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# PUNISHING PUTIN

INSIDE THE GLOBAL  
ECONOMIC WAR  
TO BRING DOWN RUSSIA



'Magisterial and gripping'

**CATHERINE BELTON**, author of *Putin's People*

**STEPHANIE BAKER**



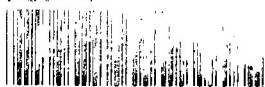
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# PUNISHING PUTIN

INSIDE THE GLOBAL ECONOMIC  
WAR TO BRING DOWN RUSSIA

STEPHANIE BAKER

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*For Cameron, Zaki and Anisa*

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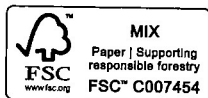
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# KEY PLAYERS

## US GOVERNMENT

### WHITE HOUSE

**Jake Sullivan** – National Security Adviser from 2021.

**Daleep Singh** – Deputy National Security Adviser for International Economics (February 2021–April 2022 and again from February 2024). Helped devise US economic penalties at the US Treasury in 2014 and served as Biden’s sanctions architect in 2022.

**John Bolton** – National Security Adviser in the Trump administration, April 2018–September 2019.

**Rory MacFarquhar** – Special Assistant to the President and Senior Director for Global Economics on the National Security Council (2013–16). Helped craft US sanctions against Russia in 2014.

### TREASURY

**Janet Yellen** – Secretary from 2021, chair of the Federal Reserve (2014–18).

**Wally Adeyemo** – Deputy Secretary from 2021. Helped lead the sanctions response to Putin’s invasion in 2022.

**Brian Nelson** – Under Secretary for Terrorism and Financial Intelligence from December 2021. Led diplomatic efforts to enforce US sanctions against Russia worldwide.

**Elizabeth Rosenberg** – Assistant Secretary for Terrorist Financing and Financial Crimes from December 2021 to February 2024. Worked on the price cap and global sanctions enforcement.

**Ben Harris** – Assistant Secretary for Economic Policy and Counsellor to the Secretary (2021–23). Helped design and sell the price cap on Russian oil.

**Catherine Wolfram** – Deputy Assistant Secretary for Climate and Energy Economics (2021–22). Helped design the price cap on Russian oil.

**Steve Mnuchin** – Secretary in the Trump administration, 2017–21.

#### JUSTICE DEPARTMENT

**Lisa Monaco** – Deputy Attorney General from 2021. Oversaw the campaign to go after sanctions evasion.

**Andrew Adams** – head of the KleptoCapture task force (March 2022–July 2023) and former Assistant US Attorney in the Southern District of New York. Oversaw multiple Russian organized crime and sanctions evasion cases.

#### STATE DEPARTMENT

**Victoria Nuland** – Under Secretary for Political Affairs (2021–24), Assistant Secretary for European and Eurasian Affairs (2013–17). Played a key role in the US response to Russia's annexation of Crimea in 2014 and its full-scale invasion of Ukraine in 2022.

**Daniel Fried** – Coordinator for Sanctions Policy (2013–17), who led US efforts to work with Europe on sanctions against Russia.



**COMMERCE DEPARTMENT**

**Matthew Axelrod** – Assistant Secretary for Export Enforcement at the Bureau of Industry and Security from December 2021. Spearheaded efforts to stop Russia from getting hold of US technology for its defence industry.

**EUROPEAN UNION**

**Ursula von der Leyen** – President of the European Commission and Germany's former Defence Minister. Led the EU's response to Putin's invasion.

**Björn Seibert** – Head of Cabinet for von der Leyen, who helped forge a consensus on sanctions among the twenty-seven EU member states.

**UK**

**Boris Johnson** – UK Prime Minister, 2019–22.

**Kwasi Kwarteng** – former Secretary of State for Business, Energy and Industrial Strategy (2021–22), and Chancellor (6 September–14 October 2022).

**Jonathan Black** – Johnson's G7 sherpa, who coordinated UK economic penalties with Western allies.

**ITALY**

**Mario Draghi** – Italian Prime Minister (February 2021–October 2022) and President of the European Central Bank (2011–19). Played an important role in the decision to immobilize Russia's \$300 billion in central bank assets.

