

# CHECHNYA

## THE TORY CONNECTION

**W**hile the conflict between Russia and the tiny Islamic territory of Chechnya continues to rage, world leaders seem reluctant to step in. This is a private squabble, they reason, between a superpower and a rebellious state that wants independence and it would be foolish — and costly — to get involved.

However, behind the scenes, the links between British politicians and Chechnya have already been well established. The foundations were laid by a group of senior Conservatives and right-wingers. A *Punch* investigation has discovered that the main point of contact for the British connection was a man the Russians claim is the godfather of the Chechen mafia, which runs protection rackets in Moscow and other Russian cities and has now spread its tentacles into the West.

The story of how the Tory mafia met the Chechen mafia unfolds not on the killing fields of Eastern Europe but in the more peaceful setting of Luton airport. One morning in March 1998 a plane landed carrying Aslan Maskhadov, President of the self-proclaimed Chechen republic of Ichteria, and his entourage of minders.

Standing on the tarmac waiting to meet them were the former Tory treasurer Lord McAlpine and Gerald Howarth, Tory MP for Aldershot. McAlpine, by then leader of Sir James Goldsmith's Referendum Party Movement, was to act as Maskhadov's host, while Howarth was to provide him with Westminster contacts. Behind the scenes was Patrick Robertson, Howarth's partner in the now-defunct parliamentary lobbying firm, Taskforce Communications, and Goldsmith's former PR consultant. Robertson charged the Chechens a fee for his services.

Maskhadov was to be given a glimpse of the Tory network and may have assumed that he was being entertained in state-visit style with the full approval of the British government. If so, he was severely mistaken. Two Britons were being held hostage in his homeland and the Foreign Office had not given the visit its official sanction. The hostage situation was ostensibly the reason for his visit.

On the evening of Maskhadov's arrival, he dined at the Ritz with Baroness Thatcher and they discussed the establishment of an international commission to determine Chechnya's legal status. For Maskhadov that meal was one of many memorable moments during his five-day visit. He went on a walk-about with Imran Khan, Goldsmith's son-in-law, and met British Muslim leaders, including Yusuf Islam, the Seventies pop star formerly known as Cat Stevens. Maskhadov

When the godfather of the Chechen mafia came to town, he knew who to call on. By Pete Sawyer

was introduced to key players on the Stock Exchange and important businessmen, and he met Foreign Office representatives to discuss the hostage situation. He also met the families of the hostages, who would later be released.

A highlight of his trip was a jaunt to the Imperial War Museum hosted by the then Lord Lieutenant of London, Field Marshall Lord Bramall. A guard of honour, supposedly composed of officers and men from the Royal Artillery Company, was laid on for Maskhadov's benefit. In fact, actors were hired to fill the uniforms because the official government line on Chechnya meant real soldiers could not be used. The museum visit was a discreet way of extolling the virtues of Britain's defence industry and Howarth was on top form. Although the MP and former parliamentary private secretary to Margaret Thatcher has a background in banking and insurance, he knows his weaponry, having acted in 1991 as a consultant to a Russian military aircraft design agency which was trying to do a deal with British Aerospace.

Maskhadov was also given a grand tour of Parliament, and Howarth treated him to lunch at the Royal United Services Institute in Whitehall, attended by peers and MPs from all sides. The president's visit culminated in a torch-lit reception at Westminster, attended by Lady Annabel Goldsmith and numerous MPs, lords, London socialites and business leaders.

One of the men who flew in with Maskhadov and was at his side throughout the visit was Khozh Akhmed Noukhaev, the former first deputy prime minister of Chechnya, who remains a roving ambassador for the territory and is a man with powerful international connections and a rapidly expanding private business empire.

The Russians regard Noukhaev as a gangster. According to Moscow's Anti-Organised Crime Directorate and Russian newspaper reports, Noukhaev's business connections extend to Moscow's Chechen mafia, which runs protection rackets throughout the city, the proceeds of which once went to fund the Chechen war effort.

The idea of attracting Western investment to oil-rich Chechnya was largely Noukhaev's brainchild. Before his visit to London, he had

already come across McAlpine. Noukhaev had proposed a Caucasus common market, made up of partnerships between communities in the region and outside investors. An international group of experts was assembled to advise on his scheme, including American lawyer Samuel Pizar, a trustee of Goldsmith's estate. Later, Noukhaev was introduced to McAlpine at a Paris social event. McAlpine in turn introduced him to Robertson, although for the Chechens the outcome of this introduction proved less than satisfactory.

