

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT COURT OF DELAWARE**

Davis International, LLC et al.

Plaintiffs,
-against-

No. 44-1482-GMS

New Start Group Corp, et al.

Defendants.

DECLARATION OF ROBERT A. LEVINSON

I, Robert A. Levinson, declare pursuant to the provisions of 28 U.S.C. §1746, as follows:

INTRODUCTION

1. In this declaration, I set forth my knowledge of Vyacheslav Kirillovich Ivankov, also known as Yaponchik (“Ivankov”), a prominent figure in Russian organized crime.

2. Ivankov is a professional criminal and organized crime boss running his own criminal organization engaged in extortion, murders, drug smuggling, and racketeering.

3. Ivankov was charged in Russia with killing of two Turkish nationals in a Moscow restaurant in January, 1992.

4. In July 1996, a jury in New York found Ivankov guilty on charges of extorting \$3.5 million from Russian émigrés who owned an investment company in Manhattan.

He was subsequently sentenced for nine years and eight months.

5. Ivankov was involved in the threats on the lives of law enforcement agents and witnesses even when he was under trial in the United States. One of the Russian law

enforcement officers, Major Uporov became so concerned about his and his family safety that he moved to Switzerland.

6. Ivankov's criminal organization is connected with the organization formerly headed by late Anton Malevskiy also known as "Antoha," who protected interests of Mikahil Chernoi, a defendant in this action. The representatives of the two organizations had at least one meeting in Atlantic City, New Jersey.

7. Ivankov was released from a federal correctional institution in July 2004 and deported back to Russia where he is presently in confinement awaiting trial.

8. Despite being confined, he has the ability to communicate with the outside world and instruct his lieutenants to make good on any threats he makes. In fact, some of the meetings of top Russian criminals take place in prisons where they are able to enter through bribery of the prison officials.

9. I believe that a person threatened by Ivankov must take such threats very seriously and take all necessary precautions including avoiding traveling to Russia.

QUALIFICATIONS

10. I am the principal of my own investigative consulting firm, R.A. Levinson & Associates, Inc., and formerly served as the Managing Director in charge of the Miami offices of two international investigative consulting firms, Decision Strategies and SafirRosetti, LLC.

11. In each of these capacities, I directed worldwide investigations involving litigation support, the collection of business intelligence, due-diligence, product piracy, and threats to legitimate businesses.

12. For a total of twenty-eight years, I was employed by the U.S. Department of Justice, serving for five and a half years (1970-1976) as a Special Agent with the Drug Enforcement Administration (DEA), in its New York and Denver field offices and also at DEA Headquarters in Washington, D.C..

13. Subsequently, in February 1976, I transferred to the Federal Bureau of Investigation (FBI) and served that agency as a Special Agent in Los Angeles, New York and Miami until my retirement on March 31, 1998.

14. While with the government, I specialized in the investigation of international organized crime, international fraud, and money laundering activities.

15. I served as a representative of the U.S. on a number of international organized crime task forces attacking such problems as the Colombian drug cartels and the criminal groups operating in the former Soviet Union.

16. During my government service, I taught as a guest lecturer at the FBI Academy in Quantico, Virginia, the Royal Canadian Mounted Police (RCMP) Academy in Ottawa, Canada, the Foreign Service Institute in Arlington, Virginia and the International Law Enforcement Academy (ILEA) in Budapest, Hungary.

17. I appeared on numerous television programs concerning international organized crime and money laundering, including the Public Broadcasting Company's Frontline, the Canadian Broadcasting Company, the History Channel, Arts & Entertainment (A&E), British Broadcasting Company (BBC), and French television.

18. I am a Phi Beta Kappa graduate of the City College of New York.

19. The information which I provide herein comes as a product of my service as one of the FBI's principal specialists in the field of Russian/Eurasian organized crime

during the period 1992 through 1998, and from investigations I conducted subsequent to my retirement from government service.

DISCUSSION

Background

20. After the break up of the Soviet Union in the early 1990's, a number of Russian professional criminals, called "thieves-in-law" or "vory-v-zakone," together with other racketeers known as criminal authorities or "avtoritety," began organizing their small groups into larger criminal organizations. "Thieves-in-law" have been historically an important part of the Russian underworld and have their own strict "code of conduct." They can be identified by certain tattoo markings which have been extensively documented by investigators of the Russian Ministry of Interior.

21. Among the largest of these newly-formed organized crime gangs were groups called the "Solntsevskaya" or "Solntsevo" Organization, headed by Sergey Anatolyevich Mikhailov, also known as "Mihas," (with over one thousand members and associates), the "Izmailovskaya" or "Izmailovo" Organization, headed by Sergey Axenov ("Axenov"), also known as "Aksyon," and his partner, the late Anton Malevskiy also known as "Antoha," (also with over one thousand members and associates) as well as the Ivankov Organization, headed by a "vor-v-zakone" named Vyacheslav Kirillovich Ivankov also known as "Yaponchik" and "Yaponets."

22. Each of these organizations was further composed of a leadership structure and members who are organized into smaller groups, called "brigades" or "combat

brigades” composed of sometimes as few as five or as many as fifty men each. These groups are headed by a “brigade leader” or “brigadier” whose allegiance is to the larger organization and who sees to it that organizational discipline is followed, and, oftentimes, that a percentage of the proceeds from the criminal activities of each member is put into a mutual assistance fund, called an “obshak.”

23. There is a highly trusted person from each organization who is responsible for the maintenance and security of the “obshak.” The “obshak” is utilized to 1) pay for attorneys’ fees for any of the leaders or members who are arrested, 2) pay stipends to the family members of those members of the group who are jailed, and 3) pay for the services of assassins who may be needed to kill witnesses involved in the trials of members.

Ivankov’s Criminal Activities in Russia

24. Beginning in 1994, and utilizing a variety of investigative techniques, including the development of a network of confidential informants, Special Agents of the FBI, including myself, began conducting investigation into the activities of Ivankov. Furthermore, during 1995, while teaching investigative techniques in Europe, I had personal contact with investigators of the Russian Interior Ministry’s Organized Crime Control Division who had conducted their own investigations of Ivankov and his organization.

25. What was learned through these sources and contacts with other investigators was that Ivankov was a longtime “thief-in-law,” well respected in the Russian criminal underworld, and he was a member of its ruling body, the so-called “thieves council.”

26. Our investigation further determined as documented in published reports, that Ivankov has been convicted of criminal activities in Russia on three separate occasions. (See Exhibit 1.) Insofar as two of these are concerned, Ivankov was reportedly sentenced to a five year term of imprisonment sometime during the 1970's as a result of his involvement in a criminal gang headed by a boss named "Mongol." He was also reportedly convicted of involvement in violent robberies, another violation of the Russian criminal code, in 1981 and received a fourteen year sentence in a maximum security prison. This sentence was reduced and he was released in November 1991, after reportedly having given a bribe to a member of the Russian Supreme Court.

27. We also determined that Ivankov's organization in Russia was composed of at least two (2) so-called "combat brigades" which were headed by two individuals we identified as Aleksey Petrov, also known as "Petrik," and Aleksandr Inshakov, also known as "Inshak."

28. In Russia, Ivankov's organization was involved in the extortion of legitimate businessmen, and collecting regular payments to "protect" enterprises such as large financial institutions and television advertising companies. This "protection" is part of a system known as the providing of "krisha," (literally, in Russian, a "roof") to insure that the person or enterprise is not threatened physically or economically by that particular criminal organization or other groups.

29. Ivankov's organization was closely allied with the Solntsevskaya Organization, identified earlier in this affidavit as headed by Sergey Anatolyevich Mikhailov also known as "Mihas," and much of this alliance had to do with the importation and distribution in Russia of multi-kilogram quantities of illegal drugs,

including heroin. The individuals in the Solntsevskaya Organization with whom Ivankov's group worked included three other "thieves-in-law" identified as Dzhemal Konstantinovich Khachidze, Levan Ardzinba, and Beslan Djonova also known as "Beisik."

30. In addition, Ivankov's organization was allied with the Izmailovo Organization formerly headed by the late Anton Malevsky, also known as "Antoha." During the mid-1990's, I conducted an investigation into the penetration of the Russian television advertising industry, primarily in the wake of the March 1995 assassination of Ostankino Television executive Vladislav Listyev.

31. I and other agents of the FBI determined at that time that two separate Russian organized crime groups, the Solntsevskaya (headed by Ivankov) and Izmailovskaya (headed jointly by the late Malevskiy and his partner, Sergey Axenov also known as "Aksyon"), were literally controlling the Moscow television advertising revenue system and receiving percentages of the proceeds. The two individuals who were serving as the links between the television industry and the organized crime groups were Boris Zosimov and Sergey Lissovskiy.

32. Through Malevskiy, Ivankov was also connected with Mikhail Chernoy ("Chernoy"), a defendant in this action. Chernoy was traditionally "protected" by two entities. Outside of the Russian Federation, his activities were protected by the Solntsevskaya Organization, and in particular, Sergey Anatolyevich Mikhailov also known as "Mihas," and Mikhailov's second in command, Viktor Sergeyeovich Averin, also known as "Avera." Within the Russian Federation, his activities (and those of his

brother, Lev Chernoy also known as "Lova," were the province of the Malevskiy's Izmailovskaya Organization.