**HUNGARY**

**Viktor Orbán** – Prime Minister from 2010, who frequently opposed EU efforts to impose sanctions on Russia.

**THE SANCTIONED TYCOONS**

**Roman Abramovich** – former owner of Chelsea Football Club, who met regularly with Putin. Largest shareholder in Evraz, Russia's second-biggest steel producer. Used his connection to the late tycoon Boris Berezovsky to get a controlling stake in oil company Sibneft, which he sold to Gazprom in 2005, pocketing about \$10 billion.

**Oleg Deripaska** – owns 45 per cent of En+ Group, which in turn holds a controlling stake in Rusal, Russia's largest aluminium producer. Cemented his fortune in the aluminium wars of the 1990s, when people were killed in the fight to control the industry. The US Justice Department seized his homes in New York and Washington.

**Suleyman Kerimov** – owns the superyacht *Amadea*, according to allegations made by the US Justice Department. A senator in Russia's upper house of parliament since 2008. Made his early money trading oil and investing in Gazprom using loans from Russian state-controlled banks. Most of his current fortune comes from Polyus, Russia's largest gold producer, which his family controlled until early 2022, when it sold part of its stake and transferred control of the remainder to a foundation.

**Eduard Khudainatov** – claimed to be the owner of the superyacht *Amadea*, seized by the United States. Former CEO of Rosneft and founder of the Independent Oil and Gas Company.

**Mikhail Fridman** – fled London in September 2023 after the UK dropped a lengthy sanctions evasion probe. The largest shareholder in Alfa Group, an investment company that holds stakes in banking, telecoms and retail. Pocketed \$14 billion with his partners in 2013 when they sold their stake in the oil joint venture TNK-BP to state-controlled Rosneft. Set up LetterOne private equity firm in London.

**Vladimir Potanin** – Russia's richest man, with the biggest single stake in Norilsk Nickel, the world's largest producer of high-grade nickel. Bought



stakes in Tinkoff Bank and Rosbank after Russia's invasion of Ukraine. Used to play ice hockey with Putin.

**Viktor Vekselberg** – cofounded Renova Group with fellow billionaire Len Blavatnik. Made his early fortune in aluminium and then investing in the oil joint venture TNK-BP. The Justice Department seized his homes in the United States and his superyacht *Tango* in the Spanish port of Mallorca on charges of sanctions evasion.

**Igor Sechin** – Chairman and CEO of state-controlled oil giant Rosneft, who helped Putin regain control of Russia's oil industry. Former KGB officer who worked with Putin in the St Petersburg's mayor office. Has been called Putin's grey cardinal and a leading representative of the *siloviki*, or security forces.

**Arkady Rotenberg** – billionaire who made his fortune from state construction contracts as the owner of Stroygazmontazh, which built the bridge linking Crimea to Russia and sections of Nord Stream 2, the gas pipeline to Germany. Childhood friend of Putin's from St Petersburg, where they practised judo together. Sold Stroygazmontazh in November 2019 for \$1.3 billion.

**Konstantin Malofeyev** – close confidant of Putin's known as Russia's Orthodox Oligarch. Founder of Tsargrad TV, a key node in Putin's propaganda machine, and a financial supporter of Russians promoting separatists in Crimea and eastern Ukraine.

**Gennady Timchenko** – friends with Putin since the early 1990s. Made his early money trading oil products. Helped found a St Petersburg judo club, of which Putin was the honorary president. Set up a commodities trading firm, Gunvor, which he sold on the eve of being sanctioned in 2014. Owns a 23.5 per cent stake in the gas company Novatek, the largest non-state-owned gas producer in Russia.

**Yuri Kovalchuk** – took over Bank Rossiya with other Putin-connected businessmen in 1991. The United States called him Putin's "personal banker" when it added him to the sanctions list in 2014. Referred to as the Rupert



Murdoch of Russia because of his control of National Media Group, which owns television and newspapers that toe the Kremlin's line.

