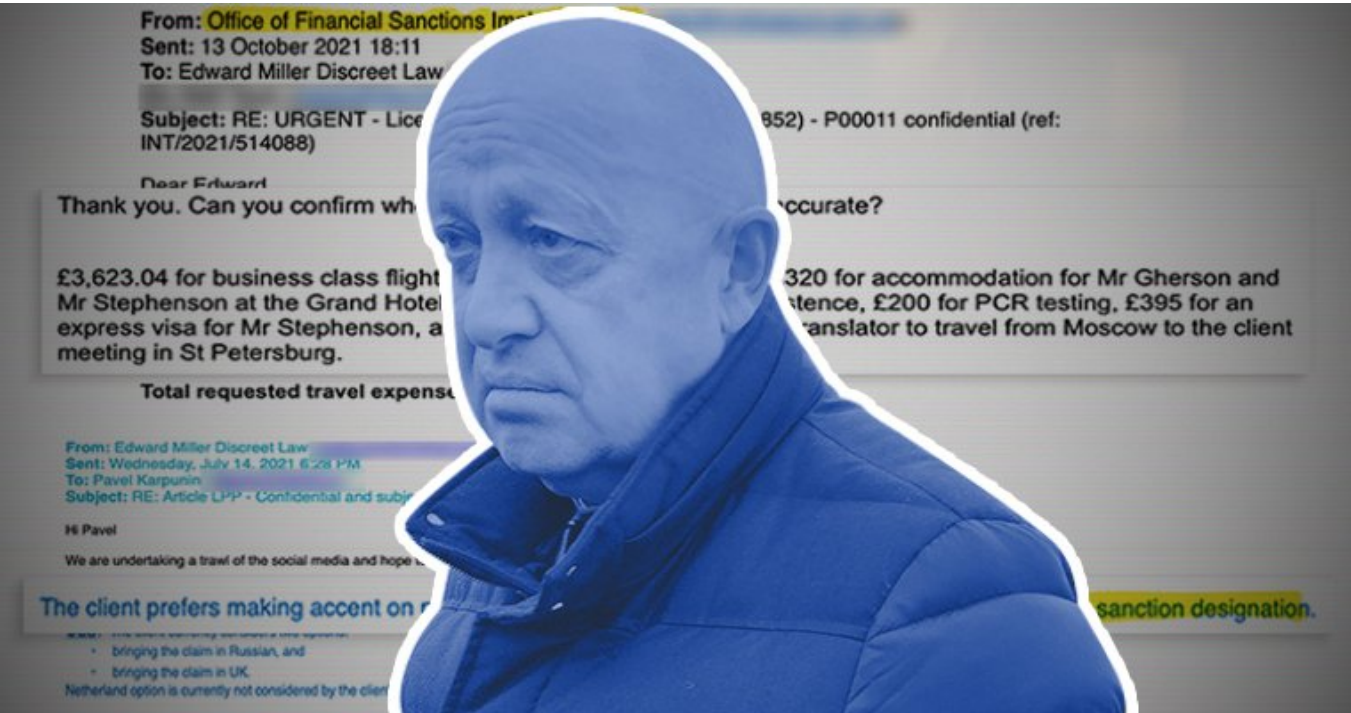


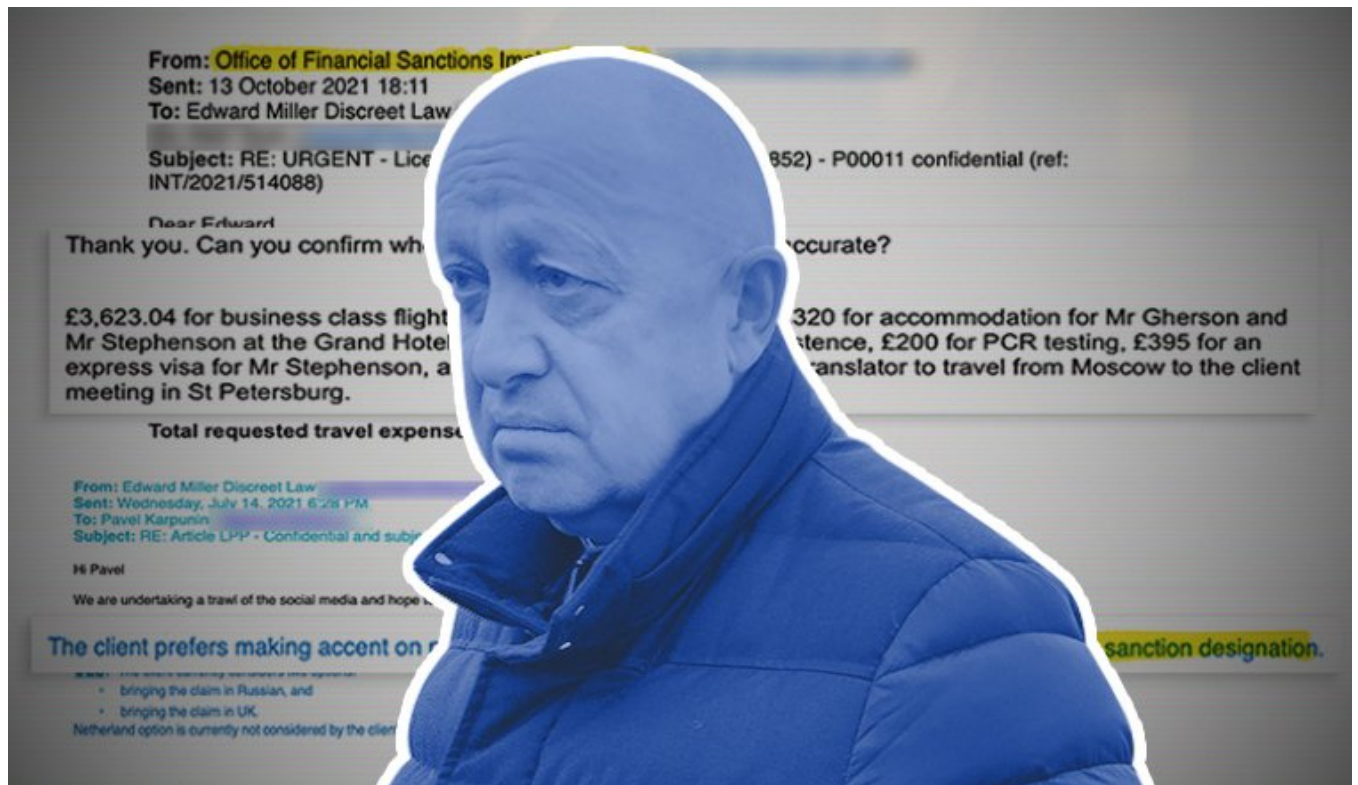
Revealed: UK government helped sanctioned Putin ally sue British journalist

UK Treasury, then under Rishi Sunak’s control, let Yevgeny Prigozhin circumvent sanctions to target Eliot Higgins



Jim Fitzpatrick
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Rishi Sunak's Treasury allowed Russian oligarch Yevgeny Prigozhin to override sanctions to launch an aggressive legal campaign against a journalist

Aleksey Smagin/Kommersant/Sipa USA. Composite image by openDemocracy. All rights reserved

The UK government helped the boss of Russia's murderous mercenary army to circumvent its own sanctions and launch a targeted legal attack on a British journalist, openDemocracy can reveal.

Yevgeny Prigozhin is the founder of Wagner, a private army that the US government last week [announced it would designate](#) a "transnational criminal organisation", allowing it to impose even tougher sanctions on the group. For years it has been accused of human rights abuses and war crimes in Ukraine and across the world in support of Putin's regime.

Sanctions introduced in the [UK and Europe in 2020](#) were supposed to prevent anyone from doing business with Prigozhin. He had also been sanctioned in the US in 2018.

But a vast cache of hacked emails shows that, under the leadership of Rishi Sunak, the UK Treasury issued special licences in 2021 to let the oligarch override sanctions and launch an aggressive legal campaign against a journalist in the London courts.

The notorious libel suit against Eliot Higgins personally followed revelations by his website Bellingcat about Wagner's [shadowy operations](#), and was part of Prigozhin's strategy to undermine the sanctions against him.

The case collapsed in March 2022, in the aftermath of Russia's invasion of Ukraine. But key details of how the sanctioned oligarch was able to pursue the legal attack have remained a secret until now.

An investigation by openDemocracy has found that:

- The government granted licences for a British law firm to work on the case, and approved key steps along the way;

- Sanctions prevented Prigozhin from coming to London, but the UK government gave permission for his British lawyers to fly business class to St Petersburg so they could meet face-to-face and finalise their legal attack on Higgins;
- Prigozhin paid his London lawyers directly via wire transfer from Russia, causing the UK bank to initially withhold funds due to sanctions;
- The London case was a key plank of his strategy to thwart the global sanctions.