33. Representatives of Ivankov's and Malevskiy's organization also had meetings in the United States. As reported by the Ivankov's principal lieutenant, Leonid Abelis ("Abelis"), also known as "Shatera," who, upon being "turned" as a witness for the Government in the Ivankov case, stated that sometime prior to Ivankov's arrest in June 1995, Sergey Axenov, Malevskiy's partner traveled to the United States on a visit and had a meeting with Abelis in Atlantic City, New Jersey to discuss cooperation between two groups.

Ivankov's Criminal Activities in the United States

34. Information available to the FBI during the mid-1990's indicated that upon arrival into the United States from Russia in the mid-1990's, Ivankov began setting up a branch of his organization and began operating in both the United States and Canada. His principal lieutenant in the United States was an individual identified as Leonid Abelis ("Abelis") also known as "Shatera". His principal lieutenant in Canada was his brother-in-law, Vyacheslav Sliva, also known as "Slava," who was subsequently deported to Russia by Canadian authorities.

35. Ivankov's organization's income was derived from a number of sources: his group was implicated by sources to have been involved in the "gasoline tax scam" whereby so-called "daisy-chains" of petroleum handling companies were established with the specific intention of defrauding governmental tax authorities using non-existent or ghost companies to pay the gasoline taxes due.

36. A primary source of the group's funds was the collection of "krisha" or protection money from wealthy Russian and Eurasian businessmen operating between North America and the former Soviet republics. In addition, the Ivankov organization organized the collection of, in effect, a "street tax" from Russian-born and Eastern European criminals who were operating their illegal enterprises in North America. Ivankov organization members fanned out across the United States and Canada identifying and then approaching these criminals saying that each now had to contribute to an "obshak" (mutual benefit fund – see ¶ 21 above) being collected and organized by the Ivankov group.

37. In addition, Ivankov and other members of his organization settled business disputes for Russian and Eastern European businessmen operating between North America and the former Soviet Union, receiving in return a percentage of the amount in dispute, usually hundreds of thousands of dollars. Through his authority as a "thief-in-law" and the head of a criminal organization, Ivankov was able to exercise a kind of informal power in the émigré business community tantamount to decisions made by formal, official courts of law. Those who went against the decisions made by Ivankov and his associates were usually met with violence, including beatings and/or murder.

38. One individual who challenged the power of Ivankov in the United States was a criminal group leader identified as Monya Elson. In the mid-1990's, sources were identifying Elson as competing with Ivankov for the leadership of the Russian criminal community in North America and as a result of his challenge to Ivankov's position, a number of attempts were made on Elson's life in New York and Los Angeles. Elson was subsequently incarcerated on federal charges and abandoned these efforts.

39. On June 8, 1995, Special Agents of the FBI arrested Ivankov and several members of his organization, including his principal lieutenant, Leonid Abelis, in New York on charges of extorting \$ 3,500,000 from two Russian émigré businessmen, Alexander Volkov and Vladimir Voloshin, who owned and operated an investment company located on Wall Street in Manhattan. Shortly after Ivankov's arrest, photographs were taken by FBI Special Agents to document numerous tattoos which were on his body, all of which were typical of those worn by so-called "thieves-in-law."

40. In July 1996, Ivankov was convicted by a jury after a trial held at the United States District Court, Eastern District of New York in Brooklyn, New York. In January 1997, Ivankov was sentenced to a term of incarceration of nine years and eight months. He was released from a federal correctional institution on July 14, 2004 and deported back to Russia.

Ivankov's Involvement in Murders

41. It is my understanding from published reports that on July 15, 2004, immediately after his deportation from the United States on July 14, 2004, Ivankov was formally charged by the Moscow Prosecutor's Office with the murder of two Turkish nationals in a Moscow restaurant called Fidan on February 29, 1992. (See Exhibits 1-5.)

42. The Russian news service ITAR-TASS reported on July 14, 2004 that "mass media indicated in this connection that 'Yaponchik' had come to the restaurant in the company of another crime boss, Vyacheslav Sliva. As a brawl with three foreigners began, he (Ivankov) fired shots at them from a gun, killing two of the three men." (See Exhibit 5.)

43. It should be further noted that the original arrest complaint filed by the FBI on June 8, 1995 said that during the course of the Ivankov's group's 1995 extortion of the two Russian émigrés, Aleksandr Volkov and Vladimir Voloshin, principals of Summit International in New York City, Ivankov was part of a conspiracy to murder extortion victim Vladimir Voloshin's father.

44. The elder Voloshin was attacked by several individuals on a Moscow subway train platform and later died from the injuries sustained in the assault. It was alleged that this attack was, in fact, part of the effort to convince Volkov and Voloshin to give up the \$ 3.5 million being demanded by Ivankov and his associates.

**Ivankov and His Associates' Reported Involvement in
Threats on the Lives of Law Enforcement Officers and Witnesses**

45. During mid 1996, while the trial of Ivankov was taking place in Brooklyn, information was received from a confidential source that individuals who had arrived from Russia were seeking to learn the location of the two FBI case agents on the Ivankov investigation so that they could be murdered.

46. After an investigation was conducted to identify those reportedly involved in this reported plot, a Russian national who admitted being both associated with the so-called "thieves council" in Moscow (see above) and acquainted with Ivankov was arrested by Special Agents of the FBI in Miami. This individual was taken into custody after it was determined that he was in violation of the Federal Firearms Act, having participated in a "straw purchase" of a weapon from a Miami area gun store. This individual denied any knowledge of or participation in a plot to murder the FBI Special

Agents, however, and he was subsequently convicted and incarcerated for his role in the firearms act violation. He served a term of several months of incarceration for this crime and was then deported from the United States.

47. In the fall of 1996, one of Ivankov's criminal partners, Solntsevskaya Organization leader Sergey Mikhailov also known as "Mihas," was taken into custody by officers of the Surete of Geneva, Switzerland on charges of participation in an organized crime group and money laundering.

48. An officer of the Russian Ministry of Interior's Organized Crime Control Division, Major Nikolai Uporov, was contacted by the Surete of Geneva in connection with the investigation of Mikhailov. Both Major Uporov and I subsequently testified in the December 1998 trial of Ivankov's associate, Mikhailov.

49. During the course of my contacts with Major Uporov in 1997, prior to the trial, and subsequently, I learned that he had been the recipient of numerous death threats and that on at least two occasions, attempts had been made by criminal organization members to kidnap his daughter in Moscow. Major Uporov subsequently became so concerned about his own safety and that of his family that he moved to Switzerland and granted residency there.

50. In mid-1996, after the trial of Ivankov was in progress, it was learned from previously reliable sources that associates of Ivankov in the so-called "council of thieves" in Moscow, including Vladimir Voronin, also known as "Vorona," one of the leaders of an allied group, the Lyuberetskaya ("Lyubertsy") Organization, reportedly told others that they and other members of the council were so outraged by the defection of

Ivankov's lieutenant in the United States, Leonid Abelis, that they were taking steps to have him killed.

51. On April 23, 1997, a Moscow publication called "Komsomolskaya Pravda," published an interview that its "special correspondent," Oleg Karmaza, conducted with Ivankov while he was incarcerated after his conviction in New York on federal extortion charges. (See Exhibit 7.) This interview was entitled "Vyacheslav Ivankov: I Know Who Killed Vladislav Listyev – Komsomolskaya Pravda Correspondent Oleg Karmaza Interview the Famous "Jap" Serving a 10-Year Sentence in a New York Prison."

52. During the course of that interview, Ivankov is quoted as saying as follows:

I know what I am saying. Go ahead and write it: I am borrowing their methods. The methods of all those (expletive – O.K.) from the FBI, MVD and FSB. They took my life away from me; they are not letting me live normally, as a human being, with a family; they have ruined my old age – let them. I will fight them with their own vile methods. This will be honest. A man's way.

I have a list. I know who committed these crimes both from the side of the Russian special services and from the FBI side. I know who handed my archive over to Russia. I know who hunted down my people in Russia, who gave the orders and carried them out. I know all these people. And I warn them that they will answer for their crimes.

53. Ivankov is being held currently at the Matrosskaya Tischina prison in Moscow, and from my experience, criminals held at that facility, as well as other institutions of the Russian prison system, have been able to continue to direct the activities of their organized crime groups while incarcerated.

54. In fact, I was informed by a previously reliable source that on a number of occasions in the past, meetings of the so-called "council of thieves" (See above) have been literally held inside of Russian prisons, with organized crime figures permitted to

enter for the purposes of attending such gatherings. This access has been obtained through the use of bribery of Russian prison officials.