### **THE RUSSIAN GOVERNMENT**

**Sergei Lavrov** – Foreign Minister since 2004 and the Kremlin's mouthpiece to the world.

**Alexander Novak** – Deputy Prime Minister from 2020 and former Minister of Energy between 2012 and 2020. Helped the Kremlin navigate the G7 oil price cap.

**Anton Siluanov** – Minister of Finance since 2011. Vowed to freeze foreign assets in response to Western sanctions.

**Elvira Nabiullina** – Governor of the Bank of Russia since 2013. Led Putin's campaign to build Fortress Russia.

### **FRIENDS AND FIXERS**

**Evgeniy Kochman** – founder of Imperial Yachts.

**Graham Bonham-Carter** – London-based property manager for Deripaska.

**Olga Shriki** – New York-based fixer for Deripaska.

**Vladimir Voronchenko** – friend of Vekselberg's.

**Ekaterina Voronina** – Deripaska's girlfriend and mother of two of his children.

**Jack Hanick** – former Fox TV producer who worked for Malofeyev.



PART I

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# THE ECONOMIC WAR BEGINS



PERDANA  
LEADERSHIP  
FOUNDATION  
YAYASAN  
KEPIMPINAN  
PERDAMA



PERDANA  
LEADERSHIP  
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YAYASAN  
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PERDAMA

## PROLOGUE

# WE ARE COMING FOR YOUR SUPERYACHT

**O**n 24 February 2022, a superyacht called *Amadea* lay anchored off Sint Maarten in the Caribbean, a portrait in assured opulence. The luxurious 348-foot white-hulled vessel had all the trappings of a Russian billionaire's floating mansion. On the foredeck was a large helipad with a glide-path indicator. A thirty-three-foot infinity pool lined with blue mosaic tiles sparkled on the stern side. Quirky features were spread across five decks: a lobster tank, a firepit, and a spa pool that converted into a stage for DJs. Inside, walls covered in fake leather book spines surrounded a hand-painted Pleyel piano. Michelangelo clouds adorned the ceiling above the dining room table. A cinema on the bridge deck was replete with a retractable projector, a popcorn machine, and motion-controlled sofas that vibrated with the action on the large screen.

Estimated as one of the seventy largest superyachts in the world, *Amadea* stood out when it dropped anchor in the turquoise waters off the port of Philipsburg, the island's Dutch capital, where tourists frolicked on the white sand beaches. After Russian president Vladimir Putin ordered his troops to cross the border into Ukraine earlier that morning, *Amadea*, which was known to be Russian owned and managed, found itself in trouble. As the shock of the full-scale invasion reverberated around the world, outrage quickly translated into cutting off these expensive playthings of Putin's elite, sending Russian-linked superyachts on the run. *Amadea's* crew had watched the



political climate change almost overnight. Suppliers were refusing to sell fuel to *Amadea*. The crew were the only passengers on board, but the port agent told them it was best not to stay.

On the same day, US president Joe Biden announced a sweeping set of sanctions against Russian banks and elites as he vowed to roll out more punishing restrictions to respond to Putin's brutal invasion. The European Union and the UK had imposed asset freezes and travel bans on a handful of wealthy Russians, some of whom were known to own superyachts. The noose was tightening.

By early March, many Russian-owned superyachts were racing from all corners of the world in search of safe waters, often turning off their transponders so no one could track their movements. Many in the Caribbean booked it east across the Atlantic to the Seychelles or Dubai, where Western sanctions were unlikely to be applied. But the Russian-owned company that managed *Amadea*, Imperial Yachts, plotted to sail the superyacht in the other direction, to the Pacific and out of the Western Hemisphere. In search of fuel, it set off for nearby Antigua, where some of the crew demanded answers from the management company given internet gossip that the owner was on the US sanctions list. "If we find ourselves supporting internationally wanted criminals, we are not in for that," one of the crew told a manager at Imperial Yachts. Normally, any superyacht captain has documents that list what company owns the boat. The captain can show that document at ports for routine checks, but the paperwork doesn't always spell out *who* is the ultimate beneficial owner. A manager at Imperial Yachts told the crew that they were good to go.