The vast cache of hacked emails and documents from one of Russia's biggest law firms was made available to openDemocracy and [The Intercept](#) via a third party. The unsorted files were first provided to a US non-profit called [Distributed Denial of Secrets](#), which makes them available to anyone with the necessary expertise.

They lay bare the incredible ease with which one of the world's most notorious warmongers was able to use the UK legal system to try and further his aims, even while sanctioned.

Overriding sanctions can only be approved by a little-known department within the Treasury, called the Office of Financial Sanctions Implementation (OFSI), so that people can have the right to legal representation where necessary.

The leaked documents reveal just how easy it was for Prigozhin's lawyers to obtain multiple licences to pursue the case, with regular personal correspondence from government officials.

openDemocracy asked the government if ministers were made aware of the decision to grant Prigozhin a licence, but a spokesperson said they couldn't comment on "individual cases".

Speaking to openDemocracy, however, Higgins accused the government's OSFI department of becoming "embroiled in a scheme to undermine the very sanctions they were responsible for governing".

Discreet Law

Since the invasion of Ukraine, Prigozhin has revelled in his public role as the leader of Wagner and its bloody contribution to Russia's war. [He has been filmed recruiting from Russian prisons](#), persuading convicted criminals to swap jail for a trip to the Ukrainian frontline and the chance of freedom, if they survive.

His mercenary army [has been accused of war crimes](#) and is believed to be responsible for thousands of civilian deaths. It has suffered heavy losses among its fighters, some of whom have also been recruited from poverty-stricken countries in Africa.

But until recently, Prigozhin had always denied any links with the group. He was incensed by media coverage that eventually exposed his role and led to sanctions being imposed in the UK and Europe.

He had already been [sanctioned in the US](#) for running the Russian troll-farms that spread disinformation and interfered in the US presidential election campaign of 2016 and congressional elections of 2018.

Revelations about Wagner and Prigozhin were exposed by Bellingcat in 2020, leading to the notorious libel case against Higgins.

Government approval to engage with the oligarch was secured by Discreet Law, a London firm headed by Roger Gherson, who has specialised in representing wealthy foreign clients.

The firm worked with Prigozhin's Russian lawyers, Capital Legal Services (CLS), to build a detailed legal plan.

Higgins was targeted individually, rather than as part of a legal case against Bellingcat. This meant that, instead of claiming Bellingcat's investigations into Wagner were defamatory, the lawyers instead relied on tweets Higgins had sent to promote the investigations on social media.

The approach allowed Prigozhin to launch his legal attack in the UK – where Higgins lives, and where libel laws are more punishing for journalists – rather than in the Netherlands, where Bellingcat is headquartered.

The case collapsed when the lawyers from Discreet withdrew their services in March last year, a month after Russia's invasion of Ukraine, and was eventually struck out in May. Higgins was left with estimated costs of £70,000.



Emails suggest Prigozhin believed a win against Higgins would have strengthened a separate legal bid to lift the sanctions against him

Engagement between Discreet Law and Prigozhin's team appears to have begun on 29 June 2021, when Gherson met Vladislav Zabrodin, the managing partner of CLS at Discreet Law's offices in north London.

It was the first of several meetings in London between the two over the subsequent nine months. Although Zabrodin is based in Moscow, his travel schedule and appointments paint a picture of someone supremely well-connected to the legal elite in London.

Emails between Discreet and CLS show that Prigozhin believed a win against Higgins in London would have strengthened a separate legal bid to lift the sanctions against him, because it would discredit the criminal allegations against him.

"The client prefers making accent on public rebuttal of the article since it is one of the reasons for his sanction designation," wrote a CLS official.

With the help of the UK government, Discreet Law was able to pursue the case legally, and was clear about the need to operate within the rules. Serving the claim on Higgins "will need Treasury permission," wrote of the firm's lawyers in 2021. And that permission was forthcoming.

Business class flights

As Discreet Law prepared for the case against Higgins, its fees were temporarily snared by the sanctions regime in September 2021. Prigozhin transferred money from Sberbank in Russia to HSBC in the UK. But HSBC became concerned about sanctions and initially refused to forward the payment to Discreet Law's bank, NatWest.

A flurry of emails reveal the lawyers considered applying for an injunction against HSBC to get their money. But by October, HSBC had apparently been persuaded of the legality of the transfer, and Prigozhin's payment duly landed in Discreet's UK account.

