly persistent, and had tried to reach Sukholuchya to check it out for yourself, the police officers guarding the gate in the forest would have stopped you. That might have made you suspicious, but there would still have been no proof that anything wrong was going on. The theft was well hidden.

Thankfully for investigators, Yanukovich kept records of what he was up to. His palace sat on a wooded hill, which sloped down to the Dnieper river. The shoreline below the palace was adorned with a yacht harbour and a bar shaped like a galleon. In their haste to leave, the president's aides had dumped 200 folders'-worth of financial records into the harbour, hoping they'd sink. But they didn't. Protesters fished the papers out, and dried them in a sauna. They provided a glimpse into the heart

of the financial engineering that had allowed Yanukovich to fleece the country.

It wasn't just Yanukovich's shooting lodge that was owned overseas, his palace was, too. So were his coal mining companies in the Donbas and his palaces in Crimea, which were eventually owned in the Caribbean. And he wasn't the only insider to use these offshore schemes: the medicine racket was run out of Cyprus; the illegal arms trade traced back to Scotland; the biggest market selling knock-off designer goods was legally owned in the Seychelles. All of this meant that any investigators now trying to unknot the densely woven cloth of official corruption had to deal with lawyers and officials in multiple tax havens, as well as police forces in dozens of foreign countries.

'These high-ranking officials are all registered abroad, in Monaco, or Cyprus, or Belize, or the British Virgin Islands,' one Ukrainian prosecutor tasked with trying to recover these stolen assets told me. 'We write requests to them, we wait for three or four years, or there's no response at all. As a rule, the British Virgin Islands don't reply, we don't have an agreement with them. And that's that, and it all falls apart. We wait, and it has been re-registered five times just while we're waiting for an answer to come. It's all been re-registered, and that's our main problem, checking and receiving these documents.'

This makes me dizzy, like a maths problem too complicated to understand, a sinkhole opening at my feet. These assets are attached to Ukraine, yet legally they are elsewhere, somewhere that we cannot follow them. No wonder crooked politicians have found these vertiginous structures so useful: they defy comprehension. And Ukraine is just the start of it.

Officials in Nigeria, Russia, Malaysia, Kenya, Equatorial Guinea, Brazil, Indonesia, the Philippines, China, Afghanistan, Libya, Egypt and dozens of other countries have likewise stashed their wealth beyond the reach and the oversight of their fellow citizens. Estimates for the total amount stolen each year from the developing world range from a massive \$20 billion to an almost unimaginable trillion dollars. And this money makes its way, via the offshore secrecy jurisdictions, into a handful of Western cities: Miami, New York, Los Angeles, London, Monaco, Geneva.

Once upon a time, if an official stole money in his home country, there wasn't much he could do with it. He could buy himself a new car, or build himself a nice house, or give it to his friends and relatives, but that was more or less it. His appetites were limited by the fact that the local market could not absorb endless sums of money. If he kept stealing after that, the money would just build up in his house until he had no rooms left to put it in, or it was eaten by mice.

Offshore finance changes that. Some people call shell companies getaway cars for dodgy money, but – when combined with the modern financial system – they're more like magical teleporter boxes. If you steal money, you no longer have to hide it in a safe where the mice can get at it. Instead, you stash it in your magic box, which spirits it away at the touch of a button, out of the country, to any destination you choose. It's the financial equivalent of never feeling full no matter how much you eat. It's no wonder officials become such gluttons, since there is now no limit on how much money they can steal, and therefore no limit on how much they can spend. If they want a yacht, they can send the money to Monaco and choose one at its annual boat show. If they want a house, they can send the money to London or New York and find an estate agent who doesn't ask too many questions. If they want fine art, they can send the money to an auction house. Offshore means never having to say 'when'.

And the magic does not stop there. Once ownership of an asset (be that a house, or a jet, or a yacht, or a company) is obscured behind multiple corporate vehicles, hidden in multiple jurisdictions, it is almost impossible to discover. Even if the corrupt regime from which the insider profited collapses, as it did in Ukraine, it is difficult – if not impossible – to find his money, confiscate it and return it to the nation it was stolen from. You may have read how millions of dollars have been sent back to Nigeria, Indonesia, Angola or Kazakhstan, and that is true. But they represent less than one cent of every dollar that was originally stolen. The corrupt rulers have got so good at hiding their wealth that, essentially, once it's stolen it's gone for ever, and they get to keep their luxury properties in west London, their superyachts in the Caribbean and their villas in the South of France, even if they lose their jobs.

The damage this does to the countries that lose the money is clear.