From Antigua, *Amadea* prepared to cruise seven thousand nautical miles through the Panama Canal to Fiji, where it planned a short stop to restock and allow a relief crew to take over. But by the time it was approaching the Panama Canal, *Amadea* was at the centre of intense scrutiny. Unbeknownst to the crew, federal agents in Washington and New York were tracking its every move as part of a task force chasing Russian assets. Investigators thought it might be heading towards Vladivostok in Russia's east, but the crew were mostly South Africans or Brits who had no Russian visas and would be forbidden from entering the country, preventing them from flying home.

After *Amadea* made its way through the Panama Canal, the United States asked Mexican authorities to search the vessel for evidence of who owned



or controlled it. First, around ten members of the Mexican military, dressed in camouflage and sporting pistols, pulled up beside *Amadea*, demanding to inspect the vessel. With its paperwork in order and no sanctioned individuals on board, it was allowed to cruise on before being waved down again in the middle of the ocean by an imposing Mexican navy frigate, which launched a speedboat carrying a search team. They boarded *Amadea* with a ladder in choppy waters and thoroughly searched the vessel, taking pictures of insurance and registration documents. It was again let go and motored northwest to refuel in the port of Manzanillo on Mexico's west coast, where the military searched it again for several hours, this time with sniffer dogs. The crew didn't know what they were looking for. During these searches, the captain handed over documents showing the owner was a company registered in the British Virgin Islands, Millemarin Investments Ltd, controlled by an unsanctioned Russian. But the paperwork didn't show which Russian billionaire actually owned the vessel. With nothing indicating a sanctions violation, Mexican authorities let the boat restock and refuel before departing.

After eighteen days at sea, *Amadea* sailed past the swaying palm trees and sugarcane plantations of Fiji, destined for the port of Lautoka in mid-April. The superyacht was three hours ahead of schedule. To kill time, the captain shut off the engine and drifted off the coast to let some of the more than thirty crew members go for a swim in the hot afternoon sun.

They finally glided into the port just before sunset. To their surprise, agents from the US Federal Bureau of Investigation (FBI) were waiting for them, ready with a warrant to search the boat and its computers. They hauled the captain and several others into an air-conditioned shipping container at the port for interrogation, which dragged on until the early hours of the morning.

The FBI agents grilled the crew members with questions about the superyacht and its owner. "Why do you need all these people?" A boat this big requires a lot of people, the crew answered. "Why are you using code names - G-1, G-2 - for guests on board? You're trying to conceal the yacht's true owner." The crew denied hiding anyone's identity and said using code names over open radios was standard practice.

Around the same time, more than five thousand miles away at Los Angeles airport, FBI agents had intercepted *Amadea's* British-born relief captain and



two other crew members en route to Fiji, aggressively questioning them for hours about who owned the superyacht. The agents cancelled their US visas, cloned their cell phones for evidence and promptly deported them. Back in Fiji, *Amadea*'s fate hung in the balance.

\* \* \*

By the time *Amadea* got to Fiji in mid-April, Russian forces had recently withdrawn from the town of Bucha, leaving behind hundreds of dead Ukrainians, some shot in the head with their hands tied in horrific images of apparent war crimes. As the number of killed or wounded in Ukraine continued rising, the hunt for Russian assets such as *Amadea* became a symbol of US efforts to impose costs on the elite who were propping up Putin's regime. US officials hoped the moves would isolate Russia from the global economy and expose the corruption of Kremlin cronies in an attempt to show Russians they were getting "ripped off", as one White House official put it. Busting tycoons for sanctions evasion and seizing their assets wasn't just an empty gesture. It had one potential real-world impact: the US Justice Department planned to sell the yachts, artwork and real estate of Russian oligarchs who violated sanctions and channel the proceeds to Ukraine – making these toys of Russia's billionaires the possible beginning of war reparations.

*Amadea*, worth an estimated \$300 million, represents only a small fraction of the assets linked to Russia's so-called sanctioned oligarchs and targeted by Western governments since the start of the invasion. Most of the country's top twenty richest men – and they all are men – are under sanctions in the United States, EU, or UK, with almost \$60 billion in private Russian assets already frozen worldwide. Attempts to seize this much wealth have sparked some of the biggest legal battles in history.

