



# A Necktie for Lawyer Shumkov

By Vladimir Voronov

*Translated by Arch Tait*

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<sup>1</sup> On the evening of Friday, 4 December 2015 the body of 43-year old Dmitry Shumkov was discovered in an office in the Federation Tower of the Moscow City business centre.

Shumkov's name became known to the general public only from reports of his death. These reports, summarizing the dynamic business life of the deceased, revealed that Mr Shumkov was a dollar billionaire; co-owner of the Olympic Sports Complex in Moscow; co-owner of the *Norilsk-1* mines; co-owner of a complex of buildings adjacent to the Kremlin on Varvarka Street and Kitai-Gorod Drive; owner of a "Centre for Network Impact Technology", which is one of the top five Internet traffic regulators; and, owner of a majority holding in the Moscow Internet eXchange" (MSK-IX) hub, which serves 60% of Russian Internet traffic, and of NGENIX, the market leader in services providing content.

The successes of the deceased were not confined to business. He was one of the top ten Russian lawyers, a Doctor of Laws, Professor of Public Administration and Legal Support of State and Municipal Services of the Russian Presidential Academy of National Economy and Public Service, Academic Director of the Institute of Energy Law at the Kutafin Moscow State Law University, a member of the Presidium of the Russian Law Society and Chairman of the Board of the Russian National Centre for Legal Initiatives. He was also a member of the Academic Advisory Board of the Prosecutor General's Office of the Russian Federation.

### **"Non-criminal Suicide"**

This biography raises many questions, including the source of such a huge fortune. From a number of publications we learn that Shumkov was investing heavily in development projects from 2001. But where could the then 29-year-old employee of the Udmurt Prosecutor's Office have found the funds to do so, when he had only recently resigned from state service to try his hand in the private sector? We know as little about the subsequent growth of this capital as we do of the beginnings of Shumkov's entrepreneurial career. More precisely, we know nothing.

*"His body was found hanging from several ties in a cloakroom."*

The circumstances in which the lawyer turned businessman died are also highly mysterious, although some details became known almost immediately, on the evening of 4 December. It was initially reported that his body had been found hanging from several ties in the cloakroom of Sixty, a restaurant Shumkov owned, on Floor 62 of the Federation Tower. A clarification followed: it had indeed been found in a cloakroom, only not in the restaurant but in Shumkov's private apartments located in the same tower. Simultaneously, hot on the heels of the tragic event, the news agencies quoted the law enforcement agencies as reporting that Shumkov had committed suicide and that "his death was not criminal."

No suicide note was discovered, however, so such a swift announcement on the part of the investigation is puzzling: how could they have established whether the death was "criminal" or "non-criminal" within a few hours of the body being found and before a post-mortem could have been performed? To say nothing of the fact that a suicide by no means rules out the possibility of a criminal dimension.

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<sup>1</sup> This paper was written for the Russian Service of Radio Free Europe / Radio Liberty. It can be accessed at, Voronov, V. 'Galstuk dlya yurista Shumkova, *svoboda.org*, 29 December 2015, available at: <http://www.svoboda.org/content/article/27455348.html>

*“A man resembling Dmitry Peskov, press secretary of the president of Russia”, had been seen there”*

At all events, there is no longer any possibility of establishing the nature of Shumkov’s death with any certainty because just five days later, on 9 December 2015, his body was cremated - at the request of relatives of the deceased, to enable the ashes to be buried in his native Sarapul in Udmurtia. The next day, however, on 10 December, they were in fact buried in Moscow. Either the family had changed their minds or somebody else had. The obsequies of one of Russia’s ten best lawyers were carried out in extreme privacy. Only the website of Moscow State University’s Legal Faculty carried an obituary, reporting that Shumkov had been buried at Kuntsevo Cemetery. A website in Izhevsk, the capital of Udmurtia, also reported that the funeral had been attended by about 100 people and that “a man resembling Dmitry Peskov, press secretary of the president of Russia”, had been seen there.

In short, the mysterious death of a man with a mysterious career and even a mysterious funeral. No less surprisingly, after the funeral there were no “ripples in the water”, as if the investigators and press had been ordered to say nothing. Even supposing that this was a “non-criminal” suicide, is it not sensational that a successful 43-year-old man who belonged to the very top layer of Russia’s business and political elite decided to kill himself? What might have prompted him to do that?

