



**Berezovsky's women**, clockwise from above: with Annika Ancverina in 2008; with first wife Nina; his second wife Galina; with his long-term girlfriend Elena in 2006

# Love and divorce

Every unhappy oligarch is unhappy in his own way and the fanatically secretive Boris Berezovsky's current worry is his divorce from his wife Galina. Will the secrets of his immense wealth remain hidden, or will the marriage break-up lead to unwelcome disclosures in court?

**S**itting in his heavily fortified office on Down Street, W1, surrounded by hidden cameras, Boris Berezovsky, Russian oligarch and fugitive, is plotting a revolution. All his energy and fortune are devoted to destabilising his arch-enemy, Vladimir Putin. Every time he mentions Putin's name, the oligarch spits. 'I want to destroy the positive image of Putin,' he once said. Berezovsky could have settled for a quiet life but he cannot resist political intrigue. For this is a man who listed his hobbies in Russia's equivalent of *Who's Who* as 'work and power'.

Berezovsky's operational base in London is security driven. Dominated by photographs of the oligarch with celebrities, an estimated

£1 million was spent on his inner sanctum. In the back of his office is a private room and bedroom where very few people have ventured. All rooms are accessed by a biometric fingerprint system. Nor does Berezovsky trust British security operatives, preferring former members of the French Foreign Legion. His main bodyguard is a former member of the French Special Forces. Berezovsky is obsessed with espionage; he believes that MI5, the CIA and Russia's FSB keep him under surveillance and regularly reviews the security of his computer network; he took seriously the suggestion that Scotland Yard had planted an undercover officer inside his headquarters. His friends argue that he is entitled to be vigilant, given that in 1994 a bomb blew up his Mercedes, killing his chauffeur. After the

murder of Alexander Litvinenko, Berezovsky suspected that a 'traitor' had leaked sensitive information from his office to the media, to discredit his version of events.

Keeping secrets is paramount to Berezovsky but now that veil of secrecy may be lifted. Within a few weeks, the source and details of his wealth – gained in controversial circumstances by obtaining lucrative Russian state assets at knockdown prices – could be disclosed in the High Court when his long-suffering wife Galina finally divorces him. It

will be the first high-profile Russian divorce case to be heard in London. At stake is Berezovsky's fortune – once estimated at £1 billion but now down to around £450 million – Galina, 50, has hired one of the most effective divorce lawyers in the country, Sandra Davis, a

**Berezovsky believes that MI5, the CIA and Russia's FSB keep him under surveillance**



Left: Berezovsky with Elena and their son Gleb and daughter Arina in Surrey. Right: Galina's lawyer Sandra Davis of Mishcon de Reya

senior partner at Mishcon de Reya, a firm whose clients include Princess Diana, former Arsenal star Thierry Henry and Jerry Hall.

An attractive brunette, Galina Becharova was born on 16 December 1958. She met Berezovsky in Moscow in 1981 when he was an impoverished 34-year-old mathematician earning barely £60 a month. At that stage he was married to Nina Vasilievna, with whom he had two daughters, Ekaterina (known as Katya) and Elizaveta (Lisa). Galina was intelligent, vibrant, vivacious and ten years younger than Nina; for most of the 1980s Galina and Boris lived together while he pursued a career as a scientist.

**B**ut in 1991 he decided to become a businessman, later recalling: 'Every Russian had two wishes: an apartment and a car... I went into cars.' That year he married Galina and it was at her instigation that Berezovsky moved into the commercial world; she understood the opportunities that would come from the dismantling of the Soviet state-owned economy and encouraged him to pursue them. Initially, this involved importing second-hand Mercedes-Benz from West Germany, but the real source of Berezovsky's early wealth came from exploiting connections, gained through his academic work, with the Soviet Union's largest car manufacturer and producer of the Lada, AutoVAZ. Berezovsky established the country's first chain of dealerships for Mercedes, Fiat and Volvo, which he later referred to as 'a complete service, with workshops, showrooms and credit facilities. Really, we created the country's car market.'

His ascendancy was eased by his personal friendship with President Yeltsin, cemented by his shrewd offer to finance the publication of the President's memoirs, *Notes of a President*, in 1994, arranging for royalties to be paid into a Barclays account in Yeltsin's name in London. Before long, according to one account, the President was complaining that the royalties were too low and that 'scoundrels' (the publishers) had robbed him. 'They [the ghostwriter, Valentin Yumashev, and

Berezovsky] understood that they had to fix their mistake,' claimed General Aleksandr Korzhakov, former KGB officer and Yeltsin's closest friend and one-time bodyguard. 'They started filling Yeltsin's account in London, explaining that this was income from the book.' By late 1994 Yeltsin's account had a balance of about £1.8 million.

