

# THE DOUBLE LIFE OF RUSSIA'S MISSING TYCOON

This multi-millionaire had a beautiful wife, a string of gay lovers, a budding career as a Hollywood producer and links to the Kremlin.

Then a year ago he vanished — leaving a web of sordid intrigue behind him. By Mark Franchetti

**W**anted by prosecutors in Moscow over a bitter business dispute, the Russian-born American multi-millionaire had sought refuge in London. He moved his young wife and three-year-old son to Mayfair and liked to lunch at the Wolseley on Piccadilly and dine at Nobu, a trendy sushi bar. He bought a £3m mansion and co-founded the business free sheet City Am.

An indefatigable partygoer, Leonid Rozhetskin found London staid compared to LA, where he had lived briefly after fleeing Russia. But, recall his friends, it was more suitable for his family. And crucially, it was where he felt safest.

In mid-March last year, however, Rozhetskin, who had fallen out with a powerful Kremlin insider, felt he had to get away from London and the family for the weekend. Lulled into a false sense of security, he boarded his private jet and headed for Latvia, the former Soviet state.

Rozhetskin had not visited his luxury villa on the country's Gulf of Riga for months. Only a three hour drive to the east, the border with Russia was too close for comfort. But, by now, the murky business dispute that had made him flee Russia was all but resolved. Few people knew he was flying in, and he would only stay for 48 hours. He would be safe, or so he reasoned, and set off without bodyguards.

The businessman reached his £1m villa in Jurmala, an exclusive beachside resort town set in pine woods, on Saturday evening, March 15, 2008. As night fell, Rozhetskin, who was gay, was joined by two young men. They left him at





Leonid Rozhetskin  
with his wife, Natalya  
(left), and the model  
Victoria Silvstedt in 2006

capital's largest gay nightclub. The villa lights had been on, the taxi driver later recalled.

A year later, exactly what happened next remains a mystery so turbid it is worthy of a detective novel. An illustrious figure both in Moscow's business world and its hedonistic nightlife, Rozhetskin has not been seen since. The following day a friend with whom he was to have Sunday lunch became alarmed when he failed to reach him at the villa. Police were called, but left when they failed to notice anything unusual. They returned the next day at the request of the US embassy in Riga, which had received anxious calls from Rozhetskin's family. There was no sign of a break-in. But as officers searched the villa they discovered large traces of blood. The next day the missing man's red Porsche Cayenne, which had been spotted leaving the villa at 7.30am, was found abandoned in nearby woods. The rear seats were smeared in blood, which someone had tried to wipe down. DNA tests matched the blood left at the house to that inside the car. Because of Rozhetskin's American citizenship, the FBI was called in.

As no body has been found, Latvian law states that Rozhetskin cannot be declared dead for 10 years. Few, however, doubt that he was killed. No bullet casings were found at the villa, but it's thought he was either shot in the head at close range or bludgeoned with a sharp object. Either way, it's not thought he was the victim of a robbery, as no belongings appear to have been stolen. Police believe his body was bundled in a blanket and almost certainly dumped in the freezing sea, weighed down with a heavy object. Nobody really believes it will ever be found.

Rozhetskin's butler, who the local press linked to Russia's security services, was briefly detained but released without charge. Some friends believe Rozhetskin was killed in a "gay thing gone wrong", as they put it. Most, however, suspect he was murdered in a professional contract killing they trace back to Moscow. They talk of the powerful enemies he had made and the long arm of Russia's hitmen. Some, including his wife, Natalia, who stayed in London where she now lives under tight security, are too scared to talk about what might have happened. Others — close friends and business partners — agreed to share their views on Rozhetskin's colourful life and brutal end. But, a sign of the deep apprehension his fate still provokes, they would only speak off the record.