CONCLUSION

39. Ivankov is clearly a very dangerous criminal.
40. Information from Russian law enforcement, investigations by me and my colleagues from the FBI, his prison experience, even his tattoos all suggest that Ivankov is a *vor-v-zakone* (a "thief-in-law" – a high ranking criminal in the Russian underworld).
41. Ivankov has the ability to communicate with the outside world even while being in confinement in Russia.
42. Moreover, he has the ability to command and organize other criminals in Russia to commit acts of violence directed at specific persons.
43. Any person who is threatened by Ivankov, should take such threats very seriously and take appropriate protective measures, including avoiding traveling to Russia.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 5/27/05

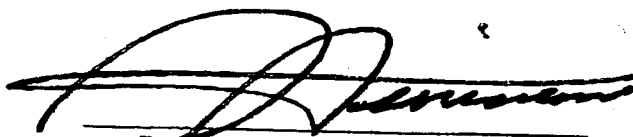

Robert A. Levinson

EXHIBIT 1

SOURCE: ITAR-TASS in English

DATE: 1228 GMT, 29 Apr 05

[FOREIGN BROADCAST INFORMATION SERVICE (FBIS) Transcribed Text]

By Nadezhda Gaisenok

MOSCOW, April 29 (Itar-Tass) - The Moscow City Court on Friday refused to drop the case against criminal boss Vyacheslav Ivankov, nicknamed "Yaponchik" (little Japanese).

Yaponchik's lawyer Alexander Gofshtein said the defense had requested to give up the charges because of the expiration of the 10-year period of limitation when the person could be held criminally responsible.

The lawyer also said he then filed a new petition asking the court to send the case back to prosecutors "for eliminating the shortcomings."

The judge is now deliberating.

Vyacheslav Ivankov was deported from the United States to Russia and remanded in custody on July 14, 2004. The next day investigators from the Moscow Prosecutor's Offices formally charged him with the double killing of Turkish citizens in 1992.

Ivankov had been charged with the murders in absentia back in 2000, when he was serving a nine-year prison term in the United States for extortion.

At that time, Russian prosecutors informed the U.S. Justice Ministry that after his release from prison and deportation to Russia he would be taken into custody.

Although the arrest warrant was issued four years ago, it remained effective, prosecutors said.

Ivankov, 64, has three criminal convictions. In the 1970s, was sentenced to five years in prison in the case of the gang led by criminal boss Mongol.

In 1981, he was sentenced to 14 years in a maximum security prison. However, Yaponchik was released in November 1991, after the Supreme Court mitigated the penalty.

On June 8, 1995, he was arrested by the FBI in New York for extorting 3.5 million dollars from the owners of the Summit International company, Alexander Volkov and Vladimir Voloshin, who had received money from the notorious Chara bank.

In 1997, Brooklyn's federal court sentenced Yaponchik to 9 years 7 months in prison. After serving out the sentence, Yaponchik was deported to Russia. He was placed under arrest upon his arrival at the Sheremetyevo-1 airport.

EXHIBIT 2

SOURCE: Kommersant in Russian

DATE: 19 Nov 04

[Report by Aleksandr Zheglov, Yelena Glumskova, in Bishkek, 19 Nov:
"The Case of Yaponchik: Vyacheslav Ivankov Identified in Absentia:
Murder Witnesses Found in Kyrgyzia" -- taken from HTML version of
source provided by ISP]

[Foreign Broadcast Information Service (FBIS) Translated Text]

Yesterday Nurlan Dzheenaliyev, head of the criminal investigations oversight directorate in the General Prosecutor's Office of Kyrgyzia, stated that two important witnesses had been questioned in Kyrgyzia in the case of Vyacheslav Ivankov (Yaponchik) and had allegedly accused him of committing a double murder in 1992 in Moscow. Mr. Ivankov's defense considers these statements "improper and untimely."

In Kyrgyzia, investigators in the Russian prosecutor's office have questioned two witnesses in the case of Vyacheslav Ivankov. This was announced yesterday, at a briefing in Bishkek, by Nurlan Dzheenaliyev, head of the criminal investigations oversight directorate in the General Prosecutor's Office of Kyrgyzia. He said that the witnesses had been taken to the General Prosecutor's Office at the request of the Russian side a few days ago. The interrogation was devoted to obtaining testimony on the possible participation by Vyacheslav Ivankov in the shooting of three citizens of Turkey in Moscow in 1992, as a result of which two died on the spot and a third was gravely injured. According to Mr. Dzheenaliyev, the witnesses' testimony "directly accused Ivankov of committing this serious crime." True, Nurlan Dzheenaliyev refused to speak in more detail about who these witnesses were and what specific testimony they gave. "We have fulfilled the request of the Russian side and do not care to discuss the course of this investigation," he said. Mr. Dzheenaliyev merely clarified that the citizens of Kyrgyzia found themselves at the scene of the crime "by chance."

According to Kommersant's information, we are talking about two call girls who were accompanying the Turks in the restaurant on the day of the shooting. Immediately after the incident they returned home to Kyrgyzia. Russian investigators and their Kyrgyzstani colleagues together conducted the procedure of identifying Vyacheslav Ivankov from photographs.

Yuriy Rakitin, Mr. Ivankov's attorney, considers Nurlan Dzheenaliyev's statement "improper for a prosecution employee and untimely, to put it mildly." In the defense's opinion, identifying the suspect from photographs, without the presence of his attorneys, when there is the real possibility of conducting these investigative actions with him there, "is illegal and improper." "I saw those photographs, and even his own children wouldn't have recognized Ivankov from them," said an indignant Yuriy Rakitin.

Yesterday the Moscow Prosecutor's Office hastened to distance itself from the statement of their colleagues in Bishkek. In a

conversation with Kommersant, Sergey Misyura, investigator for the Moscow Prosecutor's Office in the Vyacheslav Ivankov case, called the press conference a "provocation by the Kyrgyzstanis." "There's never been anything like it," said Mr. Misyura, referring to the interrogation of the witnesses in Kyrgyzia.

EXHIBIT 3

SOURCE: Kommersant in Russian

DATE: 05 Aug 04

[Article by Aleksandr Zheglov: "The Jap Is Demanding Rehabilitation" -- taken from HTML version of source provided by ISP]

[Foreign Broadcast Information Service (FBIS) Translated Text]

The Jap is demanding rehabilitation: he does not want to become a monster.

Yesterday Yuriy Rakitin, defense attorney for "thief in the law" Vyacheslav Ivankov (the Jap), announced that his client does not intend to agree to the closing of his criminal file. The only thing that suits the Jap is full rehabilitation.

As Kommersant has already reported, on 23 July Yuriy Rakitin filed a petition with Moscow prosecutor Anatoliy Zuyev asking that the criminal investigation of his defendant be closed because the period of prescription for the crime that Mr. Ivankov is charged with has expired. We will recall that he is accused of a double homicide that he supposedly committed on 29 February 1992 in the Fidan restaurant. "As defense attorney I am required to use every opportunity to defend my client," attorney Rakitin told Kommersant. "There has been no response to the petition yet, but Vyacheslav Kirillovich has already stated that he does not want to close his case based on prescription. He is not guilty and will demand full rehabilitation, with all the consequences that flow from that." Mr. Rakitin also stated: "My defendant and his relatives intend to bring suit against all the journalists who have turned him into a monster."

Vyacheslav Ivankov really does consider himself defamed by the press, and on this subject he even made a program statement of his attitude toward the press from Matrosskaya Tishina prison (see note [not included]). The essential point is that the mass media "disfigured" his life, portraying him as "some kind of monster and idol of the criminal world." But that is not all the journalists are guilty of: Mr. Ivankov cannot forgive contemporary journalists for the "existence of the criminal communist regime in our country for almost 100 years" because "all these years it was you who nurtured and praised this regime." In his opinion, what should be written about is the "torture in prisons, the constant violations of the law by associates of these institutions, and the destitution." As for the accusation of the 1992 homicide, of course, Mr. Ivankov had nothing to do with it.

The prosecutor's office assessed Vyacheslav Ivankov's statement about refusing to close his case because the period of prescription has expired as a bad PR move. According to associates there, "Ivankov understands very well that his petition will be denied, and he is

trying to squeeze something out of this situation." The investigation thinks that right after committing the murder Vyacheslav Ivankov went into hiding abroad, and therefore, "in conformity with Article 48 of the RSFSR Criminal Code that was in effect at that time, the period of prescription in relation to him was suspended."

In any case, Vyacheslav Ivankov is preparing for a lengthy investigation of his criminal case. A whole group of defense attorneys is being formed for this. According to Kommersant's information, this week attorneys Grigoriy Perelman and Sergey Kotelevskiy will join Yuriy Rakitin, who has already entered the case.

EXHIBIT 4

SOURCE: ITAR-TASS in Russian
DATE: 1413 GMT, 15 Jul 04

[Foreign Broadcast Information Service (FBIS) Translated Text]

Moscow, 15 July: Investigators from the Moscow prosecutor's office today charged criminal boss Vyacheslav Ivankov, also known as Yaponchik, with murder, sources in the Moscow Prosecutor-General's Office told an ITAR-TASS correspondent today.

"Interrogation, during which Ivankov was charged with double murder, is under way in the Matrosskaya Tishina remand centre," the Prosecutor-General's Office said.

Ivankov, who spent nine years doing time in a New York jail for extortion, was deported to Moscow where he was charged with murdering two Turkish citizens in 1992.