### **“Lawyer of the Year” or “Platinum Crook”?**

Fleeting mentions of Dmitry Shumkov appeared in the mass media only in the last few years, and then only rarely. When they did, though, it was almost invariably in the company of major players. He was noticed rubbing shoulders with Vladimir Putin on at least four occasions. At the Far Eastern Federal University on 8 September 2011, Shumkov demonstrated to him the Electronic University system which enables remote management of all the University’s administration. Putin even commented on what he had been shown: “Super! Excellent!”

*“Dmitry Shumkov was known as a “Platinum Crook” and “the Maestro of Moscow Carve-ups””*

On 1 February and 6 March 2012, the television channels showed Shumkov accompanying Putin during his visits to the Election 2012 situation centre, and in September 2012, immediately after the Asia-Pacific Economic Cooperation forum in Vladivostok, Shumkov again showed Putin the Far East Federal University’s technology. In December 2012, Dmitry Shumkov was once more in the public eye as Prime Minister Dmitry Medvedev awarded him the country’s highest legal award, Lawyer of the Year, in recognition of his “contribution to the development of civil society”.

In May 2014, Shumkov was mentioned in the business press as having bought the (1980) Olympic Sports Complex in Moscow. In summer 2015 it came out that Shumkov was a business partner of Musa Bazhaev, owner of Russian Platinum, and held a stake in the Norilsk-1 mineral deposits. The latter information became public because of a scandal that broke in June 2015. Dmitry Shumkov announced he had rights to a share in the deposits and put them up for sale. This caused sources close to Russian Platinum to deny that Shumkov had any share in the group’s assets. Simultaneously, there was a spectacular eruption of compromising material about him. Shumkov was described as a “Platinum Crook” and “the Maestro of Moscow Carve-ups” who was attempting to seize the Norilsk platinum deposits.

## It happened in Izhevsk

Dmitry Shumkov was born in 1972 in Sarapul, graduated from the Law Faculty of the Udmurt State University (although in his official biography, he states that he graduated from the Russian Presidential Academy of the National Economy and Public Administration), and from 1992 worked in the Prosecutor's Office of Udmurtia. Already at the age of 24, he became a senior assistant to Viktor Pogodin, who headed the Udmurt Prosecution Service from 1983 to 2000. Shumkov was responsible for relations with other state institutions, the media and non-governmental organizations, resolving administrative issues. By the age of 25 he held the rank of colonel of justice. His appointment as an assistant prosecutor of Udmurtia was, according to one account, engineered for him by an influential uncle, Dmitry Styran, his mother's brother, who allegedly belonged to a gang which controlled the region's oil industry.

*"After they did all the work, the star in the local press was Shumkov, who sent the case to court"*

If we are to believe the Izhevsk press, Dmitry Shumkov first came to prominence, still only locally, in the mid-1990s, as the senior officer in a team investigating a high-profile case involving police officers. Drivers were being attacked by armed criminals on the Glazov Highway. His colleagues took great exception when, after they had done all the work, the star in the local press was Shumkov, who sent the case to the court. In much the same way, he hogged the limelight in another high-profile investigation of the brutal murder of the Deputy Minister of Internal Affairs of Udmurtia and Chief of the Criminal Police, Colonel Nikolai Perevoshchikov and members of his family, committed on the night of 9 October 1994.

After studying the newspaper files, I discovered that the Moscow mass media first mention our hero's name in November 1997 in connection with another notorious case in Izhevsk. Yury Artamonov, 22, was accused of having pretended to be a plumber, getting into the apartments of elderly women and killing them with an axe. He was facing charges over twenty-one documented murders. Dmitry Shumkov represented the state prosecution on that occasion and successfully called for the death penalty for Artamonov, who was executed. Russia had, however, agreed a moratorium on the death penalty, and no executions had been carried out since September 1996, as the prosecutor was doubtless well aware.

