



BIG GREEN RADICALS

FROM RUSSIA WITH LOVE?

EXAMINING LINKS BETWEEN US ENVIRONMENTAL
FUNDER AND THE KREMLIN



FORWARD

December 2015

Since publishing our report Russian president Vladimir Putin has increased his aggression in foreign affairs, troubling many observers.

Consider the following:

- The Russian invasion of Ukraine in 2014;
- The ramping up of Russian attacks in support of Syrian dictator Bashar al-Assad;
- The Russian violation of Turkish airspace in November 2015, resulting in a downed Russian jet and helicopter and bellicose accusations issued by Putin;
- Russian belligerence in the Baltics that has Sweden rethinking 200 years of neutrality and joining NATO.

Meanwhile, foreign attempts to affect American energy production continue. Saudi Arabia has sustained its high production of oil despite the low price, in hopes of destroying U.S. shale production. “Increase in oil production and falling of oil prices aimed to push the US out of the oil production market has proved difficult,” noted one economic observer recently.

Russian aggression on the military front ought to leave no question that the potential money-funneling scheme described in this report is something Russia is more than capable of. In fact, if you were in Russian energy, it'd be illogical not to do it.



EXECUTIVE SUMMARY

On July 30th 2014 the United States Senate Committee on Environment and Public Works issued a Minority Staff report titled *“The Chain of Environmental Command: How a Club of Billionaires and Their Foundations Control the Environmental Movement and Obama’s EPA.”* The 92–page report details a dizzy web of “dark money” from foreign investments to the American environmental movement through a foundation called Sea Change Foundation. At one point, the authors identify the limitations of their report:

While this report sheds significant light on the who and the how, the truly outrageous nature of these complex arrangements are only understood by exploring the why. This report articulates several possible reasons for the convoluted and secretive structure of the far-left environmental movement; yet, at the end of the day, we are still asking – why? Why are members of the Billionaire’s Club going to such extreme lengths to hide their generous support of supposed charitable causes?

In the below report, we believe we have taken an important step toward answering that question with new information and never-before-identified players and connections.