Nigeria has lost control of its northern regions, and millions of people have been displaced. Libya is barely recognisable as a state, with multiple armed factions vying for control, leaving a free path for people traffickers. The corruption of Afghanistan's rulers has stopped them battling opium growers, meaning cheap heroin continues to flow wherever smugglers wish to send it. Russia, which consumes much of the heroin, has more than a million HIV-positive inhabitants, while its health service remains underfunded and its government would rather pursue cheap propaganda wins than help its citizens.

Ukraine, meanwhile, is a mess. The roads running between its cities are poorly maintained, while those in the villages are scarcely maintained at all. Travelling around the country is an ordeal, made worse by the constant threat of being stopped and shaken down by traffic cops looking for infringements of the dozens of traffic regulations, or inventing them if necessary.

At independence in 1991, pretty much everyone in the country had roughly the same amount of stuff, thanks to the way the Soviet Union mismanaged everything. In two decades, that changed utterly. By 2013, on the eve of the revolution, just forty-five individuals owned assets equal in value to half the country's economy. And this again is a feature of many developing countries that have been wrecked by corruption. The daughter of Angola's longest-serving president has become Africa's richest woman, sashaying around the West like an A-list celebrity while the rest of her nation struggles by in what is essentially a failed state. The daughter of Azerbaijan's president produces films and publishes glossy magazines, and the sons of its emergencies minister run a lobbying operation from the heart of London. It is all but impossible to imagine countries with such skewed economies building healthy democracies, or honest political systems, or even being able to defend themselves.

The consequences became obvious in Crimea, directly after Ukraine's revolution. Crimea was technically part of Ukraine, and had been since the 1950s. Yet, when Russian troops – in unmarked uniforms, but driving vehicles with Russian military number plates – fanned out into the peninsula's cities, and blockaded its military bases, the authorities were so demoralised that no one tried to stop them. An admiral turned over not

just himself but the ships of the Ukrainian navy to Russia, despite the oath of loyalty he had supposedly given to his country. The border guards in the airport stamped my passport with the Ukrainian trident, while the country they were serving evaporated around them. Later, in eastern Ukraine, the same pattern repeated. Hardly anyone wanted to defend Ukraine against armed and well-trained Russian-backed insurgents. Corruption had so hollowed out the state that it had all but ceased to exist, except as a means of illegal enrichment. Why, after all, would anyone defend something that spent its time making their lives miserable? Corruption robbed the whole country of legitimacy.

This kind of anger undermined Ukraine, and it undermines other countries, too. It helps motivate people to join terrorist groups in Afghanistan, Nigeria and the Middle East. ‘The great challenge to Afghanistan’s future isn’t the Taliban, or the Pakistani safe havens, or even an incipiently hostile Pakistan. The existential threat to the long-term viability of modern Afghanistan is corruption,’ said US Marine Corps General John Allen, formerly head of international forces in Afghanistan, in testimony he gave to a Senate committee in April 2014. ‘The ideological insurgency, the criminal patronage networks, and the drug enterprise have formed an unholy alliance, which relies for its success on the criminal capture of your government functions at all levels. For too long, we’ve focused our attention on the Taliban as the existential threat to Afghanistan. They are an annoyance compared to the scope and magnitude of corruption with which you must contend.’

And I keep wanting to ask everyone – just like I asked Anton – how could they not know what’s going on? It’s so obvious, isn’t it? Well, no, Anton’s right. It isn’t. It’s only easy to find the money when you already know where it is. Likewise, this problem is only obvious if you already know it exists.

On the morning after Halloween 2017, a carved pumpkin appeared on the doorstep of 377 Union Street, a handsome brownstone in the extensive grid of streets south of Brooklyn Heights, New York. The pumpkin, when examined closely, bore a good likeness of Robert Mueller, former director of the Federal Bureau of Investigation turned Special

Counsel for probing whether Russia illegally interfered in the election of Donald Trump. The pumpkin was the work of a local photographer called Amy Finkel, and it sat beneath a makeshift 'designated landmark' sign declaring the property to be 'The House That Brought Down a President'. Locals, who voted overwhelmingly for Hillary Clinton in the 2016 presidential election, were having some fun with 377 Union Street.

According to an indictment that had been unsealed by Mueller two days earlier, this property was part of an extensive money-laundering scheme run by Paul Manafort, formerly Trump's campaign manager (and who has pleaded not guilty to all charges). The indictment stated that Manafort bought the property in 2012 with \$3 million from a Cypriot bank account, then mortgaged it for \$5 million and used that money to buy other properties and to pay off loans, in a complicated tax-dodging scam.