*"His fellow investigators in the republic's Prosecutor's Office had reservations about him, and even viewed him with hostility, regarding him as a wide boy"*

It is evident from the reactions in Izhevsk following Shumkov's death that his fellow investigators in the republic's Prosecutor's Office had reservations about him, and even viewed him with hostility, regarding him as a wide boy whose career was being deliberately advanced at their expense. Approximately one month before the end of an investigation on some high-profile and open-and-shut case, the head of the investigation team would be taken off the case by their superiors and replaced by Shumkov, who would garner the laurels when the case went to court. He began being included in investigative teams from the federal Prosecutor General's Office which were seconded to the republic.

In early 2008, the first "real" compromising evidence against Shumkov was leaked to the social networks and media, indicating that in addition to Victor Pogodin, he was receiving powerful patronage from Alexander Zvyagintsev, in 1993-2000 the director of the Centre for Information and Public Relations of the Russian Prosecutor General's office and, from 2000 until very recently,

Deputy Prosecutor General of Russia. (On 25 December 2015, Zvyagintsev was retired by the Federation Council on the recommendation of the president.)

*“He saw himself, if not as the head of our state, then certainly as the head of the republic”*

Izhevsk reporters were told by Envil Kasimov, chairman of the Standing Commission on National Policy, Public Security, Regulation and Organization of the Work of the Udmurt State Council, that Shumkov was always very forceful. “He could enter any closed door,” and was extremely ambitious. “He wanted in the future to be the head of Udmurtia.” Another of Shumkov’s compatriots, political analyst and CEO of GR/RM Consulting, Marat Bashirov, said he had known Shumkov back in the 1990s, and called him an “incomprehensible lad”. “He liked to shock people, went in for complicated deals, every morning styled his hair and was always well-dressed.” Almost everybody who had known him in Izhevsk mentioned how ambitious he was. “Shumkov was unquestionably a careerist. Moreover, he was narcissistic and very ambitious. Dmitry went all out to break through to the federal level. He saw himself, if not as a future head of our state, then certainly as the head of our republic.”

### On the wings of the Union of Rightist Forces

Dmitry Shumkov made his bid to emerge at federal level in the early 2000s. Without yet breaking his links with his native Udmurtia, he became a postgraduate student at the Russian Academy of State Service, defending first his Candidate’s and then, just three years later in 2002, his Doctoral thesis.

*“Our hero gave up on a political career, pinning his hopes instead on a career in law”*

Shumkov attempted to move into politics, joining the Union of Rightist Forces, and by 2003 was already head of the party’s branch in his region. He ran for the State Duma as an independent candidate, but his energetic launching of a political career proved a false start: in the December 2003 elections, Shumkov gained only 13.85% of the vote and did not make it into the Duma (*Rossiyskaya Gazeta*, 27 December 2003). The Union of Rightist Forces also lost the election, and our hero gave up on a political career, pinning his hopes instead on a career in law. After moving to Moscow, he opened a law firm called *Pravokom*. It soon merged with another, *Yurakademiya: Kutafin and Partners*, and in 2005 the new combined company opened for business, styling itself Legal Group.

No sooner had it appeared, than the new company gained the right to service international transactions of the Russian government. This included legal advice on the placing of Russian Federation securities on the Russian and international markets; interaction of the Ministry of Finance with international rating agencies; the granting of state export and financial loans to foreign borrowers; regulation of debt exactions of the Russian government from foreign debtor states; and management of the state’s sovereign funds.

These preferments came to Legal Group primarily due to the involvement in its activities of Oleg Kutafin, a prominent Russian lawyer, Full Cavalier of the Order “For Services to the Fatherland”, and rector of Moscow State Law Academy which, after his death in 2008, was named after him. His name opened the doors of almost all offices, and Dmitry Shumkov exploited that masterfully.

Through Shumkov's old Union of Rightist Forces relations with Anatoly Chubais, Legal Group was chosen as the legal adviser during transformation of the state-owned Russian Nanotechnology Corporation into the Rusnano Public Joint Stock Company. In addition to *Rosnano*, Legal Group also represented the interests of the Sberbank Savings Bank, *Gazprom*, *Rostech*, and advised on transactions of the Baturina-Luzhkov family.