A grateful Yeltsin made Berezovsky part of the Kremlin inner circle. Already a multi-millionaire, he was now well-placed to benefit from the next wave of state selloffs. In December 1994, Yeltsin signed a decree which handed over a 49 per cent stake in ORT, the main state-owned television station, primarily to Berezovsky, without the auction required by law. The remaining 51 per cent remained in state hands. Then in 1995, Berezovsky acquired (with Roman Abramovich) the state-owned oil conglomerate Sibneft, then Russia's sixth largest oil company, for £60 million, a tiny fraction of its market value.

It was at this stage, at the height of his power and wealth, that Berezovsky's marriage to Galina deteriorated and they agreed to separate. They had two children – Artem, now 20, and Anastasia, now 17 – and Galina moved to London. Since 1995 she has been living quietly and happily in a penthouse overlooking Kensington Gardens; during the summer she lives in a £60 million villa at Cap Ferrat, in the French Riviera. It was also in 1995 that Berezovsky began a relationship with Elena Gorbunova, a stunning 28-year-old from Moscow.

Over the next two years they had a daughter, Arina, and a son, Gleb, and when Berezovsky moved to London in 2001, they bought a £20 million country estate at Wentworth Park in Surrey. They have never married, for the simple reason that the oligarch has never divorced Galina.

In recent years Galina has come to resent the fact that Elena is regularly described as Berezovsky's wife, and last year launched divorce proceedings. While Berezovsky is not pleading poverty, the divorce negotiations have been protracted, tense and complex, in part because since 2003 his assets and wealth

have been pursued by Russian prosecutors, who have charged him with fraud. In 2007 he was sentenced in absentia to six years in jail for embezzlement and ordered to repay £5.4 million which they claim he stole from Aeroflot. Berezovsky strongly denies the charges and says that they are politically motivated; he has not repaid the money.

It is partly to protect his wealth from prosecutors that every time Berezovsky buys a house or shares, he uses a different company known as a Special Purpose Vehicle (SPV). If all his assets were lodged under one company, he could lose everything, but if one SPV is being sued, he can fall back on another. Berezovsky rarely does anything under his own name and never keeps money in one place, dispersing funds into multiple accounts. One of his most important SPVs is the Itchen Trust, registered in Gibraltar, and used to buy and protect his properties. This helps to keep the identity of his assets secret and ensures that if he dies, is jailed or goes bankrupt, the funds will be distributed to his family and closest friends.

ES can reveal that it is likely that Galina's lawyers will be focusing on the Itchen Trust as the main custodian of Berezovsky's worldwide assets and wealth. Set up in June 2001, with a bank account at Clydesdale in London, the Trust bought Wentworth Park, a French villa and his yacht *Thunder*. In 2002, Berezovsky agreed that his former wives, children and girlfriends should

receive a proportion of the Trust's assets after his death. At various periods, the Trust has contained hundreds of millions of pounds; ES can disclose that he has agreed that Galina should receive six per cent. Berezovsky has entrusted his eldest daughter, Katya, to be the protector of the Itchen Trust. Like her father, Katya, a Cambridge graduate, is tough, intelligent and charming, and is closely involved in his businesses. Berezovsky knows that prosecutors will seize his assets if he is extradited to Russia; Katya, on the other hand, is protected from action against her father.

Like many oligarchs, Berezovsky uses cash

It was at Galina's instigation that Berezovsky moved into the commercial world

for 'running-around money'. He spends in Mayfair restaurants, clubs and bars: Alloro, on Dover Street; Sumosan, a Japanese restaurant in Albemarle Street; Harry's Bar and Annabel's are favourites. Something of a hypochondriac and constantly checking his heart rate, at home he employs an Italian chef. He also enjoys the company of young women, often ending up at the Library Bar of the Lanesborough Hotel in the company of a statuesque Russian blonde – as well as the obligatory pair of bodyguards. Late one afternoon one hotel guest was amazed to see a nervous Russian approach Berezovsky and kneel before him. He then took the tycoon's hand and kissed his ring, shaking. 'It's OK, it's OK,' whispered Berezovsky and the supplicant retreated looking relieved. 'It was astonishing,' said the eyewitness. 'Like a scene out of *The Godfather*.' Last year Berezovsky was also seen escorting a glamorous 20-year-old blonde Muscovite student, Annika Ancverina, to a party thrown by David Tang where they mingled with the Duchess of York, Sir Philip Green, Kate Moss and the Duke of Marlborough.

Gradually, he has integrated himself into the British way of life. He hired one of the most expensive law firms in the country, Carter-Ruck, on a libel case and even, in December 2003, spoke at that most respected of London institutions, The Reform Club. While his arrival here was barely noticed, his wealth – he is prepared to spend £1 million a month on his private jet – and dynamic political apparatus began to open doors. Despite the provenance of his wealth and his controversial role in Russia in the 1990s, there is no shortage of members of the British establishment prepared to be courted. Berezovsky and Yelena are often seen with Carla Powell, the socialite wife of Lord Powell, the former private secretary and adviser on foreign affairs to Margaret Thatcher. They regularly attend Goodwood and Ascot, the latter on occasion as guests of the Duke of Devonshire.