As the work on Prigozhin's case built and the relationship developed, a face-to-face meeting was proposed by Gherson. But as Prigozhin was under sanctions in the UK, Europe and the US, the oligarch didn't have many options for travel.

Instead, the lawyers – Gherson and Andrew Stephenson from Discreet Law – again approached the UK government to get permission to meet their client in Russia.

An email from OFSI to Discreet makes clear that the Treasury knew every last detail – including the price of the business class flights and accommodation in the five-star Grand Belmond Hotel in Prigozhin's home city of St Petersburg.

From: Office of Financial Sanctions Implementation
Sent: 13 October 2021 18:11
To: Edward Miller Discreet Law
Subject: RE: URGENT - Licence Application (ref: INT/2021/753852) - P00011 confidential (ref: INT/2021/514088)

Dear Edward

Thank you. Can you confirm whether the revised total below is accurate?

£3,623.04 for business class flights to and from St Petersburg, £320 for accommodation for Mr Gherson and Mr Stephenson at the Grand Hotel Europe Belmond, £150 subsistence, £200 for PCR testing, £395 for an express visa for Mr Stephenson, and £100 for a train fare for the translator to travel from Moscow to the client meeting in St Petersburg.

Total requested travel expenses = £4,788.04

An email from OFSI to Discreet makes clear that the Treasury knew every detail of Prigozhin's lawyers' trip to Russia

"Can you confirm whether the revised total below is accurate?" wrote an OFSI official to Discreet. "£3,623.04 for business class flights to and from St Petersburg, £320 for accommodation for Mr Gherson and Mr Stephenson at the Grand Hotel Europe Belmond, £150 subsistence, £200 for PCR testing, £395 for an express visa for Mr Stephenson, and £100 for a train fare for the translator to travel from Moscow to the client meeting in St Petersburg."

Full approval followed and Edward Miller, a lawyer at Discreet Law who helped organise the trip, sent news to Zabrodin in Moscow: "Thanks Vlad. In the meantime, I can confirm that OFSI has just agreed the second licence."

Records of the eventual meeting itself are scarce. But hidden in Russian on Zobrodin's time sheet for 21 October, recorded to enable the charging of fees to the client, is the note: "Consideration of the outcome of the English solicitors' meeting with the client on matters relating to the defence of the client's interests in the libel case." It is headlined in English with the code name "Hamlet Project" – the same name used for the case by CLS in other leaked documents.

'Highly concerning'

The case has been highlighted as an example of a SLAPP action (Strategic Litigation Against Public Participation), an abuse of the legal process designed to intimidate and close down legitimate scrutiny.

Susan Coughtrie, the director of the Foreign Policy Centre and co-chair of the Anti-SLAPPs Coalition, described openDemocracy's revelations as "highly concerning".

Coughtrie said the decision-making process for granting licences needed "much closer scrutiny".

“This could not be more pertinent now, with many more individuals sanctioned in light of the Russian invasion of Ukraine,” she said. “We need assurances from the UK government, which has already committed to addressing SLAPPs, that sanctioned individuals will not be given licence to abuse the UK courts to bully journalists and suppress information in the public interest.”

It is absolutely ludicrous that the government stands accused of evading the sanctions it itself imposed

Higgins told openDemocracy that our investigation “raised serious questions for OFSI in how they became embroiled in a scheme to undermine the very sanctions they were responsible for governing”.

He said it was clear that “wealthy individuals abuse the UK legal system to attack legitimate journalists with the assistance of British lawyers” and said the case demonstrated the need for “robust anti-SLAPP legislation” to protect journalists from similar actions in the future.

His solicitor, Matthew Jury, has also made a [formal complaint against Discreet Law’s behaviour in the case to the Solicitors Regulation Authority](#).

Labour MP Margaret Hodge, who chairs a cross-party anti-corruption group in parliament, said the revelations “beggar belief”.

“It is absolutely ludicrous that the government stands accused of evading the sanctions it itself imposed,” she said. “If this is true, why did Parliament not know about it? Where is the accountability? And the government must stop such activity now.”

openDemocracy put a number of questions to Discreet Law, but it did not respond.

The emails and documents seen by openDemocracy were uncovered through a series of hacks against more than 50 Russian companies and government agencies conducted after Russia’s invasion of Ukraine. openDemocracy does not know the identity of the hackers, but the authenticity of the information has not been challenged or disproved by those affected.