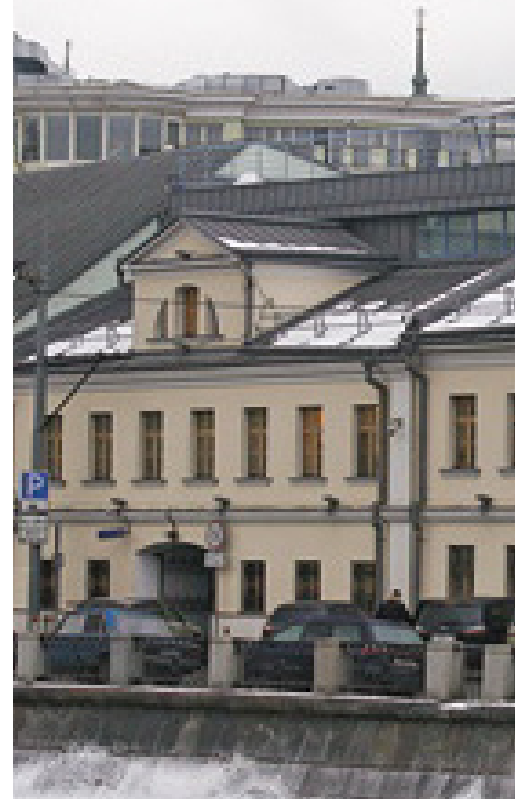
**I**f, as seems likely, Rozhetskin was killed by a professional hitman, he would be neither the first, nor the last, wealthy Russian to lose his life over a business dispute. In Russia, contract hits remain a popular way of settling boardroom tussles, silencing critics and doing away with rivals. More than a murder mystery, Rozhetskin's story is a reflection on post-communist Moscow, the city that made him fabulously rich but ultimately led to his gruesome end. "Leonid and Moscow were made for each other," said a close friend. "He came here when everything was possible, when all was up for grabs. He was brash and brazen, like the city. He worked hard and played hard. But his tragic end is a stark reminder that Moscow retains a very dark side. It can still be deadly dangerous."

Rozhetskin was born in Leningrad, as St Petersburg was called in communist times, into a Soviet Jewish family. In 1980, aged 14, he emigrated with his mother to New York. "It was a tough life, starting again in America. I struggled to



**Top right: the offices of MegaFon; Rozhetskin reputedly netted nearly £130m when he sold his stake in the mobile-phone company to Mikhail Fridman's Alfa empire**

**Above: Rozhetskin's villa in Jurmala where it is believed he was murdered**



is meet, but I emigrated because more opportunities for Leonid," recalled his wife, who brought him up alone.

As a student, the young Rozhetskin won a scholarship to Stanford University, graduating with distinction, where he studied law. He began his career in Los Angeles as a clerk for a federal judge in LA, and then worked for White & Case, a top US firm. By then the Soviet Union had collapsed and communism had been replaced by capitalism. Like many other young Russians, in the 1990s he returned to the motherland to take part in the privatization of state assets.

Soon, Rozhetskin came to Moscow and left without a trace. Rozhetskin, who moved there aged 26, was one of a handful of ambitious, smart and bold

emigres to make the most of their American-Russian background, he did exceptionally well — first as a lawyer at White & Case's Moscow office, and later as the head of his own law firm. "He was a brilliant lawyer," said a former colleague. "He was incredibly sharp and knew the laws better than anyone. In Russia, where they can be very complex and obscure, that was an achievement and a real asset."

Soon, Rozhetskin was one of Moscow's best-paid lawyers. Highly driven and captivated by big money, he was far from content. Still under 30, he craved greater wealth and status. He wanted "serious cash and recognition."

In 1995, aged 29, Rozhetskin teamed up with Steve Jennings, a New Zealander, and Boris Jordan, an American of Russian origin, to found Renaissance Capital, Russia's first investment bank. The three were soon among Moscow's most successful and best-connected foreigners. They hobnobbed with Kremlin insiders, government figures and the oligarchs, Russia's powerful tycoons. Under them, Renaissance played a critical role in the privatization of state assets worth billions of pounds. Rozhetskin was also instrumental in pulling off the first public listing of a Russian company on the New York stock exchange since the revolution.

As his career took off at breakneck speed, so did his social life. An enthusiastic party animal, he was a permanent fix-



ture of Moscow's *toussouka*, the in-crowd. Those he socialised with remember him as warm-hearted and generous, but also as someone obsessed with being the centre of attention. The more he earned, the more flamboyant he became. He wore £10,000 diamond-studded watches and bought a luxury penthouse in central Moscow, which he decorated in a garish and extravagant style. The floors were pink and purple marble, burgundy drapes hung from the walls next to fake Roman statues and neo-classical columns.

His vast bedroom, he liked to boast, was a replica of Gianni Versace's, the gay fashion designer murdered in 1997. A top lawyer who once called on Rozhetskin to have him sign some documents was surprised to discover he owned a pink poodle. The gaudy apartment was the scene of lavish parties, where Rozhetskin entertained Moscow's jet set. He always made a point of being seen in the company of long-legged female models and often entertained business partners with accounts of his sexual exploits with women.

Friends suspected Rozhetskin lived a double life. Like most gay men in Russia, a country plagued by machismo and deep-seated homophobia, the brilliant lawyer-turned-high-flying-investment-banker greatly feared the consequences of coming out. It would be bad for business and people would make fun of him, he told his gay friends.