Moscow Deputy Prosecutor Vladimir Yudin told an ITAR-TASS correspondent earlier that investigators had managed to launch investigatory actions after Ivankov had had a meeting with his lawyer. "In accordance with the law, we must bring a charge against the arrested within 24 hours," the deputy prosecutor said.

EXHIBIT 5

SOURCE: ITAR-TASS in English
DATE: 1827 GMT 14 Jul 04

[Foreign Broadcast Information Service (FBIS) Transcribed Text]

MOSCOW, July 14 (Itar-Tass) - Russian organized crime boss and mastermind thief Vyacheslav Ivankov, broadly known under the Russian nickname of Yaponchik ("the Little Japanese") was taken to Moscow's Sheremetyevo airport by jet from the U.S. Monday and handed over to a special task force of the Russian Justice Ministry.

His arrival in Russia after twelve years of stay in the U.S., including about ten years in jail, was followed by a brief legal procedure, in the course of which the Russian officials issued an order for his arrest.

Right from the airport, Yaponchik was transported to Moscow's custody center No. 1 on Matrosskaya Tishina Street. He will stay there in a general ward, but contrary to some media reports, he will not be sharing a ward with the former CEO of the major Russian oil company Yukos, Mikhail Khodorkovsky.

The sanction to arrest him, originally issued in 2000, remained effective on the date of his arrival in Russia, said sources at the Prosecutor's Office of Moscow City.

"It is still effective, although it was issued under provisions of the previous Code of Criminal Practice and four years have passed since then," an interlocutor who asked to withhold his name told Itar-Tass.

He indicated that prosecutors might issue official charges on a crime dating back to 1992 to Yaponchik as early as Thursday, July 15.

In 2000, the Moscow City Prosecutor's Office charged the man with killing two Turkish nationals during a row in the Moscow restaurant Fidan in January 1992.

Mass media indicated in this connection that Yaponchik had come to the restaurant in the company of another crime boss, Vyacheslav Sliva. As a brawl with three foreigners began, he fired shots at them from a gun, killing two of the three men.

Yaponchik, now 64, was first tracked by the former Soviet interior agencies back in the mid-1970's. After the breaking of a mob of the crime boss nicknamed Mongol, whose disciple Yaponchik happened to be, the latter man was sentenced to five years in jail.

After he was freed, he pooled together a criminal ring of former convicts. In 1981, he was jailed again, this time for 14 years, on charges of robbery and inflicting heavy bodily damage on a person. Yaponchik served the term in a high-security jail.

The Supreme Court mitigated his sentence in 1991, and he was set free in November of the same year.

Yaponchik left for Germany in March 1992 and crossed the Atlantic to settle in the U.S.

The FBI arrested members of his ring and himself in New York June 8, 1995, on charges of extorting 3.5 million U.S. dollars from two former Russians, Alexander Volkov and Vladimir Voloshin, who owned an investment company on Manhattan. The two men were said to have received 2.7 million U.S. dollars from the owner of a Moscow-based financial pyramid Chara Bank.

The Brooklyn federal court sentenced Yaponchik to nine years and seven months in jail in January 1997.

The previously mentioned crime boss Sliva was also extradited to Russia. The Canadian immigration court decided to deport him back in 1997 on the premise that he had concealed his crime record while entering the country on a guest visa.

Unlike Yaponchik, Sliva was not arrested upon arrival in Russia - he got away with a close watch by the law enforcement agencies.

EXHIBIT 6

SOURCE: Ogonek May 97 No 18 pp 14-20 in Russian
DATE; 01 May 97

[Article by Andrey Konstantinov, of the Shans Publishing House Investigations Service, St. Petersburg, under the "Topic of the Issue" rubric: "`In the Law' and Outside the Law. From His Cell in Manhattan, Ivankov Continues To Direct His `Empire'"]

[Foreign Broadcast Information Service (FBIS) Translated Text]

Vyacheslav Kirillovich Ivankov (aka Yaponchik, aka Slava Yaponets, aka the Assyrian Son-in-Law, aka Grandfather).

According to the Internal Affairs Ministry [MVD] and the Federal Bureau of Investigation, he is one of the five most influential of the Russian "crime bosses." He is suspected of arms and drug smuggling and numerous incidents of extortion and murder. Law enforcement agencies of Russia and the United States assert that under his control, criminal groups are operating on the territory of Russia, Ukraine, Belarus, France, Germany, Austria, Canada, and the United States. A large number of the charges, however, have not succeeded in being proved. Last summer a jury in Brooklyn, New York, found him guilty of having created a criminal group and of having extorted \$3.5 million from two Russian citizens, and he was later sentenced to nine and a half years.

According to the testimonials of people who knew Ivankov in New York, Yaponchik was always remarkably polite and obliging, loved historical literature, practically never drank, and from time to time smoked Virginia Super Lights. Now he is awaiting the results of the appeal filed by his lawyers in New York's MCC (Metropolitan Correctional Center) prison, in almost the very center of the city, in Lower Manhattan.

For a person who has spent more than 10 years in Soviet prisons and camps, the conditions of custody in the MCC must be reminiscent of a resort. It is not even a prison, but an investigative detention facility, in which 830 people are awaiting the results of the examination of their cases: Two-man cells, which are closed down from 2300 until 0600, five showers and toilets per block (100 people). Meals three times a day, and the portions can be as large as one wants to take. During the day inmates may move about freely on the floor, and play whatever they like, from cards to Monopoly, order books at the prison library, which numbers 2,000 volumes, and subscribe to any newspapers. On one block there are four televisions and the same number of telephones, which may be used 17 hours a day. If one wishes to do so, one may work in the prison studio, but the majority wish to acquaint themselves with their own cases.

But one thing could cancel out all of the advantages of the MCC. In America, regardless of the term of incarceration, there are no conjugal visits. In Russian prisons, for exemplary behavior, it is possible once

every half-year to get the chance to spend three days with one's wife in a separate little room on camp property. With an almost domestic stove and bed. In the MCC, inmates are allowed three visits a week. But only in a common room for visitors, where 30 men sit shoulder to shoulder on plastic chairs. And no packages from home.

Yaponchik still maintains that he is innocent, and the case was completely fabricated by the American and Russian special services. While in his homeland, they continue to discuss his case, not greatly trusting in the reliability of the American prison locks and bolts.

The United States v. Vyacheslav Ivankov

The testimony given by FBI agents at Yaponchik's trial was refuted more than once by Ivankov's lawyers; witnesses for the prosecution got mixed up in their names and dates, at the same time confessing to their own crimes. For the jury, as usual representing not the most well-educated strata of American society, they even put up a special slate, on which they wrote Russian names and nicknames every day in Latin letters. Especially for them, the prosecutor gave them an entire lecture on the fact that one of Ivankov's crime names--Grandfather--in actual fact means...well, approximately the same as Godfather in the Italian mafia. It seemed that the case that had been prepared with such hard work was crumbling before their eyes, and Yaponchik's lawyer, Barry Slotnik, on the day that the verdict was rendered had even ordered a festive banquet, to celebrate the defendants' walking free.

The banquet did not take place. The jurors unanimously decided that Ivankov was guilty. The indictment prepared by the FBI outweighed all of the arguments of the defense, and, despite many patent incongruities and unproved facts, it played the decisive role in Yaponchik's fate, confirming once again an old truth: It is futile to fight with the state. If it wants to put you in prison, you may be sure that it will put you there.

The editorial board will not comment upon the testimony from secret sources, leaving wholly to the conscience of the FBI the information of its agents.

From the testimony of special FBI agent Lester R. MacNulty:

[Begin box] GENERAL INFORMATION ON THE DEFENDANT.

"...Vyacheslav Kirillovich Ivankov (aka Yaponchik) belongs to an elite group of criminals known in the Soviet Union as "crime bosses." He heads an international criminal organization associated with the drug trade, extortion..." [End Editorial Note]

Ivankov created a criminal organization in Russia in approximately 1980.

Using forged or stolen police documents, the members of Ivankov's grouping conducted "searches" in the homes of well-off people and stole money and other valuables. For these crimes, Ivankov was sentenced to 14 years' incarceration in prison. According to information received by the Russian MVD, having given a bribe to a member of the Supreme Court of Russia, in 1991 Ivankov was released, having served only 10 years...

After his release from prison, Ivankov began work organizing a criminal group in the United States. In January 1993, the MVD informed the FBI that Ivankov had entered the country in order to coordinate Russian organized crime in that country. The MVD also handed over to the American side a list of telephone numbers that Ivankov could call during his stay in the United States, after which a call identification device was installed on the telephone lines. Analysis of the telephone conversations revealed that Ivankov had used the above-mentioned numbers for talks with established members of Russian criminal groupings. From the time of his arrival in the United States, FBI agents more than once established Ivankov's meetings with other famous members of Russian organized crime. Ivankov registered at least one company in New York (Slavic Incorporated), which served to launder money. He also participated in several incidents of extortion...

Ivankov's organization operates in several city of Europe, Canada, and the United States, giving preference to New York, London, Toronto, Vienna, Budapest, and Moscow...