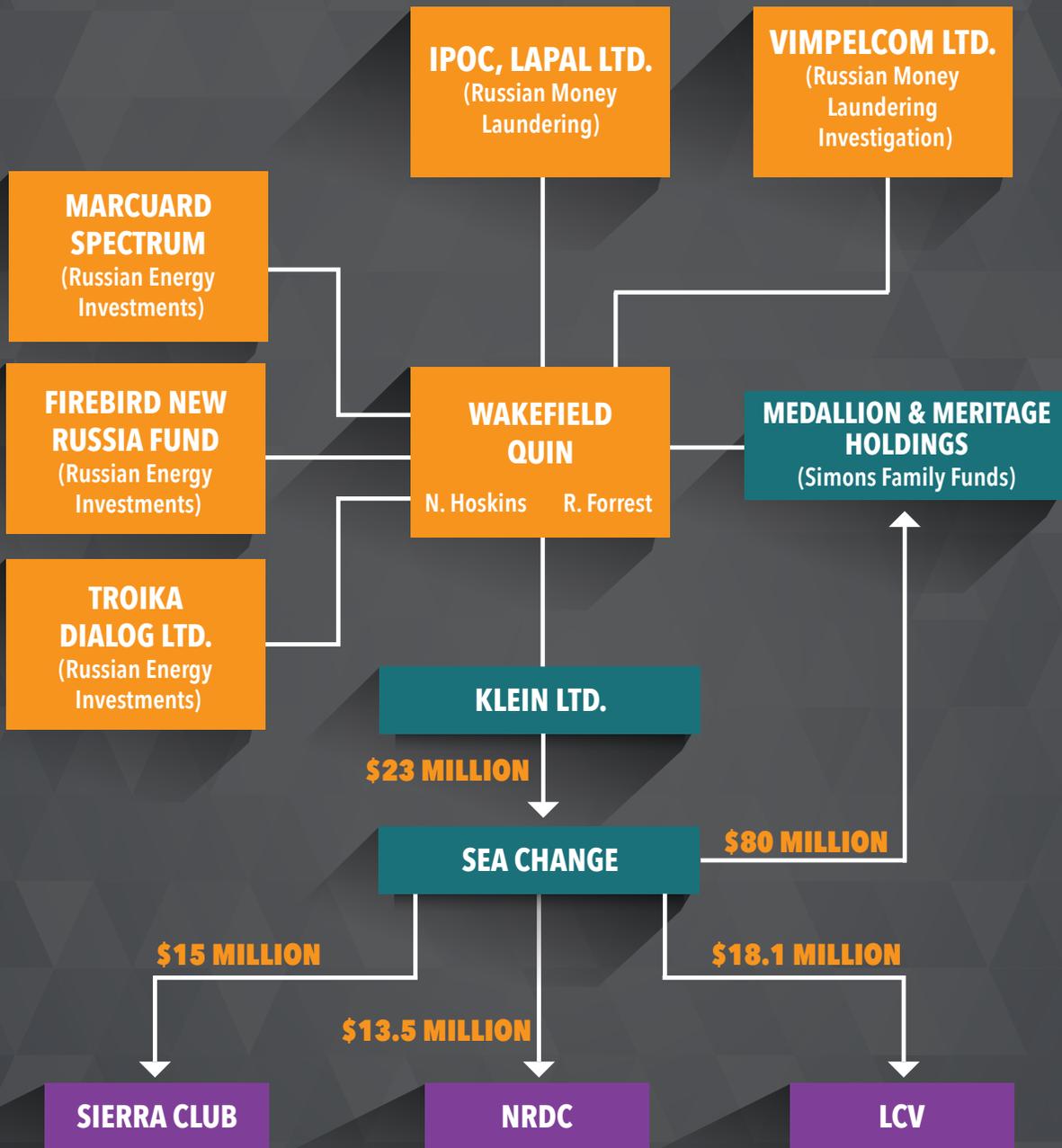
Our report begins where the Senate report ended, with Klein Ltd. Klein Ltd., a corporation that “only exists on paper” and is based out of a Bermuda law firm called Wakefield Quin, gave \$23 million dollars to environmental bundler Sea Change Foundation from 2010 to 2011, which has given tens of millions to other U.S. environmental groups. While it is unclear who is funding Klein, the law firm controlling this shady offshore funder of the U.S. environmental movement has ties to Russian money laundering, a friend and advisor of Vladimir Putin, Russian oil production, and more.

According to its Articles of Incorporation, Klein was formed by two employees of Wakefield Quin (WQ), a Bermuda law firm. A Klein director and WQ senior counsel, along with another WQ senior counsel, have pasts that should be considered questionable at best. Both held directorship positions in a group, owned by Russian minister of telecommunications and longtime Putin friend Leonid Reiman, which was the subject of a 2008 money laundering case. The group was ultimately convicted in British Virgin Islands court.

WQ’s Russian involvement doesn’t stop there. Marcuard Spectrum, a Moscow-based investment firm, operates a hedge fund in Bermuda based out of WQ’s office. Both of the aforementioned WQ lawyers are listed in leadership positions. Further, one of the founders of Marcuard is also the chair of Russian-owned oil giant Rosneft.

There have been significant questions about whether foreign interests—particularly Russian—are funding attacks on U.S. natural gas because it would hurt the Kremlin. Here we have a major foreign funder of the U.S. environmental movement tied through its Bermuda office to Russian money laundering and the Russian government.

BIG GREEN'S CARIBBEAN CAPERS?



KEY PLAYERS

Sea Change Foundation

Sea Change only lists two donors: Nat Simons and his wife (and his trusts), and Klein Ltd. Sea Change distributed grants to U.S. environmental organizations such as the Natural Resources Defense Council and the Sierra Club, to the tune of \$55 million dollars in 2011. These organizations are involved in advocacy and lobbying against the development of natural gas through the process of fracking.