His search for social acceptance has extended to rubbing shoulders with other members of the aristocracy and minor royalty, including the Marquess of Reading. Describing himself as a 'Sino-British consultant', Simon Reading first met Berezovsky in Moscow in the early 1990s while exploring business opportunities. He would often drop in at Berezovsky's office without making an appointment, 'as a courtesy call'. On one occasion he happened to mention

a charity dinner and Berezovsky handed over a cheque for £25,000 without really knowing what it was for. Berezovsky pays for his dinners and, in return, Reading invites him to VIP receptions and dinner parties. Berezovsky is obsessive about who attends these events, demanding to know who else is coming, who he will be sitting next to and getting his staff to confirm that certain people will attend.

He has become intensely concerned about his image and reputation. He regards himself as a major international political superstar and celebrity. 'He would love to be an insider in the British establishment, nothing would excite him more,' says a former aide. 'That's why the other people at private dinner parties he attends are very important to him.'

Even by tycoon standards Berezovsky is demanding and eccentric. A short, wiry, slightly stooping figure, he has drooping eyelids and an intense stare. It is a demeanour that disguises an intense intelligence, fertile curiosity and analytical mind. 'He is chaotic, destructive, brilliant, impatient and sometimes impossible,' says one source who worked closely with him in London. 'His brain is always in overdrive. He cannot finish a sentence before changing his mind or the subject. He is constantly shouting. He is hyper, like a child with attention deficiency syndrome. But he can also be suave and turn on the charm when it is expedient.' He is also a drinker. At his Surrey house he likes a glass of Saint-Emilion or Ornellaia '95 served by his white-gloved English butler. At his Mayfair office he may indulge in something heavier: bottles of Sassicaia, an expensive strong Tuscan wine.

Berezovsky commutes to his Mayfair office but rarely stays in London overnight. He prefers his country estate which abuts the 30 acres of well-manicured lawns and four golf courses that make up the Wentworth Golf Club. The house is impenetrable, with imposing steel gates, and is monitored 24 hours a day by security staff. This is where he holds most of his meetings.

He loves to be the centre of attention and has a thirst for newspaper column inches, understanding the importance of good PR – a key route to influence in Britain during the Blair governments. Lord Bell, his PR supremo, first met Berezovsky in 1996 when he was parachuted into Russia to rescue President Yeltsin's ailing re-election campaign and, working closely with American spin doctors, he re-invented Yeltsin's persona. Lord Bell is a master of the personal touch, has a soothing bedside

manner and transformed Yeltsin from an aggressive, hardline, mechanical politician into a smiling, accessible populist. Berezovsky was impressed by the man who had honed his skills at the advertising agency Saatchi & Saatchi in the 1970s and whose personal allure led one former colleague to comment: 'He was so charming that dogs would cross the street just to be petted by him.'

Berezovsky was also struck by the leading figures Bell had advised: Lady Thatcher while she was Prime Minister and Rupert Murdoch (Berezovsky's business hero). Optimistic, articulate and well-connected, the chain-smoking Lord Bell is also a power-broker and Berezovsky hired him as much for his contacts as his PR skills.

Since 2002, his media profile has been facilitated by Bell's company, Bell Pottinger, to whom Berezovsky pays a retainer of £25,000 per month, plus expenses. 'There is some kind of dirty tricks campaign being waged against him, to attack him, physically intimidate him and to mount media attacks on him at every level,' says Bell of Berezovsky. 'Where he approaches authorities in other countries, he discovers that there is a file on record put there by the Russians, questioning his integrity and financial and political status... I think Boris Berezovsky is a very important person because he believes more profoundly in democracy and in human rights than almost anyone I have come across.'

The fugitive oligarch, who has been spending much of his time recently in the former Soviet Republic of Belarus, believes that he has seen off the Russian prosecutors and his enemy Putin. But the forthcoming divorce could be an unexpected threat to his wealth and status. His advisors say that the negotiations have been smooth: 'His relationship with Galina is perfectly amicable,' says Lord Bell. 'She has asked for a divorce and there are no issues between them as far as I am aware. They are negotiating a divorce settlement. Annika [the 20-year-old student] is a friend, nothing more. As soon as he is divorced, he will marry Elena.' A divorce settlement might yet be agreed, but perhaps because of the nerve-racking prospect of Berezovsky's financial secrets being aired in the High Court. He may be more frightened of his former wife than of Putin and the Kremlin machine.

Mark Hollingsworth is the author of *London-grad: From Russia with Cash, the Inside Story of the Oligarchs* (Fourth Estate, £12.99)

*'Annicka is a friend, nothing more. As soon as he is divorced, he will marry Elena'*