Ivankov's organization includes two main groups of "commandos," headed by Aleksey Petrov ("Petrik") and Aleksandr Inshakov ("Inshak")... Inshakov's main assistant is Viktor Sergeev, a former officer of the KGB. They commit murders at Ivankov's order, including five or six murders of Russian organized crime leaders who had got in Ivankov's way. According to a report by "Secret Source No. 1," Ivankov pays Inshakov's group about \$100,000 a month. In turn, members of the Solntsevo criminal grouping pay a portion of their "earnings" out to Ivankov...

Among other companies used by Ivankov in his criminal business, one may name Atkom (Vienna), the undertaker's firm Ritual, and Arbat International in Moscow. Ivankov used Arbat to send large amounts of money from Moscow to Budapest, for companies controlled by Seva Mogilevch, one of his closest aides.

According to a report of "Secret Source No. 1," in recent months Ivankov's organization set up close ties with a criminal group headed by Anzor Kikalishvili and Iosif Kobzon. Kikalishvili and Kobzon illegally receive money from the joint venture Russo- American, located in New York. They were also associated with one of the leaders of Russian organized crime, Otari Kvantrishvili, killed by a sniper in Moscow in April 1994.

Kobzon, Kikalishvili, and Kvantrishvili, giving bribes to a Russian customs official, received a special permit, exempting the joint venture Russo-American from payment of import duties on alcohol and tobacco products. In the guise of payment for security services, the joint venture pays Kobzon and Kikalishvili for customs services and for the "protection" that they give. (Another "secret source," "SS 2," in a conversation on 16 March 1995, indicated that Iosif Kobzon also heads operations on the import of bootlegged vodka, affixed with the labels of elite brands, into the United States.)

..."Secret Source No. 1" also reported a deal on the delivery of armaments and military equipment carried out by the Kobzon-Kikalishvili group. The weapons, including machine guns and

antiaircraft systems, were delivered from Germany to one of the Arab countries. The cost of the deal amounted to \$18-20 million. According to "Secret Source No. 1's" information, another participant in the deal was Alimzhan Tokhtakhunov ("Tayvanchik"), who worked with Kikalishvili and Kobzon in their company 21st Century Association, which, like the joint venture Russo-American, supplies tobacco and alcohol to Russia without payment of customs duties...

The Last Extortion Attempt Against the Personnel of the Summit International Firm

In March 1995, "Secret Source No. 1" informed FBI agents that Ivankov was trying to get money from the investment company Summit International in New York, headed by Russian citizens Aleksandr Volkov and Vladimir Voloshin...

"Secret Source No. 1" maintains that the prehistory of the matter is as follows: In the spring of 1994, the head of the Russian bank Chara transferred \$2.7 million to Summit International for investment in various securities. In August 1994, when the investor began to have financial problems, he informed Volkov that if he received a call from a man who gave a code word, then Summit International must return all the money. Soon Volkov received a call, and the man, having given the password, demanded that the money be returned at the end of the year...

At the end of 1994, the head of Chara died unexpectedly, and Volkov began getting calls from Rustam Sadykov and Maksim Korostyshevskiy, demanding that he return the money... In February 1995, Sadykov and Korostyshevskiy, at Inshakov's recommendation, came to Ivankov... According to "Secret Source No. 1's" report, Ivankov's representatives telephoned Volkov and Voloshin and set up a meeting in the office of Summit International on Wall Street on 23 February. At the appointed time, on seeing Ivankov himself coming up to the office along with Maksim and Rustav, Volkov and Voloshin got scared and left New York... After the meeting failed to take place, the unofficial mediator came to them and informed them that now the matter would be handled by Yaponchik personally, that now they owed him \$5 million, and that now a lot of problems were cropping up for them.

...In Florida, Volkov turned to the FBI for help...

Ivankov's Participation in Drug Trafficking Operations

According to "Secret Source No. 1's" information, Ivankov's organization transports and distributes narcotics...

In July 1994, Ivankov began to have differences of opinion with Sergey Ivanovich Timofeyev ("Silvestr"), who headed the Orekhovo- Borisovskiy grouping and controlled a significant portion of the drug trade in Moscow. The conflict arose after a deal that did not go through, when Timofeyev accused Ivankov's son Edik of appropriating \$300,000. Timofeyev was killed when his car was blown up in September 1994 in Moscow... In January 1995, Ivankov informed Viktor Averin and Sergey Mikhaylov, the heads of the Solntsevo grouping, that the territory and merchants that had earlier been controlled by Timofeyev would be passing to them.

Intercept of a telephone conversation.

[Begin box] On 9 May 1995, at 1530, Ivankov called Sergey Mikhaylov in Moscow. They talked for more than 50 minutes, discussing, among other things, recent murders in Moscow.

"Mikhaylov: I am calling from a place where I can talk... Three days ago, our friend, who was...

"Ivankov: Yes, yes, I understand.

"Mikhaylov: He was asked to come out of his apartment in the evening, and he called me...

"Half an hour after that conversation, his wife called...

"Ivankov: Yes.

"Mikhaylov: They went out onto the street, and three men came toward them and began...

"Ivankov: To shoot.

"Mikhaylov: To shoot. They had one guy with them, and he was killed on the spot. The second is in serious condition, and our man is also in critical condition. He lay for three days in the resuscitation unit, and only today began to speak. He knows the people who did the shooting. And he thinks that they have gone against the thieves' law. Do you understand?"

At the end of the conversation, Ivankov told Mikhaylov that he would take the situation in hand... [End Editorial Note]

...At the present time, Ivankov and the Solntsevo organization are engaged together in the transport and distribution of narcotics in Russia. In January 1995, Sergey Mikhaylov told his people that he had found a new source of deliveries of large batches of cocaine into Russia, but that neither Ivankov nor his people must know anything about this...

The Enigma of Yaponchik

At the end of January 1997, an American court announced to Vyacheslav Ivankov, the famous crime boss with the "handle" Yaponchik, the verdict of "Guilty"--the "Russian mafioso" got 115 months in prison. The case "The United States v. Vyacheslav Kirillovich Ivankov" had ended. However, the mysteries surrounding the personality of Yaponchik himself remain--despite a multitude of articles about him in newspapers and magazines, despite a book devoted to the Ivankov trial, despite the numerous television programs...How had the "boss" who was called the absolute leader of organized crime been able to gain his freedom early in Russia and, with inconceivable speed, to get over to the United States? It is amusing that nowhere has it been clearly told how the figure of Yaponchik was, in essence, a stumbling block in a real "war of methodologies" between two special services in the USSR that developed at the end of the 1980s and the beginning of the 1990s.

What happened, anyway, that Yaponchik, sentenced for audacious robberies with assault in 1982 to 14 years, went free after 10? In order to try to answer this question, we will not only have to plunge into Ivankov's past, but also to try to understand what in fact a "crime boss" is--simply a cliché that sets one's teeth on edge, or something a little more than that, after all?

Our Russian specialists who study the phenomenon believe that the necessity of a criminal kingpin's attaining of the status of "crime boss" bears, to a great extent, an ideological character. Obligated to live according to unwritten criminal laws, taking upon themselves the duty of "human rights activist" of the arrested in investigative detention facilities, prisons, and corrective labor camps, and helping the families of convicts on the outside (at the expense of the "kitty"), the crime bosses know in advance that they become an obvious target for the law enforcement agencies. However, the status of a crime boss, with all that, automatically gives its possessor a guarantee of inviolability, of personal security and prosperity, both in the investigative detention facility, prison, the camp, and on the outside. At least, that was how it was earlier. And for that same personal immunity and security, the crime bosses have been prepared to give a very great deal. Over many years of attempts to study the thieves' world, detectives and workers in the operations units at correctional labor institutions never have succeeded in getting the "thieves' code" through undercover methods or in seizing it during the course of investigative operations. Only in the works of certain criminologists are individual precepts of the "thieves' law" cited, "10-15 precepts." Most likely, the criminal world, in the person of its ideologists, the crime bosses, intentionally do not write down their rules of conduct, thereby giving themselves the ability to transform them in their own interests, and not living strictly according to an unwritten law invented by their grandfathers.

It was the KGB's personnel who first began to take an interest in the possibilities of undercover infiltration into the criminal world. The start was made in the middle of the 1980s, when workers of the State Security Committee embarked upon sanctioned contacts with crime bosses. Not a single "crime boss" prison (Vladimir, Tulun, the "White Swan," and many others) went without their attention. "Committee men" have had confidential conversations with most of the crime bosses; meanwhile, it remains a mystery what on earth was specifically promised to the generals of the criminal world. However, it is known that KGB personnel attempted to take out of the GULAG's archives all documents compromising the crime bosses--written statements repudiating the thieves' traditions, written statements on collaboration, and so on. It is obvious that the committee took the easiest path--they did not have to spend the energy to expose kingpins on the outside or to select agents for their investigation.

