

US-Russian Link to Campaign Funds

by Thomas Catán

Russian emigrés living in the U.S. and believed by authorities to have links with organized crime have made campaign contributions to leading U.S. candidates and political parties in what appears to be an effort to win political influence.

Through family members and businesses, Seroyon (Sam) Kislin — identified in a 1994 internal report by the Federal Bureau of Investigation as a member of a Russian crime syndicate — contributed \$46,250 to the political campaign of New York mayor Rudolph Giuliani, a Republican, in 1993 and 1997, election records show.

The commodities trader also donated \$8,000 to New York Senator Charles Schumer, a Democrat, last year, and contributed to several other U.S. political figures. The allegations against him were first publicized by the Center for Public Integrity, the Washington-based non-profit group, earlier this week. Mr. Kislin has denied any links with organized crime.

It also emerged that Jacob

Thomas Catán writes from New York for the Financial Times of London. © 1999.

Bogatin, an associate of Semyon Mogilevich, who is himself alleged by U.S. and UK intelligence authorities to be the head of a Russian crime syndicate, made donations to the National Republican Congressional Committee between 1996 and 1998.

Mr Mogilevich has denied the allegations against him.

Election records show Bogatin contributed at least \$2,750 to the Republican campaign group — sometimes under the name of his company, YBM Maghex.

The Philadelphia-based magnet manufacturer, which was founded by Bogatin with Mogilevich, was raided and closed down by U.S. authorities in May 1998. YBM Magnex pleaded guilty to securities fraud and was fined \$3m in November 1999.

These and other developments have prompted U.S. investigators to start looking closely at Russian assets and investments in the country, particularly in the New York area, according to people close to the investigations.

Though the political contributions traced so far are not large, they will fuel concerns that money from Russian organized crime could be finding its way into the political system.

"When I was in the Department of State, from time to time we would hear of people associated with organized crime reaching out

to members of the [Capitol] Hill," said Jonathan Wirier, who until recently served as deputy secretary of state. "The administration briefed Hill members on more than one occasion."

Winer noted that those briefed by the State Department came from both main political parties, and on all occasions dropped contact with the figures under suspicion.

In recent years, two Russian businessmen identified by U.S. authorities as having links to Russian organized crime have turned up at Democratic fund-raising events, despite being denied entry visas. Both have appeared in photographs with President Bill Clinton and Vice-President Al Gore.

Yesterday, the office of Senator Schumer said it had performed a background check on Kislin and found nothing on him. "If any of these allegations prove true, we will absolutely return the money," a spokesman said. Mayor Giuliani's office could not be reached for comment. **TSC**