But the economic war on Russia goes far beyond taking away the lavish possessions of Russia's billionaires. Desperate to avoid a direct military confrontation with a country that has more nuclear warheads than any other, Western allies have deployed unprecedented sanctions against Russia in response to the largest land war in Europe since the Second World War. In Washington, London, Brussels and beyond, Western governments have launched a full-scale assault on the Russian economy in a bid to degrade



Putin's military might. It's a war that spans the globe, with battles playing out from Dubai to Cyprus to Moscow. Never before has this arsenal of economic weapons been turned against a major market economy. Western allies blocked roughly \$300 billion in Russian state funds, banned technology exports, expelled banks from the international financial system and capped the price of Russian oil. In doing so, they have reordered global political alliances and trade and turned what was once the world's eleventh-largest economy into a global pariah. The steps they took will reverberate for decades.

After the full-scale invasion, Russia became the most sanctioned country in the world, with more than eighteen thousand designations of individuals and entities now in place across the United States, EU, UK, Japan, Canada, Switzerland and Australia. Never before has such a large coalition – more than thirty countries representing more than half of the global economy – tried to isolate a major economy through coordinated economic penalties. Before February 2022, Iran was the only country that came close, with roughly thirty-six hundred designations. But the Russian economy is much bigger and far more integrated into the global financial system.

Russia's vast natural resources mean it's impossible to completely wall off its economy. In some ways, Russia is too big to sanction, turning this form of targeted economic warfare into a giant experiment. Because it is such a big producer of oil, gas and metals, the West couldn't impose a full embargo without tipping the global economy into a recession. So officials in Washington, Brussels and London came up with new tools to try to bleed Putin of resources to fund his military-industrial complex.

The economic war on Russia is in some ways a clear sign of things to come. Over the past three decades, sanctions have become a central tool of Western foreign policy, merging economics with national security. With the majority of global trade in dollars, the United States can deliver an enormous financial shock to anyone it deems undesirable. But the war in Ukraine has turbocharged the use of such economic leverage.

“Putin put us into a Cold War for ten to fifteen years, unfortunately, for everyone,” Mikhail Khodorkovsky, the exiled Russian opposition leader who spent more than a decade in prison on trumped-up political charges, told me. “Many of the sanctions that have been introduced are designed to last many years.” This new conflict between East and West has revived the



transatlantic alliance in ways that few could have predicted and brought Russia and China (along with Iran and North Korea) closer together as repressive bedfellows. In Cold War II, as the historian Niall Ferguson has argued, China and Russia are cooperating in a powerful economic axis to challenge Western values and American dominance of the world. But unlike in the first Cold War, Russia is now the junior partner to China, forging a parallel economy designed to avoid sanctions. While Washington urges the rest of the world to match Western restrictions, some countries, such as Brazil and India, are hedging their bets and trying to maintain a nonaligned path by continuing trade ties with the Kremlin. In fact, more than two-thirds of the world's population are in countries that have not backed the sanctions against Russia. That means greater opportunities for Russian evasion and an increasingly divided world.

The current battle will influence Western leaders long after the last shot has been fired in Ukraine. Putin's invasion of Ukraine has been a crash course in how to impose economic penalties on a major economy without causing catastrophic consequences for the rest of the world. Should China invade Taiwan, the West would face much greater costs if it tried to pursue a similar economic war in response. China's economy, worth about \$18 trillion, is about ten times the size of Russia's. Still, the Group of Seven (G7), the club of the world's wealthiest democracies, has learned how difficult it is to implement economic penalties and deny technological know-how in ways that don't cause harm at home. In the process, there have been hastened efforts to diversify supply chains. These tactics, along with many others developed in the aftermath of the war on Ukraine, form the beginnings of a playbook for the new art of economic war.

\* \* \*

The story I'm telling here is the product of a lifetime of work. After the fall of the Soviet Union, I covered Russia's economic transition to a market economy as a bright-eyed young reporter in Moscow in the mid-1990s, chronicling the US and European companies flocking to Russia to invest. I watched firsthand as Western governments and international financial institutions haphazardly lent billions to Russia to help it transition to a free market underpinned by



an elected government. What they got instead was a kleptocracy, a corrupt state where politicians at every level were on the take.

