



Dangerous Connections: NBA and the KGB

The recent public assassination in Moscow of Russian oligarch and sports team owner Shabtai Kalmanovich should give NBA promoters pause regarding their headlong rush to welcome Russian billionaire Mikhail Prokhorov as the new owner of the New Jersey Nets basketball franchise.



“If future Nets owner Mikhail Prokhorov ever invites you to watch a game in the owner’s box, don’t accept,” advised the sports blog [www.deadspin.com](#) on November 3. “Not only will you be stuck watching the Nets,” it continued, “there’s a decent chance you’ll be caught up in an assassination attempt.” Probably good advice for those concerned about longevity. But don’t expect the gunning down of Kalmanovich to stop Nets owner Bruce Ratner and Brooklyn developers from salivating over the prospect of netting some of Prokhorov’s billions. Prokhorov reportedly has agreed to invest \$200 million for an 80-percent share of the Nets and a 45-percent share of the team’s proposed sports arena, to be built in Ratner’s Atlantic Yards development in Brooklyn.

Prokhorov seems to have the Big Apple all abuzz. [According to the New York Post](#), “The owners of Brooklyn’s two priciest penthouses are warring to score a trophy tenant — Mikhail Prokhorov, the Russian billionaire playboy set to buy the New Jersey Nets and move them to the borough.” In Russia, Prokhorov is a hero, a wunderkind with a Midas touch who seems to excel at everything. [This unctuous report on Prokhorov on Russia Today](#) is typical of the adoring coverage he receives in the Putin-controlled media.

Prokhorov is now going through the NBA’s vetting process. “Like any prospective owner, Prokhorov will be investigated by the N.B.A. and a security firm that specializes in risk management,” [reported the New York Times](#). “They will try to ascertain his net worth, debts, character, associates, personal history and integrity. The process is designed to rule out inappropriate buyers who lack financial clout or present public-relations risks to the league.”

Ambiguity, Shades of Gray

Looking into Prokhorov’s past is not going to be an easy matter. “Russian oligarchs are an unusual group of capitalists by Western standards,” noted *Times* writer Richard Sandomir. “David E. Hoffman, the author of *The Oligarchs: Wealth and Power in the New Russia*, said that men like Prokhorov



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emerged from a business climate that had 'no rule of law, a lot of shadiness, a lot of violence and coercion.'" The *Times* piece acknowledged that Prokhorov's case could prove more difficult than the usual investigation of an American prospective owner, observing that:

Experts in the oligarchy and corporate risk-management said it would not be easy because public records from Prokhorov's world are scarce or incomplete, Russian bank records are difficult to examine, and news media reports are not always reliable.

Mike Ackerman, a former C.I.A. senior operations officer who is the president of the Ackerman Group, a security firm, said the league would have to accept a certain amount of ambiguity in order to approve Prokhorov.

"When we vet Russian joint-venture partners for our clients, I tell them there is no black and white in Russia, it's all gray," he said. "Information can be had, but you have to be prepared to accept the grayness."

There are other colors also associated with Russian joint ventures: green, for huge sums of laundered money, used for bribes and corruption; and red, for lots and lots of spilt blood. Some of the most recent blood comes from Prokhorov's old business partner, Shabtai Kalmanovich, owner of Spartak, the professional Russian women's basketball team. He was slain on November 2 in classic gangland style. Kalmanovich's black Mercedes-Benz was sprayed with submachine-gun and shotgun blasts from a passing vehicle.

Like Prokhorov, Kalmanovich had been a jet-setting high-roller. A Lithuanian-born Russian Jew, Kalmanovich emigrated to Israel in 1971. The Israeli newspaper, [Ha'aretz reported](#): "Kalmanovich was one of Israel's most colorful Russian immigrants. He was well connected to Israel's political, military and business elite during the 1970s and 1980s, and as a KGB agent, he made concerted efforts to work his way into the centers of power in Israel."

Yes, Kalmanovich, the big-spending billionaire capitalist, was a KGB agent, even while he also worked for Shin Bet, the Israeli intelligence agency. He was working for the KGB while playing Moscow's man-about-town, noted for hobnobbing with Hollywood celebrities and putting on huge Moscow concerts featuring the likes of Michael Jackson, Liza Minelli, and Jose Carreras. However, the Israelis caught on to his double-agent act and put him in prison in 1987 — but later traded him back to the Kremlin in an intelligence deal after he had served only five years of his nine-year sentence. Kalmanovich reportedly made a killing in "blood diamonds" in Sierra Leone, became general director of Moscow's Tishinsky Center, and owner of three sports teams. It was as owner of Spartak, the women's professional basketball team, where he scored his most recent triumphs. Investing millions of dollars in the team, he lured top American players from the Women's National Basketball Association, paying some as much as ten times their WNBA salaries.