By 2006, Shumkov was not just a lawyer but a professor, member of the Presidium of the Russian Association of Lawyers and, in co-authorship with Ministry of the Interior General Alik Khabibulin, published an article on the corruption market and the fight against corruption in the police in the official government newspaper, *Rossiyskaya Gazeta*. (Under President Dmitry Medvedev, Shumkov's co-author became a lieutenant general and assistant to the Minister of the Interior. In June 2012, however, President Vladimir Putin dismissed him from the Interior Ministry, along with other "Medvedev reformers".) In 2006, Shumkov was already such an "in" figure in Moscow that he was assumed to belong to Putin's St Petersburg clique. In newspaper reports of high society parties he was even called a native of St Petersburg. In March 2006, Shumkov, as head of the Pravokom group of companies, with much ceremony awarded Mercedes cars to Russian winners at the Turin Winter Olympic Games. At the reception to mark the occasion, he was seen paying much attention to Tatiana Navka, who had won a Gold Medal for figure skating.

### His finest hour

But his finest hour was yet to come. On 30 January 2007, First Deputy Prime Minister Dmitry Medvedev, accompanied by ministers and officials of almost the entire police and military bloc, attended a meeting of the Presidium of the Russian Lawyers Association. With Shumkov in the chair, the Association replaced its leading lights. The main topic of this high-powered meeting was a plan to deploy centres of emergency legal aid in the regions. The person directly responsible for the scheme was the Deputy Chairman of the Lawyers Association, Dmitry Shumkov.

Dmitry Medvedev praised the work undertaken by Shumkov's team to set up this network of 24,000 free legal advice centres. As well he might. These centres, it became apparent, would become a propaganda network for Medvedev's forthcoming presidential election campaign. 24,000 centres distributed right across the country: that was a network on a scale that Putin's United Russia party had never dreamed of! From that moment, the man charged with creating the network found himself dubbed "a lawyer in Dmitry Medvedev's team". That evidently severely ruffled the feathers of people who had been planning to back a different horse in the race.

*"We have decided to purge our ranks. For example, of a certain individual called Dmitry Shumkov"*

On 19 February 2007, Sergey Stepashin, head of Russia's Audit Chamber and, moreover, chairman of the Russian Lawyers Association, directed a tirade of abuse at Dmitry Shumkov. He stated that he intended to get rid of individuals exploiting the Association's resources "for political or commercial purposes". "We have decided to purge our ranks. For example, of a certain individual called Dmitry Shumkov who is crowing from the rooftops that he is setting up headquarters for the election campaign of Dmitry Medvedev. Public reception centres of some sort. And now he is even grabbing at Sochi, involving himself in the business side of the Olympic Games," Stepashin fumed. "In short, we need to look very seriously at what sort of people we currently have as members of the Association."

Talking about the “business side of the Olympic Games”, Stepashin was referring to press reports that Dmitry Shumkov had used his offshore Allure fund, registered in the Cayman Islands, to acquire a 50% stake in Lacroix Luxury Sports, a French company which was one of the world’s leading ski brands. Moreover, the owners of the company, who in the past had invested heavily in promoting Courchevel, were not only to begin manufacturing skis in Russia, but also to invest 300 million euros in developing Olympic Sochi and turn it into “a new Courchevel”. Stepashin, however, was apparently quickly given to understand that he had been speaking out of turn, and the former Russian prime minister called off his attack on Shumkov. At the end of 2007, Shumkov was already being referred to as part of Dmitry Medvedev’s “staffing reserves”.

*“In connection with the latter transaction, the name of Deputy Prime Minister Arkady Dvorkovich cropped up frequently”*

He was destined, however, only to remain in the reserves, and no position was given to him in President Medvedev’s government. Prime Minister Putin already had his own effective managers as far as the law was concerned. Nevertheless, Shumkov again found his political services being called upon when the next presidential election was due. He was actively involved in organizing the Election 2012 situation centre, received from the hands of Prime Minister Medvedev the state’s highest legal award, and became the director of the “Centre for Legal Initiatives”, established at the behest of the president of Russia. He also, as reported by a number of publications, “prepared legal summaries each month for the most senior figures of the Russian Federation”.

Dmitry Shumkov never did become a public political figure, either preferring to stay out of the limelight, or having decided to concentrate on his business interests. It was in the 2010s that he struck his most successful deals: the Olympic Sports Complex, the centre for delivering content; his property holdings on Varvarka Street and Kitai-Gorod Drive; and *Norilsk-1*. In connection with the latter transaction, the name of Deputy Prime Minister Arkady Dvorkovich cropped up frequently. It was alleged that it was not without active assistance from Dvorkovich that the Russian Platinum group had been awarded the licence to exploit the Norilsk-1 deposit in the first place.