Since the 1990s, I have personally interviewed many of Russia's business tycoons as they manoeuvred to consolidate and protect their fortunes. I also bring deep experience reporting from Ukraine in the run-up to Putin's invasion when I investigated the role of Trump's former campaign chairman Paul Manafort as an adviser to Ukraine's former pro-Russian president and Rudy Giuliani's work with pro-Russian officials. Since 2022, I've chronicled the sanctions against Russia, charting what amounts to the end of an era.

Three decades after the fall of the Soviet Union, when Putin tried to bolster his popularity by whipping up Russian nationalism and invading Ukraine, the Western money that had once flooded into Russia started pouring back out again. More than fifteen hundred Western companies – some of the same ones I'd seen flock to the country in the 1990s – quit or curtailed their operations in Russia, walking away from billions of dollars of assets they'd spent years building up during an unprecedented period of globalization. Some of the world's biggest companies – McDonald's, Ford, Exxon – sold their assets to local tycoons for token sums or had their businesses expropriated by the Kremlin, closing out thirty years of Western investment into Russia. But more than two thousand Western companies stayed and continued doing business in Russia, paying taxes to Putin's regime and weakening efforts to deprive the Kremlin of resources to wage war.

This book reveals the behind-the-scenes drama on both sides of the economic war, from the halls of power in Washington, London and Brussels to the desperate manoeuvres of sanctioned oligarchs to keep their mansions and superyachts. To understand how the most expansive sanctions regime ever came together, I've spoken to more than a hundred officials and business leaders in the United States, Europe and Russia. I've also drawn from thousands of pages of court filings and public documents. This book will tell the human stories behind the largest business exodus from a single country in history and the lengths to which Russia's billionaires have gone to hold on to their money and influence.

Will the economic war succeed? Or will it harm others more than Russia? The principal failure of the economic war has been the slow rollout of penalties and the lack of enforcement of the restrictions, which has allowed



Putin to continue earning billions of dollars through the illicit trade in oil and gold. Moscow has managed to reshuffle the global oil trade to find new buyers such as India, which has served as a backdoor route for Russia to sell hydrocarbons around the world. The Kremlin has been able to circumvent bans on the import of Western technology by creating front companies to buy components that are crucial for its production of precision-guided weapons. The biggest hole in the Western strategy: China. By buying oil and exporting semiconductors, Beijing has helped prop up the Russian economy and blunted the effect of sanctions. Without better enforcement, the West's restrictions will fail to degrade Putin's ability to sustain his military.

To be sure, as in any war, there has been collateral damage where ordinary Russians who oppose Putin have been unnecessarily penalized, their bank accounts closed for no reason. The often blanket bans on everything and everyone tied to Russian has helped Putin use sanctions to demonize the West and create a victim narrative at home. Khodorkovsky, the exiled opposition leader, told me the West should have done more to help Russians trying to flee the country to avoid serving in the army. "Sanctions against banks hit ordinary Russian citizens because they couldn't use their cards or open accounts in the West," he told me. "Antiwar Russians returned to Russia with the conviction that the West is not fighting the Putin regime, but Russians."

Putin is waging a war of attrition, waiting until the United States and Europe tire of supporting Ukraine and hoping that Biden will be replaced by Donald Trump, who has vowed to end the war in a day. Increasingly the sanctions have turned into an economic war of attrition. Like a protracted land battle, the economic war has seen both advances and retreats. While reporting this book, I encountered many people who told me that sanctions are pointless because they haven't stopped the war, but in fact that argument is a key plank in Russian propaganda aimed at undermining support for the restrictions in the West. Though the sanctions haven't been as crippling to the Russian economy as some thought they would be at the outset, Putin is bankrupting Russia, sacrificing the country's long-term prosperity for short-term gains. The Kremlin more than doubled defence spending to a level not seen since the collapse of the Soviet Union – it's now almost a third of all government spending. That's boosted growth, but it all depends on Russia being able to sell its oil at lofty prices while the West tries to squeeze the



Kremlin's revenues. Russia already lost an estimated \$168 billion in oil and gas export earnings in the first two years of the war because of Western restrictions and Europe finding other sources of energy.