The identity of the perpetrators of the Kalmanovich hit and their motive have been open to speculation. Various news accounts suggested it could be attributed to revenge by former business associates or a move by Russian mafia figures to take over his operations. More likely, Kalmanovich's demise was part of the reconsolidation of "The Party's Gold," as reflected in the Putin regime's ongoing renationalizing of business assets of Russian oligarchs. This has been accompanied by the imprisonment or liquidation of some of Russia's wealthiest oligarchs and mafia kingpins. On October 9, just three weeks before the Kalmanovich assassination, Vyacheslav "Yaponchik" Ivankov, one of the Russian mafia's most notorious dons, died from gunshot wounds he'd received in a July 28 sniper attack, while leaving a Moscow



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restaurant.

“The Party’s Gold”

There is good reason to believe that many of the murders of (and murder attempts on) Russian oligarchs and crime bosses may be part of the larger Putin effort to take back state control of assets that were privatized in the 1990s. It can be likened to Stalin’s re-nationalization of wealth that had found its way into private hands during Lenin’s New Economic Policy (NEP). The NEP was a massive deception run by Lenin’s NKVD (forerunner of the KGB) to lure Western aid and investment. Communist Party officials posing as Russian “businessmen” went into partnership with Western companies, and for a number of years gave the appearance that capitalism was replacing communism in Russia. In order to make the ruse convincing, the communist “capitalists” had to be given some latitude. Many of the newly minted business elite quickly became seduced by the wealth and lifestyles that came with their assignments; they began building impressive dachas and stashing gold, foreign currencies, and other valuables. Stalin put an end to that. He instructed Genrikh Grigoryevich Yagoda, NKVD chief and People’s Commissar for Internal Affairs, to ferret out all the secreted wealth of the “corrupt” comrades, including their secret Swiss bank accounts. This Yagoda did, and Stalin then had the offenders purged (usually tortured and killed). However, Yagoda had made one particularly startling omission in his otherwise thorough investigation: his own Swiss bank account. Stalin, not trusting anyone, had had his own personal secret inner intelligence service investigate Yagoda. He confronted Yagoda with his own theft of “the People’s” property. Yagoda himself was executed in the same manner as those he had executed.

The story of Yagoda and of Stalin’s purge of the “capitalists” is told in *The Party’s Gold* published in 1986 by Russian historian Igor Bunich. Putin appears to be carrying out a similar Stalinesque campaign of recovering the Party’s assets. Stalin, of course, was the most corrupt of criminals, but like any crime boss, he couldn’t tolerate skimming by underlings, nor would he allow other economic and political power bases to develop that might challenge his power monopoly. The fake capitalism that Lenin had encouraged under the NEP had been a temporary necessity to save the Soviet Union from economic collapse. But once it had served its purpose, the Soviets dropped all pretenses and resumed their old communist ways. A replay of that saga is underway now in Putin’s Russia.

Prokhorov, the charming, brilliant wunderkind is the front man for a ruthless underworld run by the KGB-FSB and its minions in the Russian mafia. Russian oligarchs like Prokhorov, Kalmanovich, Boris Berezovsky, Roman Abramovich, Alexander Lebedev, and Mikhail Khodorkovsky did not become billionaires virtually overnight because of their business acumen and financial genius. They were provided with special privileges and massive state assets to serve a strategic political agenda. Roman Abramovich, the Russian oil and aluminum tycoon, is most famous for his estates, yachts, jets, and lavish lifestyle — and ownership of the U.K.’s Chelsea Football Club, Europe’s Premier League soccer team. This high-profile position gives him access to Britain’s and Europe’s elite business, financial, political, sports, and entertainment figures.

Here are a couple of glowing puff pieces [romanticizing oligarchs Abramovich](#) and [Alexander Lebedev](#) from “Russia Today” television.

Alexander Ledbedev is the “former KGB agent”-turned instant billionaire who now owns the *Evening Standard*, the venerable 180-year-old London newspaper. Like Kalmanovich, it is a virtual certainty that Lebedev is continuing to serve his KGB-FSB masters. And if he begins to deviate or to become too independent, he will find himself facing the same fate as Yagoda, Ivankov, and Kalmanovich. And the



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same can be said for the NBA's Mikhail Prokhorov. The NBA is making a dangerous deal with the devil; Prokhorov is not investing his own money, it's "The Party's Gold." And the Party guards it very jealously.

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