Manafort worked for Yanukovich in the years before he worked for Trump, and used a similar campaign style for both clients. Under Manafort's skilled guidance, Yanukovich presented himself as a plain-talking no-nonsense man who would stand up for the forgotten and the left behind. Mueller's charges against him related to this Ukraine work, and what he did with the money he earned from it. 'They lobbied multiple Members of Congress and their staffs about Ukraine sanctions, the validity of Ukraine elections, the propriety of Yanukovich's imprisoning his presidential rival,' the indictment stated.

According to the indictment's exhaustive breakdown of his expenses, Manafort loved luxury almost as much as Yanukovich. He spent \$934,350 on antique rugs; \$849,215 on clothing; \$112,825 on audio and video equipment (perhaps he, too, had televisions at sitting-down height in the toilets). But it was the property that was the biggest expense. A condo in New York cost him \$1.5 million, a house in Virginia came to another \$1.9 million (like Yanukovich, and indeed Trump, Manafort appreciated the votes of people left behind by economic change, but did not want them as neighbours), all of it money that came from the government of Ukraine.

And here the questions are uncomfortable. It is amusing that Manafort's Brooklyn neighbours trolled him with pumpkins and home-made signs, but worrying that they didn't know what was going on at the time,

any more than Ukrainians knew the true owner of Sukholuchya. But they couldn't have done. If they had looked up the name of the company that owned the brownstone – MC Brooklyn Holdings LLC – on the New York registry, they would have found no information guiding them to its true owner. The company in question was a local one, but it disguised the owner of this property just as well as the British and Liechtenstein structures disguised Yanukovich. And if they'd been able to ask questions about the origin of the funds used to buy the properties, or to improve them, or to buy the smart clothes, the hi-fi systems and the antique rugs, they would have found the names of companies in Cyprus, St Vincent and the Grenadines, or the UK. Once again, when contemplating the work done by Mueller's team to reveal the details in the indictment, gravity seems to intensify and the ground falls away. Once you start going down the hole, tracking company ownership and bank accounts, it is hard to stop.

It is appropriate that the trail takes us to New York, however, because this hole didn't open up in Ukraine, or sub-Saharan Africa, or in Malaysia, but in the heart of the West. Wealthy people have always tried to keep their money out of the hands of government, and have developed clever tools with which to do so over the centuries. In Britain and America, lawyers create trusts that allow their rich clients to technically give away their riches, while retaining the benefit of them, and thus pass them on to their children. In continental Europe, the same job is done by foundations.

Societies across the West (particularly the United States) have become less equal in terms of both wealth and income since the 1970s. Some economists, led by Thomas Piketty, have suggested that this is because the long-term return on capital is higher than the growth rate of the economy. That means, barring some world-war-sized catastrophe, Western societies will inevitably become more unequal, in the absence of concerted government efforts to the contrary. That may well be so, but it is not what this book is about. I am not an economist, and so am not qualified to address whether structural issues favour capital over workers. I am a journalist and, like all journalists, I am fascinated by crooks. My book, therefore, is about the people that cheat, the kind of

people that doomed the country I moved to in 1999 and shattered the hopeful wave I was hoping to ride into a glorious Russian future.

The fact that rich people can afford to take advantage of offshore tricks unavailable to others is also part of the explanation for why our societies have become so much less equal, but one that has gained relatively little attention. Western governments have struggled to keep on top of these legal games, but at least they have the institutions and traditions required to keep themselves broadly honest while doing so. In newer and poorer countries, however, those institutions and traditions do not exist. Officials and politicians have been swept away by the tsunami of money. As one lawyer in Ukraine put it to me: 'The choice isn't between taking a bribe, or being honest; it's between taking a bribe, or your children being killed. Of course you take the bribe.' His Mexican peers have a pithier formulation: 'Do you want paying in silver or lead?' Corruption has become so widespread that whole countries are unable to tax their wealthiest residents, meaning only those least able to pay are forced to support the government. This undermines democratic legitimacy, and angers the people who live under such governments. For people who believe in a liberal world order, there is no upside to this.

Commentators from all sides of politics have expressed concerns about the effect of inequality on the fabric of society in the United States, where the share of wealth held by the richest 1 per cent of the country rose from a quarter to two-fifths between 1990 and 2012. But if you think that's bad, look what's happened to the world as a whole: in the ten years after 2000, the richest 1 per cent of the world's population increased its wealth from one-third of everything to a half. That increase is driven by places like Russia. In the fifteen years since Vladimir Putin took over in 2000, the 4 per cent of Russians that Credit Suisse considers to be middle class (worth \$18,000–180,000) saw their collective wealth increase by \$137 billion, which looks good until you see what the country's upper class achieved over the same period. The 0.5 per cent of Russians who have more than \$180,000 saw their wealth increase by an astonishing \$687 billion. The top 10 per cent of Russians own 87 per cent of everything: a higher proportion than in any other major country – pretty stark for a place that was communist just three decades ago.