**Above left: Steve Coogan (left), star of *Hamlet 2*, the film Rozhetskin produced with Eric Eisner (right)**

**Above: City AM, the paper Rozhetskin co-founded**

He had a string of male lovers, a couple of long-standing relationships and a penchant for athletic rent boys, but he went to extraordinary lengths to conceal his homosexuality. On more than one occasion he went on holiday with friends and their families, in the company of a beautiful woman he led people to believe was his partner. On the subject of his private life he did not trust even those closest to him with the truth — his mother still thinks reports of his homosexuality are part of a smear campaign.

Hungry for more wealth and status, in 1998 Rozhetskin left Renaissance to set up his own independent venture-capital firm, LV Finance. He continued to rake in considerable profits for himself and his clients. For several years he served as executive vice chairman of Norilsk Nickel, the world's largest miner of nickel and palladium metals. He also made new friends in high places, chief among them Leonid Reiman, at the time Russia's powerful telecommunications minister who was close to Vladimir Putin, the former president and current prime minister.

It is widely believed that Reiman helped Rozhetskin land the biggest coup of his career when LV Finance secured 25% of MegaFon, now Russia's third largest mobile-phone operator. By far the venture capital's most valuable asset, it would also lead to the Russian-American's downfall.

In 2003, Rozhetskin sold the MegaFon stake to Alfa, the business empire of Mikhail Fridman, one of Russia's most prominent oligarchs, whose wealth before the financial crisis was estimated at £10 billion. The deal reportedly netted Rozhetskin nearly £130m. The sale was contested at once by the Bermuda-based corporation IPOC, which claimed Rozhetskin had sold it the option to buy the stake. The deal made Rozhetskin very rich, but led to a complex and fierce legal battle as IPOC took on Alfa and Rozhetskin.

Reiman has always vehemently denied any ties to IPOC or MegaFon. But in 2006 an arbitration court in Zurich ruled that the cabinet minister was IPOC's beneficial owner, thus confirming what Rozhetskin and insiders had long claimed.

The MegaFon deal pitted two of Moscow's most powerful figures against each other — Reiman, who still denies any links to IPOC, and Fridman. The cast swelled in numbers as shady prosecutors, state security police officers and unscrupulous private detectives joined in. The two sides accused each other of dirty tricks and lobbied the Kremlin furiously. Both had Putin's ear, who chose not to intervene, leaving the two opponents to fight it out in the courts for nearly four years. Given the giddy sums at stake, there was no doubt as to the dangers involved — and of the parties involved, Rozhetskin was most at risk.

## **SOME FRIENDS BELIEVE ROZHETSKIN WAS KILLED IN A 'GAY THING GONE WRONG', BUT MOST SUSPECT IT WAS A CONTRACT KILLING**

Insiders say he had accepted a large sum from Reiman — a claim denied by the minister sacked last year, but who still advises the government. In return he was to hand over the MegaFon stake to IPOC. Though substantial, the cash payment was well below the stake's market value. Rozhetskin changed his mind later, claiming in a suit filed against the minister in a US court that he had agreed to sell the stake to IPOC under duress after receiving threats. In a move insiders say was motivated by greed, defiance and spite, Rozhetskin sold the stake to Fridman and sought to ➤➤➤ 29



return the payment allegedly made by Reiman. “A couple of weeks before he sold the stake, Leonid came to see me,” recalls a friend. “He named some people and asked if I thought they were capable of taking a hit out on someone.”

Another friend recalled Rozhetskin attending a meeting surrounded by bodyguards. “He’d never had security before, and I was very surprised,” said the friend. “He was scared. At first he thought he could deal with it, but then realised he’d gotten himself into a mess and felt there was no way out. I told him to give it all up, but he wasn’t prepared to do that. He’d become too used to big money.” The bodyguards and armoured car he bought, however, offered little protection. Given the influence of the people he had crossed, it was not long before Rozhetskin had to flee Russia to avoid arrest.

In 2004 prosecutors launched an investigation into the financier on charges of stealing \$40m from IPOC — the sum Reiman allegedly paid him for the stake and which, according to Rozhetskin’s friends, he sought to give back. Shortly after the probe was started the American left Russia. In 2006, the Russians issued a warrant for his arrest.