In 1991 in the USSR's criminal circles, relations became extremely aggravated between the Slavic and the Georgian (called "lavrushniki") crime bosses; these aggravations increasingly often went as far as open violent clashes. At the same time, the fusing of common and economic crime was under way at a rapid pace, there was a luxuriant flowering of corruption, and the term "contract murders" entered the working lexicon. It was at just this time that leaders appeared in the country, who built their criminal families in the likeness and image of foreign

mafia structures. One may consider Otari Kvantrishvili, one of Yaponchik's partners in crime, a vivid representative of such a type of leader. Kvantrishvili succeeded at one time in legalizing criminally acquired capital, and he, enjoying the support of the majority of the criminal kingpins of both the old and the new formation, forging ties among high-ranking bureaucrats, was quickly transformed into the new criminal ideologist of the entire Moscow region. He, first of the criminal kingpins, took part in energetic political activity (we will note that this in no way had ever squared with the thieves' traditions). In April 1994, when coming out of the Krasnopresnenskaya baths, he was shot by hired killers with a small-caliber sporting rifle. This murder has remained unsolved to this day. However, certain informed workers in the law enforcement agencies permit themselves the conjecture that this elimination was the work of the special services. In this specific instance, it was not so much even the accuracy of the shot that attracted attention (anyone can find a sniper) as much as getting the shot to its mark--and here it would have been very difficult to do without serious organization: There is a theory that Kvantrishvili, having quickly gained authority and influence, had gradually begun to get out from under the control of his "handlers"...

Let us return, however, to Yaponchik; it was precisely at the end of the 1980s and the beginning of the 1990s that the question of his release became extremely urgent for those who were trying to control organized crime from within. Yaponchik was coronated a crime boss almost immediately after receiving his sentence in 1982 in the Tulun prison. Ten years as a crime boss in places of incarceration did not pass for him without a trace: By the end of the 1980s, he had become a true ideologue of the Russian thieves' movement. He could become that crime boss who could realistically oppose the Georgians in the central region. Over the entire 10 years of his prison term, Ivankov, through lawyers and his connections in the law enforcement agencies, was constantly appealing to various courts, complaining about his "unlawful conviction." For a long time, however, all of these appeals went unanswered. But at the very end of the 1980s, everything suddenly changed abruptly: It was precisely then that personnel of the USSR KGB and Internal Affairs Ministry became Yaponchik's regular visitors in the Tulun prison. What Ivankov chatted with them about is not known. However, the very fact of private conversations of a crime boss with his investigators does not fit within any framework of the unwritten thieves' laws. (The now late Vitya-Kalina, for example, in 1991 responded to a summons to appear at the Sixth Directorate of the USSR Internal Affairs Ministry; however, he did not engage in any conversations with its personnel without a third party. In the Vladimir Central Prison, another crime boss, Aleksandr Zakhar, crime name, Zakhar, likewise did not speak with operatives one on one.)

From the archival materials.

[Begin box] SPECIAL REPORT. TO THE CHIEF... SECRET. PERSONAL.

...Intelligence has been received from a trustworthy source: Yaponchik got a visit from a lawyer from Moscow; they went into the question of his early release from prison. Given a positive resolution of the question, Ivankov intends to go to the United States. The goal of his departure is not known. Based on the account of one of Yaponchik's

cellmates, "X," it has become known that he found among Ivankov's personal effects a statement written in printed letters; the purpose of its writing is not known to the source...
[End Editorial Note]

It should be noted that, in the course of analysis conducted by specialists with the use of GULAG archival materials, it has transpired that about 70 percent of the crime bosses who have been convicted and have served sentences in correctional labor camps and prisons at various times have had contact in one form or another with operatives, being representatives, informants, or sources. At the same time, such crime bosses went for contact only with the head of the camp (the "master") or with the head of the operations unit (the "godfather"). The written statements given by the crime bosses were necessary in order to keep the criminal kingpins in check. If they surfaced in the criminal world, a sentence of death would inevitably be pronounced upon the author of the written statement. The texts of such statements, as a rule, were similar to this one, left by one of the most authoritative bosses:

[Begin box] TO THE HEAD OF ADMINISTRATION P/Ya

A.M224

TO COLONEL...

FROM THE INMATE...

SIGNED STATEMENT

I, a convicted thief by the crime name "...", renounce the title of crime boss and the propagation of thieves' ideas. I pledge to help... I request that you do not spread word about my conversations both with you and... I myself will keep our secrets and as much as possible will suppress criminal manifestations. I ask you to intercede in sending me to the hospital for treatment. [misspellings retained from original]

24/04/19... [End Editorial Note]

When, at the end of the 1980s and the beginning of the 1990s, the strange piece of information began circulating about the attempts to release Yaponchik early, it was explained to detectives from the Internal Affairs Ministry during the course of consultations at the GUIN [Main Administration for the Execution of Punishments] of the USSR Internal Affairs Ministry that early release of such a category of person was at variance with current legislation and was never applied in practice. The Yaponchik story, however, abruptly left the framework of the usual practice. From May 1989, not a single violation of the prison regime was attributed to him. Moreover, the convict Ivankov tried openly not to participate in the processes of the prison thieves' life.

From the minutes of a session of the administrative commission of 18 December 1990:

[Begin Box] "...he (Yaponchik) has stepped onto the road of rehabilitation, and it is advisable to take humanitarian action with respect to him..." [End Editorial Note]

There soon followed an appeal by Ivankov's wife to USSR People's Deputy Svyatoslav Fedorov, with a request to render assistance in her husband's pardon. Subsequent events developed according to a script written in advance: a deputy inquiry to the Presidium of the USSR Supreme Soviet and Chairman of the Russian Federation Supreme Soviet Boris Nikolayevich Yeltsin, inquiries to the institution UK- 272-ST2 (the Tulun Prison), and, naturally, a positive result.

[Begin Box] FROM THE ARCHIVAL MATERIALS:

"...A confidential conversation has taken place with an official of the division on questions of pardon, who explained that deputy inquiries petitioning for pardon of convicts are complied with immediately and with supervision (consequently, in Yaponchik's case, the most fail-safe variant was selected--A.K.), while judicial supervisory verification on the legality of the conviction is sent only to the Supreme Courts of the Russian Federation or of the USSR, with respect to which, as a rule, appeals are filed. [End Editorial Note]

A.E. Merkushev, then deputy chairman of the Supreme Court of the Russian Federation, got involved in the case, filing an appeal with the presidium of the Moscow City Court, with the aim of reopening Yaponchik's case in the exercise of supervisory power. The Moscow City Court left the appeal unredressed. Then Merkushev brought the appeal for a second time, but this time with the collegium for criminal affairs of the Supreme Court of the Russian Federation, that is, with his own subordinates. This time, the boss's appeal did not go unredressed, and the 14 years were replaced for Ivankov with 10, that is, for the very same amount of time that he had already served by then.

After the Supreme Court's decision took effect, a so-called "red telegram," on the necessity for Ivankov's immediate release, went out to Tulun. It is curious that Yaponchik's wife arrived even earlier than the telegram, and, pounding with her fist on the desk of the head of the prison, demanded her husband's immediate release. However, there was a vexing glitch in the well-worked-out scenario; the fact is that the inmate Ivankov had had the imprudence to ill-treat a prison newspaper and magazine delivery man, causing him minor bodily injury, for which he received four and a half months' deprivation of liberty. This term was to be served concurrently with the 14-year term, but the commutation affected only the first sentence, and so Yaponchik had to serve out the four and a half months after all. During this time, a number of high-ranking Internal Affairs Ministry officers undertook the most active of steps aimed at reversing the judgment on Yaponchik's release. Officers of the Sixth Directorate of the Internal Affairs Ministry presented the minister of internal affairs and the procurator general with a memo on the scenario that had been set in motion and on the elements of corruption that had appeared during the release proceedings. However, this document was held up until the moment that Ivankov was set at liberty. It is known that the minister

read the memo carefully, but he did not do anything to reverse the process. After his release, Yaponchik found himself under intense police scrutiny. Workers of the Sixth Directorate compiled and transmitted via Interpol channels a special intelligence report for the leadership of the US Federal Bureau of Investigation about the fact that Yaponchik had the intention of moving to the United States, "with the aim of being an emissary of the Russian criminal world to the United States, and the formation there of a mafia and the organization of contract murders." To what extent this information corresponded with reality, it is hard to say--let us leave it to the conscience of the workers of "Number Six." It is possible that they simply wanted to scare the Americans silly, so that they would not allow Ivankov entrance into the United States. Soon after the above-mentioned information reached its destination, a certain American journalist from The New York Times arrived in Russia (Ivankov at that moment was already in the United States).

This journalist went directly to the officer who was investigating Yaponchik, supposedly with the aim of writing an article about him. However, during their meetings, the correspondent asked questions not so much on Yaponchik's activity in Russia as he tried to get warning information on Yaponchik's possible activity in the United States.

The FBI needed a subject suitable for the study of the mentality, modus operandi, and possible interests of Russian crime in America. It is not to be ruled out that Vyacheslav Ivankov became such a subject for them. Yaponchik did not go for direct, voluntary contact with the FBI, and it is possible that it was for just that reason that he was put away in prison, essentially getting him on a particular case--the Chara extortion. That is, the FBI killed two birds with one stone. On the one hand, it confirmed its might and put Yaponchik in prison for organized criminal activity, and on the other hand, it got the opportunity to study him and to work on his recruitment.