Pressure from sanctions caused the Russian rouble to tumble almost 45 per cent by the second anniversary of the invasion from a wartime high in June 2022. Perhaps more important, hundreds of thousands of Russia's best and brightest have left the country, a brain drain that will hobble the country for years to come. US deputy secretary of the treasury Wally Adeyemo has argued the goal is to put "sand in the gears" of the economy. Sanctions were never meant to be a magic bullet. Rather, the economic war was designed to work alongside the military one, to undermine Putin's ability to fund his military-industrial complex while arming Ukraine to give it the best chance of heading off a Russian victory. Yet on both fronts, the West has moved too slowly, adhering to a path of gradual escalation that has failed to diminish Putin's will to keep fighting.

At the time this book went to press, Putin's invasion had claimed the lives of tens of thousands of Ukrainians. A third of Ukraine's population had been displaced, while its economy had shrunk by more than 25 per cent. Russian forces have destroyed schools, hospitals, bridges, power plants and apartment buildings, indiscriminately targeting civilian infrastructure and hobbling Ukraine's ability to fight back. No amount of money can compensate for such carnage.

But one of the key questions is whether the billions of dollars of frozen Russian assets can be used to help war-torn Ukraine finance its reconstruction, which the World Bank estimates will cost at least \$486 billion. The ability of Ukraine to survive as Russia pummels it with relentless attacks depends in part on it getting the funds to rebuild critical national infrastructure even as the war continues. Even relatively small amounts of money can make a difference. For all the obstacles standing in the way, selling a Russian superyacht could help pay to rebuild thousands of destroyed homes. It remains the central question of the economic war, one that will be asked again and again: who will pay for Putin's catastrophic invasion?





## ATTACKING FORTRESS RUSSIA

**A**t 3:00 a.m. eastern time on 24 February 2022, just hours after Putin announced the start of his “special military operation” and Russian missiles began raining down on Ukraine, Daleep Singh woke up at his home in northwest Washington, DC. He’d only slept a few hours and, bleary-eyed, immediately reached for his phone to check the news. Russian tanks were rolling across the Ukrainian border from the north, east and south. Explosions were being reported across many major Ukrainian cities, including the capital, Kyiv.

Singh, a forty-five-year-old North Carolinian with a crop of thick dark hair, was Biden’s deputy national security adviser for international economics and a key architect of sanctions against Russia. His wife had gotten used to his texting and emailing from bed in the middle of the night as the crisis had deepened. With Russia amassing troops at the border, he’d been rising early and working late into the evening for months, helping devise a response to the looming threat of an invasion. The images from Ukraine on his phone were as bad as he thought it could get. As Russian troops invaded from three sides, residents clogged the main road out of Kyiv, trying to flee. Russian forces were attacking a major international cargo airport outside the city and moving into the exclusion zone around the Chernobyl nuclear power plant, the site of the world’s worst nuclear disaster.

Earlier in the week, Singh had already announced an initial round of US sanctions in response to Russia recognizing the independence of Ukraine’s

**‘A brilliant, engagingly written and timely book’**

**OWEN MATTHEWS**, author of *Overreach*

On 24 February 2022, following Vladimir Putin’s full-scale assault on Ukraine, Western leaders weaponized economic tools in a world-changing financial experiment. The goal was to sap the strength of Putin’s war machine by damaging the Russian economy.

In *Punishing Putin*, veteran journalist Stephanie Baker uncovers how this furious financial war unfolded. From seizing superyachts to manipulating the global price of oil, Baker reveals how the West mobilized an army of white-collar-crime investigators to crack down on illicit Russian money, targeting oligarchs and their enablers.

Filled with propulsive, fly-on-the-wall details, *Punishing Putin* takes us into the frantic backroom deliberations that led to a whole new era of economic statecraft and radically transformed the world order for generations to come.

**‘An essential read’**

**BILL BROWDER**, author of *Red Notice*

**‘Authoritative and gripping’**

**NASSIM TALEB**, author of *Black Swan*