**I**n exile, Rozhetskin pined for Moscow, its nightlife and business opportunities. But he did not stand idle. He divided his time between villas in Thailand and LA, a New York penthouse and a seaside mansion in the south of France. He was also a frequent guest at London’s Dorchester. Eager to have a child and anxious to add to his image as a straight family man, Rozhetskin married Natalia Belova, a stunning Russian model, who four years ago bore him a son, Maximillian. The fugitive multi-millionaire is said to have been a loving father and close to Belova — but family life made him no less extravagant. A gay friend who joined him with other guests during a seaside holiday recalled Rozhetskin and a long-standing former lover retiring to a bedroom whilst their wives chatted merrily one floor below.

Nor did the death threats he is said to have received over the business dispute back in Russia dampen his enthusiasm for partying. “He was never depressed,” said a friend. “He loved life and was always full of energy, optimism and enthusiasm, even when his problems back in Russia got very serious.” But most of all Rozhetskin was excited about re-inventing himself as a Hollywood producer. He had become close to Eric Eisner, the son of Disney magnate Michael Eisner, and the two founded a Hollywood production company and enjoyed unprecedented success with their first film, *Hamlet 2*, a comedy starring Steve Coogan. Less than two months before the fateful trip to Riga, the film screened at the Sundance Film Festival. After the screening, film executives began an all-night bidding war over distribution rights. By dawn, Rozhetskin and Eisner had secured a \$10m deal, a near record for a small-budget film.

“Leonid was ecstatic,” recalled one of his closest friends. “His first film was a roaring success. There he was, the poor Jewish kid from Leningrad, being courted by Tinseltown. It



**Top: Boris Yeltsin (right) with Russian bankers, including Mikhail Fridman (third right)**

**Above: Russia’s former telecommunications minister, Leonid Reiman, pitted against Fridman in the MegaFon controversy**

wasn’t about the money, he had plenty. It was about the recognition. Making it in Hollywood was a dream come true. He felt a whole new chapter in his life was beginning.”

There was more cause for optimism. Back in Russia, after years of vicious infighting, the bitter corporate feud was finally being settled. After court cases in Bermuda, New York, Switzerland, and tens of millions of dollars in legal fees, the ownership of the MegaFon stake Rozhetskin had sold was ruled as being rightfully Fridman’s.

All parties, including Rozhetskin, agreed to drop proceedings. Crucially, Alisher Usmanov, the billionaire owner of 25% of Arsenal, stepped in to purchase IPOC’s remaining MegaFon shares, which the corporation had refused to sell to Fridman. Rozhetskin told his friends that his troubles were over and that he was planning on returning to Russia, an event he would celebrate with the “mother of all parties”.

“He was buoyant,” recalled one. “He missed Russia and was excited about going back. He felt he’d been vindicated, he’d come out on top. He had a lot of plans and wanted to father a second child. A few days later I got a text — ‘Leonid’s missing’ — and that was it, he was gone.”

Since then, a bitter dispute has broken out over Rozhetskin’s personal fortune, which could be several hundred million dollars. To minimise taxes he put most of his assets in a trust tightly controlled by a Geneva-based American lawyer, who allegedly refused to show the will to potential beneficiaries. But, for as long as Rozhetskin is not declared dead, the lawyer has no obligation to disclose the will and has full legal powers over how to manage and dispose of the assets. “You must understand one thing,” potential beneficiaries say he told them. “I am Leonid now”.

Rozhetskin is not known to have told anyone of his motive for visiting Jurmala last March. It remains a mystery whether he was on a spontaneous weekend of sex that went wrong or if someone lured him into a trap. That the body is missing is highly unusual for a contract hit. But a lack of finger prints

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or traces of the killers suggests a degree of professionalism. Adding to the murky plot, there are wild claims Rozhetskin’s murder was staged. According to this highly improbable version, the multi-millionaire is under witness protection in the US after providing evidence against leading Russians.

Those closest to him suspect a death squad sent by enemies bent on revenge. The MegaFon row was settled, but the fallout, with its cast of shadowy characters, was too big for the ripples not to reach Rozhetskin — not least since he had signed the amicable agreement ending the dispute, a step which made him dispensable.

“Rozhetskin was brilliant, and a true larger-than-life character, full of charm and vitality,” said a former business partner. “What happened to him is deeply shocking. His greatest problem was his insatiable drive to make big money as fast as possible. He was in a rush and wanted enough cash to be able to tell people to f\*\*\* off.

“I always feared he would end up paying for it because he lived on the edge. I don’t think we’ll ever know exactly what happened to him. But one thing is for sure — regardless of whether he was right or wrong, you don’t get into that kind of business dispute and get away with it. Not in Russia.” ■ 31