In recent years within the Internal Affairs Ministry leadership, there has arisen the concept of a new method of fighting with the leaders of the criminal world, when during the course of score-settling between organized criminal groupings or individual kingpins, the subjects of the detectives' investigation are killed, and after that the cases are handed over to the archives. At the same time, the investigation is considered to have been realized, in connection with the death of the player. According to a number of high-ranking analysts, this is a profound error. In encouraging this method, the law enforcement agencies are practically acknowledging their own impotence.

[Begin box] Archival materials of the Internal Affairs Ministry of Russia.

From the report of the deputy internal affairs minister: "...By the beginning of 1991, the complex that had been set up of secret service and undercover measures in investigating organized crime associations had not yielded the desired results. The processes taking place within the criminal world are becoming unmanageable and are getting out from under the control of the special services. We consider necessary the recruitment of the most authoritative crime bosses and their use as agents of influence, with the aim of stabilizing the undercover situation in the center and in the localities..." [End Editorial Note]

EXHIBIT 7

SOURCE: Komsomolskaya Pravda in Russian
DATE: 23 Apr 97

[Interview with Vyacheslav Ivankov by Komsomolskaya Pravda special correspondent Oleg Karmaza in New York; date not given: "Vyacheslav Ivankov: I Know Who Killed Vladislav Listyev-- Komsomolskaya Pravda Correspondent Oleg Karmaza Interviews the Famous 'Jap' Serving a 10-Year Sentence in a New York Prison"]

[FOREIGN BROADCAST INFORMATION SERVICE (FBIS) Translated Text]

[Karmaza] Vyacheslav Kirillovich, do you know that Marina Frantseva-Chara Bank chairman of the board--has been arrested in Moscow?

[Ivankov] I heard about it literally a few hours ago.

[Karmaza] What is your reaction? Moscow newspapers contend that "Lady Chara" can testify against the notorious Voloshin and Volkov, from whom you tried to extort money in the past. This, they say, may play a positive role for the Jap--the case may be retried...

[Ivankov] I will tell you this: All these Marinas, all these Frantsevas, all these "ladies," and so on are of absolutely no importance. I am not guilty! I have never extorted a cent from anyone! And everybody knows this. Including those who put me behind bars. I do not need an early release. I want to be freed on absolutely legal grounds. I want everybody, including the (expletive--O.K.) FBI, and this (expletive--O.K.) Rowdy, the prosecutor, all of them, to apologize to me. For sentencing a man to 10 years in jail for fulfilling his duty as a Russian, his Christian duty!

[Karmaza] What do you mean by such duty?

[Ivankov] When I met Rustam Sadykov (Chara's general manager), completely by accident, he confessed to me that he was afraid to go back to Russia--he was ashamed to look into his depositors' eyes. Those bastards, the scum-Volkov and Voloshin--borrowed from Chara \$2.5 million for the their company (Summit International--O.K.), blew the money, spent it on living the high life and broads, and then refused to repay the debt and began to simply pull the wool over Rustam's eyes.

When I talked to Sadykov, I saw that he was an honest and very decent man. I asked some Russians, including the degenerate Abelis (the main witness for the prosecution, Ivankov's "right hand"-- O.K.), and asked them to set up Sadykov's meeting with Volkov and Voloshin. This is all. This is the extent of my wrongdoing.

I will tell you something else: If I lived a hundred lives, I would do exactly the same thing. I can assure you of this.

[Karmaza] At the trial, however, the prosecution contended that you intended to keep most of the sum of \$2.7 million, and only return to Chara about \$300,000. A tape was played at the trial, in which you and Abelis discuss this issue in detail...

[Ivankov] This is completely absurd. Preposterous! Absolutely preposterous!! That conversation had nothing to do with Chara. It was a completely different business and completely different money. This is all lies. And why is this a lie--because all those American (expletive--O.K.), all the FBI and other shitheads together with the swine-herds from the MVD [Ministry of Internal Affairs] and the FSB [Federal Security Service]--they are all covering up the tracks of their crime of slandering me, an innocent man.

I did not touch other people's money--I would never do this! Only the bastards who judge others by their own criteria, who are hyping up this heresy, say such nonsense about me. I would never take a single cent or a single ruble from other people. I would only help return this money to our pensioners, our deprived citizens. My heart aches for the Russian people.

[Karmaza] You are simply a Robin Hood, Vyacheslav Kirillovich...

[Ivankov] Don't get sarcastic. Especially when someone speaks sincerely, from the heart.

[Karmaza] Who are you then?

[Ivankov] I will tell you just one thing: Thousands of people know me, and no one in any part of the world can say that I have ever done anything dishonest or despicable.

I have suffered for so many years--I have been put through punitive medical treatments, mental institutions, the GULAG, hidden prisons. I went through it all with honesty and dignity, as few have done. I have passed between the hammer and the anvil, where either nothing is left of a person or he turns into hardened steel. I am that hardened steel. Everybody breaks their teeth on me.

I have never stained myself with anything--membership in the Young Pioneers, Komsomol [All-Union Leninist Communist Youth League], or membership in this shameful Communist Party. I always fought against the Communist plague. I would eat stones before I would compromise with my conscience. Do you think that after all this, someone has the right to spit in my face?

[Karmaza] Let us return to the main subject, Vyacheslav Kirillovich. You were arrested on 8 June 1995...

[Ivankov] This was not an arrest--this was a spectacle, literally a spectacle! They broke down a door in my house, those (expletive-- O.K.) from the FBI. Do you know how many people came to arrest me? Two hundred! Helicopters hovered overhead; lots of cars. All that was missing were tanks and armored personnel carriers.

They seized my archive, all the photos I had put together for my future

book. And sent it all to Russia. Or, to be precise, handed it over to the bastards from the Russian special services. On the basis of these photos, three of my close acquaintances were assassinated in Moscow. Five were gravely wounded.

On one of these photos was my friend--they found him in Moscow, planted something on him, and put him into prison. They started torturing him there--to get testimony against me...

[Karmaza] Who was this man?

[Ivankov] I will not name him now. Because I know this could hurt him.

Among the three who were killed--Edik Khachaturov, who could testify here, in New York, as a defense witness in my case. And I wanted to invite him here. Those (string of expletives--O.K.) knew everything. As soon as Edik's name came up at the trial, two days later he was shot to death at the entrance to his house in Moscow. He was killed by the special services--I have no doubt of it. Killed by the same (expletive--O.K.), whose only interest was in traveling here with all expenses paid and buying panties, bras, and hose for their vile broads...

They are selling off our national dignity. It is they who export the myth of Russian crime. And the Americans swallow this myth like candy, and hammer into everybody's head here that Russia is one big criminal swamp. This is exactly what everybody thinks here: There are criminals in the Kremlin, criminals in the Duma, criminals everywhere, and I am the head of all the gangsters. Such nonsense...

[Karmaza] Nevertheless, you are commonly believed to be the head of the Russian mafia in America...

[Ivankov] Baloney, lunacy! I will tell you this: The Russian mafia, and in general organized crime are the Russian special services bound by an all-out cover-up. This is the most serious mafia, the most effective one, if you wish.

[Karmaza] But you would agree, Vyacheslav Kirillovich, that there are many Russians with substantial criminal records in New York. And far from all have left their old "craft" behind. Many have launched such activities here that the police already are reaching for their guns instead of scratching their heads. Is this not organized crime? Are they not the "Russian brigades," as they are called here?

[Ivankov] Thieves, murderers, and robbers exist everywhere. Among the Italians, French, English--and among the Americans, and a lot of them, too! Who talks most of all about the Russian mafia? The FBI. Because this is the only way the FBI's Russian department can prove its utility. Only by tilting at windmills...

They found me, a sick 57-year-old man, selected me as a target, and made my name a popular commodity. So now they stick my name into everything--literally everything!--that happens. All right, I am no longer Ivankov--I am Chikatilo or Bakasso, I eat my compatriots for lunch...

It is no longer important to me what they write or say. They have lied, are lying, and will keep lying, hammering it into everybody's head that I am the most horrible monster ever born. And by the way, they are helped in this regard by your colleagues, paid scribblers on the MVD's leash—the Kislinskiys and Belykhs...

[Karmaza] That's going too far, Vyacheslav Kirillovich...

[Ivankov] I know what I am saying. Go ahead and write it: I am borrowing their methods. The methods of all those (expletive--O.K.) from the FBI, MVD, and FSB. They took my life away from me; they are not letting me live normally, as a human being, with a family; they have ruined my old age—let them. I will fight them with their own vile methods. This will be honest. A man's way.

I have a list. I know who committed these crimes both from the side of the Russian special services and from the FBI side. I know who handed my archive over to Russia; I know who hunted down my people in Russia, who gave the orders and carried them out. I know all these people. And I warn them that they will answer for their crimes.

[Karmaza] You promise revenge?