Mansour Jachimczyk, chief adviser to the Chechen government on foreign affairs and Noukhaev's right-hand man, says: "We very much relied on McAlpine's network of friends." He says McAlpine's initial interest was purely social and personal. "McAlpine saw the extent to which Chechen history mirrored the history of the Scots and the English empire. He discovered a strong parallel between Noukhaev and Rob Roy, who was what the English would call a bandit, but for the Scots was a national hero.

"Just as Noukhaev is branded by the Russian media as the Godfather of the Chechen mafia, to the Chechens he is the leader of their independence movement."

When McAlpine raised the question of business opportunities in Chechnya, Noukhaev told him there were none, because there was no way to invest in and to manage a business. However, he added that business opportunities might become attractive and viable if certain groundwork was done first.

So, in mid-September 1997 McAlpine visited Chechnya with the investment banker Robert Pike, who is married to one of Goldsmith's daughters, to see what the long-term potential of the region was and how to create the framework needed for investors. The Chechens paid for the flights and expenses.

On a follow-up visit in October 1997 — attended by Robertson and Imran Khan — the Chechens signed a letter of intent to look into setting up a trans-Caucasus energy company, backed by an international consortium of oil companies and investment banks.

McAlpine, Pike and Noukhaev also set up a Caucasus investment fund. In November 1997 they made a presentation in the City of



**JUST GOOD FRIENDS:**  
 (top left) a Chechen soldier prepares for the next round against the Russians; (above) Chechen President Aslan Maskhadov meets Margaret Thatcher; (near right) Lord McAlpine; Gerald Howarth



London in an attempt to raise £1.9 billion. The Chechen government said the consortium might be able to lease a section of oil pipeline which crosses Chechnya carrying Russian crude from the Caspian oilfields to the Black Sea. Hence, in future, the Russians would have to deal not just with the Chechens but with Western financial interests as well.

The potential deal with the Chechens almost certainly had the tacit support of the Foreign Office, although for Chechnya it meant a handsome income which might help finance a war with Russia.

Around the same time as Maskhadov's visit, two British companies were set up to administer Noukhaev's scheme. A third company was set up in the Channel Islands to provide the funding for the UK operation.

But the Chechens and Robertson have since parted. The Chechens were dissatisfied with how Robertson handled things and his contract has not been renewed. "The relationship was like an unhappy marriage," says Jachimczyk. "The sooner you divorce the better."

In addition, the current conflict, and before that the hostage incidents, have jeopardised the plans as Chechnya becomes a no-go area for British investors. The first two British hostages were taken around the same time as the deal with McAlpine was first hatched.

Noukhaev suspects that somebody deliberately created an obstacle between the Chechen establishment and London. It worked. Noukhaev's visa to the United Kingdom was cancelled as a result.



Today, in the Caucasus, his business empire grows in strength. It has its fingers in everything from wheat importing to the cement industry. The money raised goes towards his long-term aims of an independent Chechnya and a Caucasus stitched together by common business interests.

Noukhaev has publicly stated: "What some call mafia activity was really a continuation of the fight for independence. The money we earned went not to enrich us personally but to strengthen our underground structures."

Meanwhile, Howarth says of his own role: "I wasn't involved in discussing any investment with the Chechens, but I'm sure Maskhadov was mindful of his country's need for investment. Robertson rang me and asked me to help him organise a meeting of parliamentarians, to which I readily agreed, partly because he was an old friend, and partly because I thought it was a good cause. The purpose of the gathering was to impress upon Maskhadov to deliver up the hostages."

The hostage issue was largely window-dressing, even if Howarth didn't realise it. The situation was out of Maskhadov's hands: the two British hostages were freed six months after the president's visit, and only after the intervention of Boris Berezovsky, a Russian financier with Chechen connections. Soon afterwards, another four Western hostages were taken and their decapitated bodies were found three months later.

In the end, Noukhaev's liaison with his friends in Britain proved of little benefit. Now the centres of Chechen fundraising have switched to Washington and Azerbaijan, where the Chechens' plans are being received with greater enthusiasm. "There was too much cautiousness and a lack of clear vision and policy," says Jachimczyk.

No one is suggesting that the Tory grandees knowingly did business with gangsters. Nevertheless, where the volatile politics of the breakaway former Soviet republics are concerned, politicians who do not keep their distance from such people as Maskhadov are guilty, at the very least, of extreme naivety. But the Tory mafia did all right. Robertson made a stash for his services and McAlpine enjoyed a nice freebie. □

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