## Death in full flight

In summer 2015, the name of Shumkov and his business activity again become a focus of attention in the press. This was when he was called the “Platinum Crook” and “Maestro of Moscow Carve-ups”, and it was claimed that “Professor Shumkov is parcelling out the territory of Moscow,” and trying to “gnaw off” land belonging to the Moscow Institute of Radio Engineering, Electronics and Automation. There were unambiguous hints about his connections with the Deputy Mayor of Moscow for Town Planning Policy and Construction, Marat Khusnullin, without whom “Dmitry Shumkov would have been unable to secure the authorities’ approval to build a hotel beside the Kremlin.”

Shortly before Shumkov’s death, he was subjected to another leak of compromising material by the online newspaper, the *Moscow Post*, referring to connections of the “notorious entrepreneur” with Tatiana Navka, the wife of Dmitry Peskov, press secretary of President Putin. According to the publication, Shumkov had, through the international finance corporation *Zaryadiye*, “not just coincidentally (and, apparently, not without a substantial sum of money changing hands) brought the wife of the press secretary of the president of the Russian Federation into the publicity campaign for his project.”

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Quite apart from Navka, Shumkov succeeded in involving in the publicity campaign for his hotel Princess Sayn-Wittgenstein and Carla Bruni, wife of the former French president, Nicolas Sarkozy. The main focus of the revelations was, however, on Shumkov's connections with Moscow's construction and architectural aces, without which none of the key projects of the lawyer-businessman (like the *Zaryadiye* development) would have had any chance of being realized. The name of Andrey Arkhangelsky, in charge of construction management at *Mosinzhproekt*, was also linked in the report with Shumkov. In April 2015 Arkhangelsky was detained while being paid a bribe of 5 million rubles.

It may be coincidence, but on 3 December Arkhangelsky was sentenced to three and a half years' imprisonment and fined 50 million rubles, and the next day, 4 December, Dmitry Shumkov was found with a noose round his neck.

The mysterious death of Shumkov coincided with another, far more high-profile event than the sentencing of Arkhangelsky: the publication of the investigation into the activities of Prosecutor General Chaika and his gifted sons. It has been claimed that it was Shumkov, with his strong connections and extensive inside knowledge of the Prosecutor General's Office, who leaked sensational compromising information to Navalny's team of investigators and that this is why he was "punished". However, there is as yet no documentary evidence to back up this version of events.

*"It is by no means certain that all the other major Kremlin players are prepared, as in 2008, to go along with Putin's choice"*

And here is another account (although it too is as yet wholly unconfirmed by facts or documentation) but which, at all events, is not without a certain compelling logic. There has been a recent sharp increase in speculation that Dmitry Medvedev is again moving centre stage to make a new bid for the Kremlin (with the full knowledge and approval, of course, of his patron, President Putin). Dmitry Shumkov, with his financial resources, control of the Internet and 24,000 supporting "legal advice" centres, could have been very useful to Medvedev's new presidential campaign. The only problem is that, while Medvedev for president in 2018 might suit Putin personally, it is by no means certain that all the other major Kremlin players are prepared, as in 2008, to go along with Putin's choice. The situation has changed drastically since 2008, and by 2018 will have changed even more. Who knows whether, in the eyes of his entourage, Putin and his "choice" will by then still have the same unchallengeable authority, the same papal infallibility?

In that case, it is possible that the mysterious departure to another world of a prominent member of Medvedev's team is intended to kill two birds with one stone. Medvedev's own "effective manager" has been taken out, and Medvedev himself and those who would like to see the enthusiast charmed by electronic devices back in the main office in the Kremlin, have been sent "the black spot".

Groundless speculation? We will have to wait and see.





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The Henry Jackson Society  
Millbank Tower  
21-24 Millbank, London, SW1P 4QP  
Tel: 020 7340 4520

[www.henryjacksonsociety.org](http://www.henryjacksonsociety.org)  
Charity Registration No. 1140489