[Ivankov] Not really revenge... I am not that kind of man. I mean that they will all have to answer. By law.

I do not want to, and I will not, serve a prison term for someone else. For Volkov, Voloshin, or anybody else. Some day I will be out--I do not intend to give up and die here...

[Karmaza] And then you will punish--"by law" or in some other way--Volkov and Voloshin?

[Ivankov] Do not provoke me--this is tricky question. You are putting me on the spot. They constantly listen on me, you know! Say I tell you "yes" now--then I will get 100 years more in jail. Would you like that?

[Karmaza] Well...

[Ivankov] Would you?!!

[Karmaza] No, you misunderstood me... Let us change the subject: You have broken relations with your attorneys Slotnik and Shapiro, who almost "halved" your sentence during the trial...

[Ivankov] I no longer have confidence in them.

[Karmaza] How many attorneys are working for you?

[Ivankov] Why do you need this information? You can get mixed up, and then they will say: See, Ivankov has so much money he can pay for an army of lawyers. I do not--one attorney handles everything.

[Karmaza] Vyacheslav Kirillovich, on 8 March 1992 you crossed the border in Sheremetyevo-2 airport, at which time you stated in a customs declaration that you had \$130 in your pocket, a gold ring, and wore a gold cross on a chain...

[Ivankov] Where did you dig that up? Well, never mind...

[Karmaza] At the time of the arrest, three years later, about \$70,000 was seized from you. You own a condo in Brooklyn; you have \$84,828 in an account in the local Natwest Bank, and a Lexus. Not much... Especially considering that you have been touted as the "head of the Russian mafia." Where are your millions, Vyacheslav Kirillovich? Where is the real estate, the luxury?

[Ivankov] The \$70,000 that was taken from my coffee table was not my money--it belonged to a close friend of mine who stayed with us that night. He, by the way, also was handcuffed and taken to the police precinct--later, though, he was released and got his money back through a court order.

Second. The car is not mine--it was leased out. Certain people paid a certain sum for it every month.

Third. You have to know me well to not ask such questions. I hate luxury. I do not need riches, diamonds, personal airplanes, yachts, and other nonsense. I lead a semi-spartan lifestyle. Everything I need, I will have. But I repeat: I want nothing! I have completely different values--I have spiritual values. I have suffered too much in my life. I have not yet had enough white bread. For me, a sunrise is more precious than a million dollars for other people, you understand? I would rather eat stone and feel like a decent man than gorge on oysters and champagne and feel like complete s....

[Karmaza] In that case, why did you leave Russia?

[Ivankov] Oleg, my dear, you have to understand--I did not intend to stay here. This was simply a whim of fate! I came here under a contract, to shoot a movie. I came here as a consultant. It was here, in New York, that a certain meeting took place, and anyway, I had many meetings with old acquaintances, who told me: Why do you need to go to Russia right now, Vyacheslav? You have nobody left there--no father or mother, no sisters or brothers. You are alone there--stay here for a while. Here is a woman--also lonely. Have a look...

So I figured: I do indeed have no one left. Before leaving the USSR I visited the graves of my loved ones, my mother, brother, aunt, and uncle. I decided: Enough, I have had enough... And the situation was enticing: friends, an allegedly free country, free mores. In Russia I was essentially a dissident, along with Daniel, Sinyavskiy, and others. In short, I decided to stay. For a while. A year or two. No more.

[Karmaza] In other words, you did not plan, as was contended, to obtain a green card here and permanent residence?

[Ivankov] I had no plans whatsoever! I started thinking about this later: I stayed here and gradually got involved, I needed to settle down somehow. That's all. As for the darned green card... You know, Oleg, I will tell you this: If at the trial they all apologized to me, all those American (expletive--O.K.), gave me an American passport, a billion dollars, a villa, and everything--you are a man, you will understand me--I would have told them all to (expletive--O.K.).

[Karmaza] As a man, I do understand...

[Ivankov] I do not want anything of theirs. I frankly despise the Yankees. They have no spirituality, no culture in our sense, nothing! It is not for these hamburger politicians to pontificate about Russia! I get insulted for Russians and my motherland. It is not just that it is not appreciated here--every second, every minute they mix it with dirt. And the MVD and FSB, instead of protecting their own Russian people, sell them out lock, stock, and barrel to those (expletive-- O.K.)

Although I understand them, of course, all those (expletive-- O.K.) from the Russian special services. They themselves are criminals and murderers! You probably know that there is a sort of strike team of professional killers working within each FSB department. All the latest sensational murders are their doing.

[Karmaza] Are you sure?

[Ivankov] No doubt whatsoever!

[Karmaza] You are saying that Kvantrishvili, for instance...

[Ivankov] Special services, no question about it! Moreover, I even know who. I know at whose orders, and in many cases, who executed them. I know who killed Listyev and other people of the same standing. And I am not the only one. Just wait, time will come...

[Karmaza] You have information about the crime situation in Russia?

[Ivankov] How would I? I have not been there for so many years. I do not understand myself when I hear about the "Solntsevo," "Izmaylovo," "Golyanovo," "Podolsk" [groups]...

[Karmaza] If we move to fantasy world for a minute... Could you impose order on the crime world, stop the current runaway crime? Or is it hopeless, even with your authority?

[Ivankov] Where I am, there is always order. Anybody will tell you this.

Remember the sensational camp riots in the 1970s? Who stopped all the bloody bacchanalia then, when people had their arms broken, eyes gouged, and were killed for no reason--who? I did. My interference alone stopped the carnage, and everything went back to normal, calmed down.

By the way, Oleg, why is it that after the words "authoritative," "respected," you necessarily add "in the crime world?" You have to understand one thing: Authority, respect--you have to earn them. You cannot buy them with money; you cannot make people respect you by mistreating or intimidating them. Is this not so? If I am respected, it is for my personal qualities, for my lifestyle. I am respected everywhere. Absolutely. Because I have not given anyone the moral right to think badly of me. Every evening I look into the mirror and account to my conscience. Believe me.

[Karmaza] Had you not left for the United States, would you have shared the fate of Kvantrishvili, Rafik Svo, and Globus?

[Ivankov] Of course. You would not find me among the living.

[Karmaza] You sure?

[Ivankov] Absolutely sure. Moreover, when I lived in Moscow after my last release, there was already an assassination attempt on me. At first I thought: No, this cannot be, it was an accident. But then I realized: They simply wanted to get rid of me.

[Karmaza] What kind of an assassination attempt was that?

[Ivankov] Not too many people know about it. I only told a few people about it. This is what happened. I was walking to an apartment where I was living temporarily. It was about 0300. And suddenly I saw a group of people, about eight, coming toward me from around the corner. I immediately sensed something was wrong. I almost ran for the entrance. This is when I heard the shot. They were shooting at me, in my back. I barely made it through the door...

[Karmaza] Do you not think that someone can get you here, in America, too?

[Ivankov] Not as long as I am in jail. But afterwards... You know, as Shota Rustaveli said: "Not a single living soul can escape its fate." I will take what is meant for me. It may even happen that I will not live long enough to serve out my sentence. Anything can happen...

[Karmaza] By the way, what are the conditions here; how do other prisoners and the guards treat you? Are there conflicts?

[Ivankov] No, everything is fine. You understand, to hurt me, insult me--anybody would regret it. So I do not have any particular problems. There are two of us in the cell. And we get along fine, generally. But you also have to understand that it makes no difference where one is in prison--Kolyma or New York. If you, an innocent man, are put in a golden cage, even one encrusted with diamonds, and they feed you with pastries and caviar... A prison is a prison.

[Karmaza] Do you have visitors often?

[Ivankov] I do not have anyone. Who would visit me? Only my wife and children. Friends--very seldom.

[Karmaza] What do you usually do here?

[Ivankov] I write every day--this is my main occupation.

[Karmaza] What about, may I ask?

[Ivankov] I want to publish a book. About this preposterous outrage, about this dirty and disgusting provocation.

As soon as I came to America, I started writing. It was a different topic then, though--I wanted to write about my own development, my

interests, my spiritual world, my meetings with different people, and my life in general. So that people would know who I am. So that I would not be perceived only as the Jap. Although I am proud of my nickname.

[Karmaza] How did you acquire it? Frankly, I have been curious for a long time...

[Ivankov] Well, where do nicknames come from? You read Leskov, Gilyarovskiy. It is generally a custom among Russian people. Right now, for instance, Livshits is nicknamed Livchik [bra], Lebed has some sort of nickname, and Yeltsin. Where I was born, everybody in school had nicknames. If his name was Kuptsov, he would be nicknamed Kupets [merchant]; big nose--nose. Because of my slanted eyes I was nicknamed the Jap. What is unusual about that?

[Karmaza] Well, thank you for the interview...

[Ivankov] You are welcome. I was very happy to see a compatriot. Give my best to Russia, to all Russians. And--until next time...

FROM THE EDITORS: Although we do not always share Vyacheslav Ivankov's views on many problems, we felt compelled to publish the interview practically unabridged. Any person--including a convicted criminal--has the right to openly express his views. And the questions raised by the Jap (albeit in a very emphatic form) concern many of our readers.