

## WALL STREET JOURNAL

### Kremlin Revenge in Guatemala

**A U.S.-subsidized U.N. commission helps bring about a dubious prosecution.**

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March 25, 2018 3:11 p.m. ET

The Russian state has a long arm when it wants to show its power. Igor Bitkov, his wife, Irina, and their 26-year-old daughter, Anastasia, have learned this the hard way. They fled Russia in 2008 and are now in Guatemalan prisons thanks to convictions that grew out of a claim by a Russian state bank that the family owed it money.

No plausible evidence was ever presented in Guatemalan court to prove the bank's claim. But Guatemalan Attorney General Thelma Aldana responded to the Russian charge—and the urging of the United Nations' International Commission Against Impunity in Guatemala (known by its Spanish initials CICIG)—to indict the family in April 2015 on related charges. The Bitkovs were convicted in January.

The story has the ring of a familiar asset-accumulation strategy used by Russian state insiders, meaning Vladimir Putin's coterie, and their practice of destroying adversaries. It also supports allegations by some Guatemalan democrats that far from strengthening the rule of law in their country, the U.S.-funded CICIG has become part of the problem.

Mr. Bitkov was the owner of the St. Petersburg-based North-West Timber Company (NWTC). In 2005 he borrowed money from a handful of Russian state banks to upgrade some of his factories. Around the same time, a senior executive of one of the banks that lent him money asked to buy 51% of the company, Mr. Bitkov told me from prison through his Guatemalan lawyer Rolando Alvarado last week. He turned down the offer.

From 2005 to 2007 NWTC revenues grew by 30%, according to company financial statements. In 2007 [Sberbank](#) valued the company at \$428 million. By 2008 he'd repaid 71% of the loan, along with interest due. NWTC was worth 2.7 times the remaining \$158 million owed. Nevertheless, Mr. Bitkov says, in April 2008 the banks demanded that he immediately repay the balance.

He couldn't comply and the company was forced into bankruptcy. Mr. Bitkov alleges that the bankruptcy administrator sold NWTC's assets at fire-sale prices to entities controlled by various executives of the banks.

The Bitkovs feared for their lives and fled the country. Mr. Bitkov says that in exile he received phone calls from Russian intelligence attempting to extort money from him and delivering a death threat.

In 2009 the family, then in Turkey, responded to an internet ad offering Guatemalan passports and identity cards issued at government offices. It has been established in court that the Bitkovs paid \$150,000 for the service, entered Guatemala on their Russian passports, and picked up their new

documents at the office of migration and at the national registry in Guatemala City. In January 2012 Mrs. Bitkov gave birth to a son, Vladimir.

[VTB Bank](#), one of NWTC's state-owned Russian creditors, tracked the Bitkovs down and tried to have Mr. and Mrs. Bitkov indicted in criminal court for fraud, money laundering, and using fraudulent documents to evade the law. CICIG and Ms. Aldana took up the bank's cause. On Jan. 15, 2015, Guatemalan police arrested Igor, Irina and Anastasia on suspicion of using false documents. VTB Bank was [named](#) a plaintiff in the case.

With the Bitkovs in jail, Pavel Astakhov, Russia's commissioner for children's rights, announced from Moscow that he wanted to remove the Guatemalan-born Vladimir to Russia. That didn't happen. But a court rejected Mrs. Bitkov's bid to name his guardian; it threw him in one of Guatemala's infamous orphanages. When he was rescued 42 days later, he had conjunctivitis in both eyes, an upper respiratory infection, a scar above his left eyebrow, and a chipped front tooth.

In 2013 VTB Bank chairman Andrey Kostin gave Henry Philip Comte Velásquez —of the Guatemalan law firm Comte & Font—power of attorney in the case. The law firm told me by email last week that such a step is customary for a litigation client, that Mr. Comte delegated that power to other lawyers in his firm, and that he “has not acted personally on behalf of the bank in any judicial action.” But for lack of evidence, prosecutors did not pursue the money-laundering charge. And VTB Bank failed to prove fraud. So in May 2017 an appeals court removed the bank as a plaintiff. Nevertheless, CICIG and the attorney general continued to push hard for criminal convictions.

In December 2017 another appeals court ruled that any document violations were administrative offenses punishable only by a fine and that the Bitkovs had not committed any crime. CICIG, Ms. Aldana, and a lower-court tribunal, led by Iris Yassmin Barrios Aguilar—a left-wing judge known for her political activism—ignored the ruling. On Jan. 5 the tribunal sentenced Irina and Anastasia each to 14 years in jail; Igor got 19 years, a year more than the penalty for manslaughter in Guatemala.

Thousands of foreigners in Guatemala have fallen prey to fraudulent immigration schemes linked to government agencies. Only the Bitkovs were prosecuted as if they were part of an organized crime ring. On the other hand, in 2003, Russian oil tycoon Mikhail Khodorkovsky crossed Vladimir Putin and spent 10 years in jail. In Guatemala, thanks to the Kremlin's reach, the Bitkovs could do even worse.

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