Sea Change invested over \$80 million dollars in 2011 into Simons-run hedge funds Medallion Investments and Meritage Investments, both also based out of the Wakefield Quin office and operated by WQ senior counsel Roderick Forrest.

Wakefield Quin

According to its Articles of Incorporation, Klein Ltd. was formed by Nicholas Hoskins and Marlies Smith, both WQ employees.

WQ employees can be intimately involved in the operations of a company. According to Wakefield Quin's website, its corporate services include:

- Providing a registered office for the company (WQ)
- Providing Bermuda resident directors (such as Hoskins)
- Providing a Bermuda resident representative and secretary (Smith)
- Convening statutory and other meetings and providing rooms and other support facilities for meetings
- Preparing and filing documents, as necessary, with the Bermuda authorities (for example, in relation to an increase in the company's authorised share capital)
- **Preparing share transfers, share certificates, proxies, declarations of trust and other miscellaneous documents as may be required from time to time**
- **Acting as share registrar and transfer agent**
- Establishing and maintaining the register of directors and officers, the register of shareholders, the company's minute book and other statutory records
- **Liaising with the company's bankers, managers (where applicable), accountants and auditors and assisting with annual audits of the company**

- Assistance in obtaining Stock Exchange listings
- **Managing the day to day affairs of the company, including, if required and authorised, signing or countersigning cheques and handling correspondence, faxes and telephone call**
- Completing such other duties as the secretary of the company is required by law, or the by-laws, to carry out

Links to Russia

In digging into the histories and business connections of Hoskins, Smith, and Forrest, we discovered their involvements in two separate investigations into money laundering involving Russian companies and oligarchs.

IPOC Group Money Laundering

Both Hoskins and Forrest held directorship positions in the “IPOC Group,” owned by Russian minister of telecommunications and longtime Putin friend Leonid Reiman, which was the subject of a 2008 money laundering case.

The group was ultimately convicted in British Virgin Islands court, with a former president of IPOC stating that it was “part of a sophisticated money laundering scheme that has been taking illegitimately obtained money out of Russia and cleaning that money for reinvestment into Russia.” The group had \$45 million in holdings confiscated. (See enclosed source documents.)

VimpelCom Investigation

The SEC and the Netherlands are currently conducting a criminal investigation into VimpelCom, a Russian telecoms company whose majority shareholder is Alfa Group owner Mikhail Fridman (another close advisor of Putin). The investigation is connected to a broader money laundering and corruption probe involving telecoms in Uzbekistan. VimpelCom Ltd. is based out of WQ’s Bermuda office where Smith acts as its corporate secretary. (See enclosed source documents.)

Russian Investments

Hoskins, Smith, Forrest, and another WQ administrator, Penny Cornell, also have extensive ties to investments in the Russian energy sector.

- Spectrum Partners Ltd. is a holding company based out of the WQ office where both Forrest and Cornell serve as director and COO of Spectrum Partners, respectively.
- Spectrum “seeks to provide its clients with a broad range of investment opportunities in various geographical regions of the Former Soviet Union.” Included in Spectrum’s portfolio is a fund



called the “Spectrum Russia Absolute Fund,” with 53% of its assets invested in the Russian oil and gas industry.

- In 2002, Spectrum partnered with Marcuard Holdings to form Marcuard-Spectrum, a Moscow-based investment firm to operate hedge funds in Bermuda such as Marcuard Spectrum Ltd (also based out of the WQ office).
- Nicholas Hoskins serves as Director and Vice President of Marcuard Services, a subsidiary of Marcuard Holding Limited alongside the Chairman of Russian state-owned gas company Rosneft in Hans Rudloff. (See enclosed source documents.)
- Nicholas Hoskins also serves as director for the holding company of Russian investment banking firm Troika Dialog. Troika Dialog Holding is one of the largest shareholders in an oil company owned by Russian oligarch Alexander Lebedev.

CONCLUSION

The evidence as outlined above raises serious questions about the potential for high-level Russian oil and political interests funding attacks on U.S. energy development by the American environmental movement in an effort to diminish international competition for oil production and protect Russian energy interests.