

The Fifth International: The Kremlin's plan for Europe

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A term that used to refer to the efforts made by groups of socialists and communists to create a new workers' international, the Fifth International now has a different, more sinister meaning. According to historian, Yuri Felshtinsky, Russia has managed to secure its political influence throughout Europe to create pro-Kremlin political parties and groups, and to obtain the support of specific political figures. Felshtinsky believes the Kremlin commenced the creation of the Fifth International – a coalition of radical political parties and leaders supporting the current Russian leadership, using propagandistic and financial (black money) means. One of the most prominent representatives of this pro-Kremlin movement in Europe is Miloš Zeman, President of the Czech Republic.



Zeman has been in the ceremonial position of President for almost a decade now but his ties to Russia go back as far as 2009. During the early 2000s, Zeman had close links with influential Russian businessmen who became “Zeman’s friends” over time – one of which was Vladimir Yermakov. Yermakov owned an artificial diamond-producing company in Luhansk but moved his business to Russia after the People’s Republic of Luhansk (LPR) was formed in 2014. Additionally, senior managers of Lukoil Aviation, Martin Nejedlý and Pavlo Halushka, became involved in financing Zeman and his party, the Citizens' Rights Party (SPO), and later became Zeman’s political advisors.

However, the most egregious connection is yet to come. More than half of the funds flowing to the Zeman’s party came from employees of the firms established by Swiss lawyer Fabio Delco, who is directly connected to Vladimir Putin. Delco is the same person who registered the company which, on paper, belonged to the musician Sergey Roldugin, which was implicated in the Magnitsky case. Roldugin, an old friend of Putin, received US\$ 800,000 from a BVI company, Delco Networks SA, at about the same time it was being used to steal money from the Russian government in the Magnitsky case. The case involved the theft of US\$ 230mn from the Russian Treasury and is one of the largest tax fraud cases in Putin’s Russia.

The crime was uncovered in 2007 by Sergei Magnitsky, a Russian lawyer who worked for Hermitage Capital Management, then the biggest foreign investor in Russia. Unfortunately, Magnitsky was arrested by the same police officers whom he accused of covering up the fraud. He died in prison due to mistreatment and inadequate medical care. This miscarriage of justice eventually led to the Magnitsky Act in 2012.

Delco Networks SA and its associated companies were part of a large offshore money laundering network set up by organized crime groups (OCGs) and involved companies and bank accounts in Russia, Moldova, the UK, Latvia and various offshore tax havens. This network was used by the Kremlin and numerous OCGs to steal or launder money, evade taxes and pay bribes. After the money was fraudulently taken from the Russian treasury, it disappeared into a series of companies in early 2008. Two of those companies were the Moldovan-registered Elenast-Com SRL and Bunicon-Impex SRL.

Elenast and Bunicon sent a share of the stolen money in February 2008 to a BVI company called Vanterey Union Inc., which then wired funds to Roberta Transit LLP, a UK-based company. Roberta Transit, in turn, sent that money along with money from other related companies to one of Delco's companies. The payments flowed in quick succession, all of them reaching Delco in the same month. Finally in May 2008, Delco transferred the US\$ 800,000 to Roldugin, claiming that the money was sent in exchange for Roldugin's Rosneft shares.

Additionally, Delco owned firms in the Czech Republic through two intermediary offshore companies. They represented two branches of the SPO sponsors. The first branch was Lichtenstein-based Norwalk Holding represented by Delco, which co-owned a Czech company Stegenato, together with businessman Michal Pechan. The second branch of the SPO sponsors was a Swiss-based firm called Waren Partners Ventures owned by Delco, which in turn, owned a number of companies in the Czech Republic. All the Delco-owned companies transferred roughly CZK12 million (~US\$ 500,000) over the course of several years.

It is hard to discern how long Delco and his array of companies has been funding Zeman and his party and whether it continues to this day. It is likely that up to the invasion of Ukraine, Zeman and the SPO were still receiving funding from Delco's companies, and it shows through Zeman's pro-Russia stance during his presidency. Zeman described the war in Donbass as "*a civil war between two groups of Ukrainian citizens*" with foreign support and compared it to the Spanish Civil War. He failed to condemn the annexation of Crimea by Russia, stating that the Kosovo precedent was used as an argument for the separation of Crimea from Ukraine. He was also widely criticised for visiting Putin in 2015, as most leaders objected to do so because of the conflict in Ukraine.

Since the invasion of Ukraine, however, Zeman has altered his view on Russia. He called for the invader to be banned from the international payments scheme, SWIFT and has dubbed the invasion a “*crime against peace.*” Some doubt whether Zeman’s U-turn on Russia is merely a Darwinian response. Zeman is 77 years old and has only one year left in politics, he sees the tide turning against Putin and does not want to be on the ‘wrong side of history’. As mentioned above, he saw no issues with the conflict in the Donbass region beginning in 2014, so it is surprising that he feels differently now. His Hungarian counterpart also felt this way initially, however, once Orban realized that the money would stop coming in from the FSB he decided to change his mind.

Seeing as Zeman is leaving politics soon, has taken all he needs from Russia, it would appear he has nothing more to gain from being Putin’s man in the Czech Republic. Whether this will backfire on Zeman is hard to say. He could ride off in the sunset over the Karlov Bridge or find himself “falling out of a window”, time will tell. Zeman is a just another example of this so called Fifth International, along with Orban, they are the ‘dark horses’ of Europe using their influence to provide the insider support that Putin needs.

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